

1 April 2020 to 31 March 2021



M&G Investment funds
Annual Value
Assessment Report

Overview from the Board of M&G Securities Limited

M&G's purpose is to help people manage and grow their savings and investments. This report – the second annual assessment of the value provided to investors in each of M&G Securities Limited's (M&G's) UK-based funds – is designed to help you to see whether M&G's charges are justified in the context of the overall service it delivers.

As in 2020, we, the Board of M&G Securities Limited, have objectively evaluated the value provided to you by M&G funds according to a range of criteria, including the quality of service you receive, whether funds are competitively priced and, of course, long-term investment performance. You can read about these criteria, as well as the Board and our role in Value Assessment, over the coming pages.

An improved report for 2021

This report is for you, and others like you, who entrust their investments to M&G. We are delighted with the positive feedback received on our inaugural report, and have been guided by customers on how to improve it this time around.

I would personally like to thank all those customers who shared their views with us, whether through our website, at one of our panel discussions, or in their correspondence with us.

To make this year's report more useful, we have changed the format to make it much shorter. It remains every bit as thorough, however. You may also notice the fresh new look, with new illustrations – including how M&G's fund charges stack up against competitors'.

As part of its journey to becoming a fully sustainable business, more of M&G's funds now explicitly aim to contribute towards a better future for global society. For funds that have these non-financial objectives or considerations in their investment policies and approaches, we have assessed progress against them – just as we do for financial performance.

A year of progress

We were unable to conclude in 2020 that value had been delivered to investors in all of M&G's UK-based funds. A significant amount of progress has been made over the past year.

Charges on M&G's range of UK-based funds have been cut further, making them more competitively priced relative to peers and meaning many investors can now enjoy greater potential returns over the years ahead.

The performance of many M&G funds has also improved. As global markets recovered from the tumult of early 2020, some funds have met their performance objectives handsomely. Where funds have not delivered the investment outcomes we would want, the Board has conducted reviews with investment teams and we continue to monitor performance closely.

We hold the highest expectations of M&G on behalf of investors and, where we believe the company could do better, we have said so in this report. Although we are unable to conclude that value has been delivered to all investors this year, this should not cloud the progress that has been made in recent months.

We include details of the many actions taken to improve value this year on pages 5 and 6. This includes how issues that led to our conclusions of "unsatisfactory" value for three funds in 2020 have been addressed.

A commitment to value

I would like to acknowledge the hard work by everyone involved in this Value Assessment. We have welcomed the openness and willingness of M&G teams to tackle improvements that we have together identified.

We have a commitment to delivering long-term value to investors in M&G's range of funds, and present this report as another step on this journey.



Laurence Mumford

Laurence Mumford

Chair of M&G Securities Limited (MGSL), on behalf of the MGSL Board

Introducing the Board

It has always been our responsibility, as the Board of M&G Securities Limited (MGSL), to think and act on your behalf, and to ensure your interests are being well served. We do so in our official role as the Authorised Corporate Director (ACD) of M&G Investment funds.

Our responsibility is to offer independent scrutiny of how M&G's funds are managed. This annual Value Assessment is a welcome opportunity for us to demonstrate how we do this.

Our independent oversight

Two of our Board members, Carolan Dobson and Michelle McGrade, are independent non-executive directors who have no financial links with M&G Investments or its parent company, M&G plc. Both bring extensive executive and non-executive experience to the Board, and have played an active role in this Value Assessment.

Of the remaining Board members, none are M&G fund managers. This helps ensure there are no conflicts of interest when it comes to evaluating value, fund-by-fund, in the best interests of investors.

We meet regularly – by video call over the past year or so – to hold the fund management business to account. We receive regular reports from different parts of the company to support our oversight of the business. We follow up with focused discussions, including with the investment team to probe fund performance and with distribution colleagues to interrogate the quality of service being delivered to customers.

The Value Assessment may only be published once a year, but it reflects work undertaken in our oversight of the fund management business all year round.

Our role in Value Assessment

Since last year's inaugural Value Assessment, we have scrutinised the breadth of factors that influence the value delivered to investors in M&G's range of funds. As well as challenging parts of the business on their performance, we have learned of improvements that have been made.

Our approach in addressing issues has been to start by investigating the reasons behind them, and what work is taking place to address them and improve value for investors.

In all cases where issues were identified in the 2020 Value Assessment, we have monitored progress very closely over the past year. We report on the progress made to address each issue on pages 5 and 6.

We have also taken a keen interest in how the conclusions of our annual Value Assessment are published in this report. It is very important to us that our findings are presented in a clear and engaging way, so we have worked with colleagues to improve on our inaugural effort.

After listening to feedback from customers, you will find this year's report is more concise and visually engaging, without losing the detail that we know many of you appreciate. We hope you like the changes.

Meet the Board members



Laurence Mumford

Chairman of MGSL and a board member since 2004. Laurence is Funds Services Director for M&G Investments, where he is responsible for the oversight of services delivered by M&G's partners, including investor servicing and fund accounting. Laurence is a chartered accountant and, prior to joining M&G in 2000, previously worked at PricewaterhouseCoopers. Laurence holds a degree in mathematics from the University of Exeter.



Neal Brooks

Global Head of Solutions, Product & Specialists at M&G for equity, fixed income and multi-asset investing, and an MGSL board member since May 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 & Wales.



Phil Jelfs

Director of Product and Solutions at M&G Investments and an MGSL board member since 2013. 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' investment management experience, with an executive career including roles with Virgin Money, TD Direct Investing, Mediolaunum and Coutts. Michelle is currently also a non-executive director of The Diverse Income Trust and is an advisor to the investment committee at Wealthify.

Action to improve value for investors

In our inaugural 2020 Value Assessment, we identified certain issues that undermined the overall value delivered to investors in a number of M&G's funds.

We chose to publish these issues in our report as we believe transparency – above and beyond what is simply required – is valued by our customers. We also promised to report back on what had been done to address them.

Over the past 12 months, M&G has taken important steps to resolve these issues and, more broadly, enhance the value it delivers to investors in its range of UK-based funds.

Below, you will find a full list of the issues that we flagged in 2020 and what has been done to address them and improve value.

The issue last year	Our action since the last Value Assessment
<p>M&G Property Portfolio (and M&G Feeder of Property Portfolio) Criteria 1. Quality of services</p> <p>Between 4 December 2019 and 10 May 2021, dealing in the fund had been suspended, meaning investors were unable to deal daily, as specified in the fund's prospectus.</p>	<ol style="list-style-type: none"> 1. The fund was actively managed by M&G throughout suspension. The objective of raising cash levels was balanced with the need to protect the interests of all our investors, with a targeted sales programme also focused on preserving the portfolio's integrity and long-term prospects. 2. Recognising the inconvenience of being unable to deal in the fund for investors, M&G waived 30% of the fund's annual charge during suspension. Additionally, M&G has not charged fees on cash levels above 20% and will not until the end of 2021. 3. We formally reviewed the suspension on a monthly basis and kept investors updated via the M&G website. The fund was reopened for dealing on 10 May 2021 once we were satisfied that the fund had a suitable liquidity position for customers who wished to sell their investment and for those who wished to remain invested. 4. To provide greater dealing clarity in the future, and stronger alignment with the fund's long-term horizon, M&G has made several changes to the fund. This includes the pricing methodology, which changed to dual pricing on a full spread basis on 25 June 2021. In addition, the recently updated target cash weighting, of 20% in normal market conditions, will enhance liquidity management. M&G will bear the costs of implementing these changes, and a letter with details was sent to customers and published to the M&G website.
<p>M&G Pan European Select Smaller Companies Fund Criteria 2. Investment performance</p> <p>The fund had consistently fallen short of its performance target.</p>	<p>Over the past year, the investment team have made a number of enhancements to the portfolio construction process. Whilst longer-term performance remains disappointing, shorter-term performance has improved. The fund ('I' shares) outperformed its benchmark, the EMIX Smaller European Companies Index, by 8.7 percentage points in the 12-month period ending 31 March 2021.</p>
<p>M&G Recovery Fund Criteria 2. Investment performance</p> <p>The fund had consistently fallen short of its performance target.</p>	<p>As part of a review of M&G's fund range, the investment approach of the M&G Recovery Fund has been refreshed. Under Michael Stiasny, who became fund manager on 31 December 2020, there is now an increased focus on the unloved mid-sized companies which have contributed most to value creation over the fund's lifetime and the valuation opportunities so often found when companies are going through difficulty.</p>
<p>M&G Episode Growth Fund M&G Managed Growth Fund Criteria 2. Investment performance</p> <p>These funds had failed to meet their performance objectives.</p>	<p>As part of a review of M&G's fund range, these funds' respective objectives were updated on 2 February 2021 to reflect more appropriate peer-focused performance targets, below:</p> <ul style="list-style-type: none"> • M&G Episode Growth Fund – IA Mixed Investment 40-85% Shares Sector. • M&G Managed Growth Fund – IA Flexible Investment Sector. <p>M&G wrote to investors in these funds in November 2020 to inform them.</p>

The issue last year	Our action since the last Value Assessment
<p>M&G European Index Tracker Fund M&G Index Tracker Fund Criteria 2. Investment performance These funds had failed to meet their performance objectives.</p>	<p>As part of a review of M&G's fund range, these funds' respective investment objectives were updated on 28 May 2021 to reflect clarifications of their performance targets. Their objectives now specify that the funds aim to track their respective indices before charges, and that the returns received by investors will be reduced by the effect of charges.</p> <p>M&G wrote to investors in these funds in April 2021 to inform them.</p>
<p>M&G Global Floating Rate High Yield Fund Criteria 2. Investment performance The fund had failed to meet its performance objective.</p>	<p>As part of a review of M&G's fund range, the fund's objective was updated on 12 April 2021 to explicitly include an appropriate performance target, as follows:</p> <p>"The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the ICE BofAML Global Floating Rate High Yield Index (3% constrained) GBP Hedged over any five-year period."</p> <p>M&G wrote to investors in the fund in March 2021 to inform them.</p>
<p>M&G Global Target Return Fund Criteria 2. Investment performance The fund had failed to meet its performance objective.</p>	<p>As part of a review of M&G's fund range, the fund's objective was updated on 20 July 2021 to reflect a more appropriate performance target, below:</p> <p>"At least 2%-4% per annum above the Sterling Overnight Index Average (SONIA) rate, before charges, in any market conditions and over any three-year period."</p> <p>Investment yields have fallen considerably since the fund's launch, providing a challenging backdrop for the fund. We believe that adjusting the fund's target total return will set a more realistic expectation for future returns.</p> <p>M&G wrote to investors in the fund in May 2021 to inform them.</p>
<p>M&G Episode Macro Fund Criteria 2. Investment performance The fund had failed to meet its performance objective. Criteria 5. Comparable market rates The fund also had share classes that are among the most expensive quartile in its peer group.</p>	<p>As part of a review of M&G's fund range, the decision was made to close the fund on 2 October 2020. Having gained limited traction with UK investors since its launch, the fund was no longer deemed to be commercially viable.</p> <p>M&G wrote to investors in the fund in July 2020 to inform them and outline their options.</p>
<p>M&G European Corporate Bond Fund M&G Global Floating Rate High Yield Fund M&G Optimal Income Fund Criteria 5. Comparable market rates These funds had share classes that are among the most expensive quartile in its peer group.</p>	<p>A major review of the annual charges for M&G's range of UK-based funds has been undertaken since the last Value Assessment. As a result, M&G has realigned fees across its range of UK-based funds to ensure charges consistently reflect all the costs involved in managing a fund and delivering a good service.</p> <p>We are pleased that this resulted in the reduction of annual charges on a wide range of funds, effective 15 February 2021.</p>
<p>M&G Corporate Bond Fund M&G European Corporate Bond Fund M&G Strategic Corporate Bond Fund Criteria 6. Comparable M&G services There were comparable funds or mandates that were materially cheaper than share classes in certain funds.</p> <p>Criteria 7. Share classes For most funds, there were inconsistencies between what some advised and non-advised investors were charged, given the services they receive from M&G and any investment advice services they receive from others.</p>	<p>The reduction in charge is not the same across all funds. This is because the review identified that the reduction for some funds should be higher, while some funds were already offering better value for money than others, so didn't need any or the same level of reduction.</p> <p>You can find details of M&G's new reduced annual charges here.</p>
<p>Criteria 7. Share classes For most funds, there were inconsistencies between what a small number of corporate (non-individual) investors are charged and the services they receive.</p>	<p>Inconsistencies have been addressed during the major review of the annual charges for M&G's range of UK-based funds. M&G has contacted all corporate investors affected, where it had not already done so.</p>

A year of progress

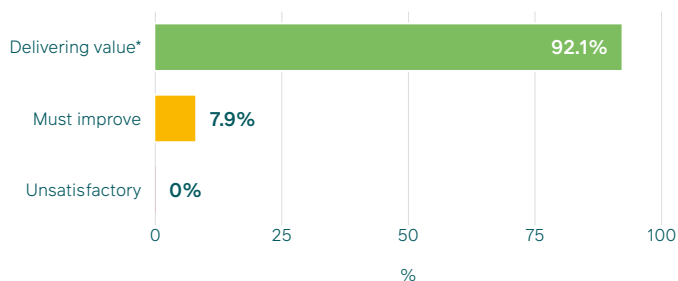
When we published our first Value Assessment in 2020, we were emerging from our first ‘lockdown’ of the COVID-19 pandemic in the UK and global markets had started to recover from their sharpest downturn in a generation.

The pandemic has of course dominated the past year and has presented major challenges for M&G and its colleagues, most of whom have been working remotely from home throughout. We have observed their efforts to deliver improved value to customers over the past year, and commend their achievements.

It is pleasing for us to report on the strong, tangible progress that has been made by M&G since last year’s Value Assessment. That we believe improvements have been made is evident from the value ratings we have awarded this year, compared to last year.

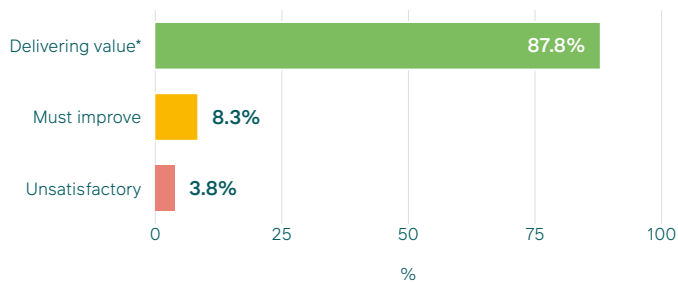
Overall fund ratings 2021

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



Overall fund ratings 2020

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



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

There are two key areas where we believe important progress has been made in improving value for M&G customers in the year ending 31 March 2021 – fund performance and charges.

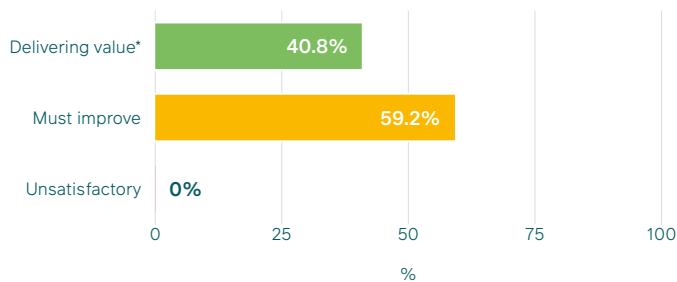
Improved performance

We understand that investors trust their savings with M&G to help achieve their investment goals. The financial performance of M&G funds is critically important to those who invest in them.

After a disappointing 2020 report, in terms of performance, we are therefore heartened that more share classes in M&G funds achieved all of their investment objectives in the year ending 31 March 2021. Among those that stand out for having delivered much-improved performance are the M&G Optimal Income Fund and the M&G Japan Smaller Companies Fund.

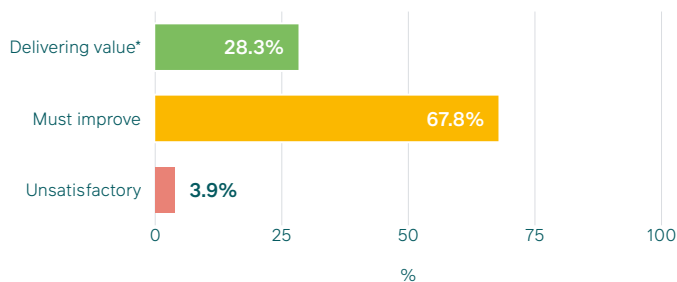
Investment performance ratings 2021

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



Investment performance ratings 2020

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



While many funds still did not achieve all of their performance objectives in the period to 31 March 2021, we note that most funds have five-year objectives. This means that strong one-year performance may not be enough to get a fund fully back on track, especially given the severity of the global market downturn at the onset of the pandemic in early 2020. We find that in many cases it is underperformance from previous years – not the past one – that has determined our “must improve” ratings for this criterion. This includes the M&G Recovery Fund, which strongly outperformed its benchmark over this 12-month review period.

Several underperforming funds have seen changes to their management or investment approach over the past couple of years. Additionally, we are encouraged by the recently announced appointment of an experienced new chief investment officer for equities – an asset class where several M&G funds have not consistently met their performance objectives. We are satisfied that action has been taken by M&G to address underperformance where we believe it needs to be. Such changes can require time to take effect, but we will be closely scrutinising investment performance in all cases where funds are not meeting their objectives.

Lower charges

A number of the issues identified in the last Value Assessment arose from anomalies in fund pricing. In some cases, M&G funds were found to be more expensive than most of their competitors.

To address this, a comprehensive review was undertaken over the past year. This was a major project that looked to increase the long-term competitiveness of M&G’s fund pricing, and improve outcomes for investors. We are very pleased that this led to meaningful reductions in fund charges that most investors in M&G Investments’ UK-based funds now enjoy.

Since 15 February 2021, investors in most UK-based M&G funds have benefitted from lower annual charges, which have been cut by as much as 0.40% in some cases. The fee reductions were not the same across all funds and share classes. This is because M&G’s analysis identified that cuts should be higher for some funds, whereas some funds were already offering better

value for money than others, so didn’t need any or the same level of reduction. You can read full details of the changes on M&G’s website, [here](#).

After the changes, we find that most of M&G’s UK-based funds are among the cheapest in their respective peer groups. For one in six funds, we find their ‘I’ shares are actually the cheapest. This is great news for investors, since lower charges mean potential for greater long-term returns.

Quality of services

On the face of it, we have downgraded our assessment of the value delivered through M&G’s quality of services. This year, we rate all funds as “satisfactory” for this criterion, down from “good” in 2020.

Rather than reflecting any deterioration in the service provided to investors, however, this year’s rating follows changes to how we evaluate this measure of value. Building on our first assessment, we have improved the rigour of our methodology for this criterion. This has, in effect, raised the bar for awarding a “good” rating. This aligns with M&G’s own very high standards for customer service.

While we have awarded a “satisfactory” rating for the quality of services delivered over the review period, this should in no way diminish the efforts of M&G colleagues to ensure a continuity of service to customers during the pandemic.

The past year has presented many unforeseen challenges, with the vast majority of colleagues working from home, often also looking after children or relatives. At times, this meant it took longer for calls to be answered and written responses to be prepared. This notwithstanding, we believe M&G delivered value through the services provided to the spectrum of customers during a period when oscillating markets made their support especially important.

It goes without saying that we aspire for M&G’s quality of services to be rated as “good” or “outstanding” in the future. Fresh investment is being made this year to continue improving M&G’s client services. We look forward to reporting on the improvements that have been made in the next Value Assessment.

Sustainability at M&G



M&G believes that well-governed businesses, run in a sustainable way, should deliver stronger, more resilient investment returns in the long term for you, and better outcomes for society and the environment.

That's why it is incorporating sustainable thinking into everything it does; from the way it invests, to the way it operates its offices and interacts with its customers. M&G's goals are ambitious, but it is making progress in its journey to help customers invest for a more sustainable future.

M&G's sustainability journey

As a FTSE 100 company and as a long-term asset owner and asset manager, M&G embraces its responsibility, to both its customers and wider society, to invest in ways which ensure a sustainable future, including tackling climate change and enabling the transition to a low-carbon economy.

At the core of M&G's sustainability strategy is a ten-point sustainability plan which sets out its priorities, where it is on its journey to becoming a fully sustainable business, and the next steps towards reaching its ambitious targets. You can read about this plan in M&G's 2020/21 Sustainability Report, [here](#).

In March 2020, M&G announced its commitment to reduce operational carbon emissions to net zero by 2030, at the latest. It is committed to net zero carbon emissions on its total book of assets under management and administration by 2050.

M&G believes that environmental, social and governance (ESG) factors can have a material impact on how investments perform financially over the long term. This is why it explicitly and systematically includes ESG factors in its investment analysis and decisions, wherever they are meaningful to risk and return.

As active investors, M&G can engage with the companies that it invests in, and by using its votes, where it is a shareholder, to advance sustainability goals and drive change. As well as undertaking constructive engagement to better understand their ESG strengths and weaknesses, M&G has developed internal tools to foster deeper integration of ESG factors.

Sustainability and value

Today, M&G offers an expanding range of funds that have dual objectives: to target long-term financial returns for its customers and to contribute towards a better future for society and the planet.

Within this range, there are sustainable funds – which make investments in companies driven by sustainability themed considerations, like climate change – and impact funds, which go one step further and invest in companies that intentionally aim to address some of the world's greatest social and environmental challenges.

Where funds have non-financial objectives or refer to non-financial considerations in their investment policies and approaches, we evaluate performance against these within this assessment of value, as part of 'Investment performance'. For these funds, our opinions on performance against non-financial objectives or considerations are their included under 'Focus on sustainability'.

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 from anywhere in the document 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:

- Your fund name**
the 'M&G Optimal Income Fund', for example
- Your share class**
this is a letter, such as 'A', 'I', 'R', etc

You do not need to know whether you hold 'accumulation' (Acc) or 'income' (Inc) units in any given fund. This is because our assessment for each fund and share class captures both.

For your information, we have provided a summary for each M&G share class – including who generally invests in them and the services they receive – in the [Appendix](#) of this report.

How to check your M&G holdings

- If you invest directly with M&G using our postal and 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 directly through our online-based service, myM&G, you can log in to find details of your holdings
- 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

We have developed our own methodology for each of the criteria, based on objective and rigorous analysis of what we consider to be the most relevant metrics of value. We have used a combination of external and internal information in the process.

We have adopted the seven criteria of value laid out by our regulator, the Financial Conduct Authority (FCA).

The 'scores' awarded for each criteria together determine an overall rating for that respective share class of a fund. The criteria do not carry equal importance. More weight has been attached 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.

Here is a summary of the criteria that have been laid out by the FCA for us to evaluate the value delivered by M&G funds. We include a more detailed methodology for your reference in the [Appendix](#) of this report.

1. Quality of services



We evaluate the quality of each service delivered to our investors by M&G, including the different sub-services that are delivered to different investor groups. These are broadly grouped into the following:

- Investment services**
 These include investment strategy and decision making, trading and stewardship.
- Fund and asset servicing**
 These are behind-the-scenes services vital to the good running of our funds.
- Authorised Corporate Director**
 The Board of MGSL is responsible to ensure funds are run in the best interests of investors.
- Brand**
 The integrity and strength of the M&G brand is valued by investors.
- Client services**
 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 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.

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, which 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 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 assess the extent to which any savings arising from the scale of a fund are reflected in value for our investors.

For 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 profitable to run. M&G applies a discount to a fund's annual charge when its assets under management exceed £1 billion.

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. Then, for share classes that receive an additional service from M&G, we 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 (being the peer group that it is part of). This peer group 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. 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 to those of similar funds and mandates managed by M&G, 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, and evaluate whether our investors are in the most appropriate share class.



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. No investor should be paying more than others to access the same product with substantially similar rights and services.

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	I	R	X	PP	Page	
M&G Absolute Return Bond Fund	3	3	□	□	3	15	<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>**These funds only have hedged share classes. Their overall ratings are presented under their corresponding share class letter in this table, eg 'A-H' is presented as 'A', etc.</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 Asian Fund	3	3	3	3	3	18	
M&G Charibond Charities Fixed Interest Fund (Charibond)*	2	□	□	□	□	21	
M&G Charity Multi Asset Fund*	2	□	□	□	□	24	
M&G Climate Solutions Fund	2	2	2	□	2	27	
M&G Corporate Bond Fund	3	3	3	3	3	30	
M&G Dividend Fund	3	3	3	3	□	33	
M&G Emerging Markets Bond Fund	2	2	2	2	2	36	
M&G Emerging Markets Monthly Income Fund	2	2	2	□	2	39	
M&G Episode Allocation Fund	4	3	3	4	2	42	
M&G Episode Growth Fund	3	3	3	3	3	45	
M&G Episode Income Fund	3	3	3	3	2	48	
M&G Equities Investment Fund for Charities (Charifund)*	3	□	□	□	□	51	
M&G European Corporate Bond Fund	4	3	3	4	□	54	
M&G European Index Tracker Fund	3	3	□	□	□	57	
M&G European Select Fund	4	3	4	4	3	60	
M&G Gilt & Fixed Interest Income Fund	3	3	□	□	□	63	
M&G Global Convertibles Fund	3	3	3	□	3	66	
M&G Global Dividend Fund	3	3	3	3	3	69	
M&G Global Emerging Markets Fund	3	3	3	□	3	72	
M&G Global Enhanced Equity Premia Fund	□	2	□	□	2	75	
M&G Global Floating Rate High Yield Fund**	3	3	3	□	3	78	
M&G Global Government Bond Fund	3	2	2	□	□	81	
M&G Global High Yield Bond Fund	3	3	3	3	3	84	
M&G Global High Yield ESG Bond Fund**	2	2	2	□	2	87	
M&G Global Listed Infrastructure Fund	3	3	□	□	3	90	
M&G Global Macro Bond Fund	2	2	2	2	1	93	
M&G Global Select Fund	3	3	3	3	□	96	
M&G Global Strategic Value Fund	3	3	3	□	□	99	
M&G Global Target Return Fund	3	3	□	□	3	102	

Key

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

Fund name	A	I	R	X	PP	Page
M&G Global Themes Fund	3	2	2	3	2	105
M&G Index Tracker Fund	3	2	□	□	□	108
M&G Index-Linked Bond Fund	3	3	□	□	□	111
M&G Japan Fund	3	3	3	3	3	114
M&G Japan Smaller Companies Fund	2	2	2	2	□	117
M&G Managed Growth Fund	3	3	3	3	3	120
M&G North American Dividend Fund	3	3	3	3	3	123
M&G North American Value Fund	3	3	4	3	3	126
M&G Optimal Income Fund	3	2	3	3	2	129
M&G Pan European Select Fund	3	3	3	3	□	132
M&G Pan European Select Smaller Companies Fund	4	4	4	4	□	135
M&G Positive Impact Fund	2	2	2	□	2	138
M&G Property Portfolio (and M&G Feeder of Property Portfolio)	4	4	4	4	4	141
M&G Recovery Fund	3	3	3	3	3	144
M&G Short Dated Corporate Bond Fund	2	2	□	□	2	147
M&G Smaller Companies Fund	3	2	2	3	□	150
M&G Strategic Corporate Bond Fund	3	2	3	3	2	153
M&G Sustainable Multi Asset Balanced Fund	3	3	3	□	3	156
M&G Sustainable Multi Asset Cautious Fund	3	3	3	□	3	159
M&G Sustainable Multi Asset Fund	2	2	2	□	2	162
M&G Sustainable Multi Asset Growth Fund	3	3	3	□	3	165
M&G UK Income Distribution Fund	3	3	3	3	□	168
M&G UK Inflation Linked Corporate Bond Fund	2	2	2	□	2	171
M&G UK Select Fund	3	2	2	3	2	174
Methodology of the Value Assessment						177
Fund benchmarks						181
A summary of M&G fund share classes						189
Glossary of terms						191

In this summary we have only included the overall value ratings for the most common Sterling share classes in our funds. **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. **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.

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.

Key

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

M&G Absolute Return 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, except investment performance. The fund did not achieve its investment objective, once charges are taken into account, having been hit by the exceptional global market downturn in early 2020. However, we believe investors benefit from annual charges that are found to be lower than most competitors. Overall, we find that “satisfactory” value has been delivered overall 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	0.80%	3	3	4	3	3	3	2	3
Sterling I	0.45%	3	3	4	3	3	2	2	3
Sterling PP	0.35%	3	3	4	3	3	2	2	3
Sterling L	0.25%	3	3	4	3	3	2	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance

The fund aims to achieve a total return (the combination of income and capital growth) of at least 2.5% per annum above the 3-month GBP LIBOR rate, before any charges are taken, in any market conditions and over any three-year period. LIBOR is the rate at which banks borrow money from each other.

The fund aims to achieve this while seeking to minimise the degree to which the value of the fund fluctuates over time (volatility), while also seeking to limit monthly losses. Managing the fund in this way reduces its ability to achieve returns significantly above 3-month GBP LIBOR plus 2.5%.

Please note that from 20 July 2021, the Sterling Overnight Index Average rate (SONIA) replaces the 3-month GBP LIBOR rate in the fund’s objective.

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

The fund did not achieve its total return objective over the three-year period ending 31 March 2021, once charges are taken into account, and it exceeded volatility thresholds intended to limit losses during difficult market conditions. We therefore rate all share classes as “must improve”. (Note that while the fund objective is gross of fees, we have considered returns net of fees in this Value Assessment.)

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	2.6%	3.1%	-
Sterling A	9.7%	2.6%	-
Sterling I	10.0%	2.8%	-
Sterling PP	10.1%	2.9%	-
Sterling L	10.1%	2.9%	-

Past performance is not a guide to future performance. Fund returns are shown net of charges.

Benchmark: 3-month GBP LIBOR + 2.5%

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 2021. 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”.

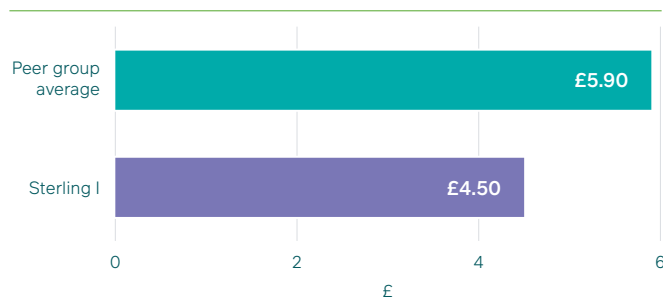
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate most share classes as "good". After taking account of the effective charge for additional services provided to 'A' share class investors, we rate its value 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Asian 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. Despite an improvement in investment performance since the last Value Assessment, the fund did not meet its five-year objective. Overall, we find that “satisfactory” value has been delivered overall 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	1.35%	3	3	4	3	3	3	2	3
Sterling X	1.35%	3	3	4	3	3	3	2	3
Sterling R	1.20%	3	3	4	3	3	3	2	3
Sterling I	0.95%	3	3	4	3	3	3	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward under the new fund management team that took over in December 2019.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the MSCI AC Asia Pacific ex Japan Index over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	42.9%	10.0%	14.3%
Sterling A	45.3%	7.1%	10.5%
Sterling X	45.3%	7.1%	10.5%
Sterling R	45.7%	7.5%	11.0%
Sterling I	46.0%	7.7%	11.2%

Past performance is not a guide to future performance.

Benchmark: MSCI AC Asia Pacific ex Japan 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 2021. 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

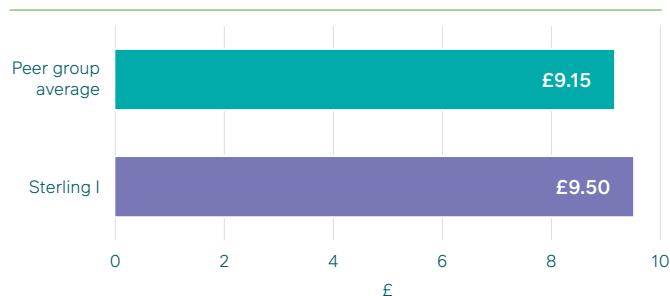


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by a custom peer group, so we rate all 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

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. We find that value has been achieved across all criteria although, having only launched in November 2019, we are unable to assess the fund’s performance against its objective. We are pleased to find that annual charges are the lowest among its competitors and, overall, we believe 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	3	1	4	3

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 the fund as “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 UK government bonds and one half UK corporate bonds, over any five-year period.

The composite index is 50% of the ICE BoAML 1-15 Gilt Index and 50% of the ICE BoAML 1-15 Non Gilt Index.

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

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	2.3%	-	-
Sterling	2.7%	-	-

Past performance is not a guide to future performance.

Benchmark: 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 2021. 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



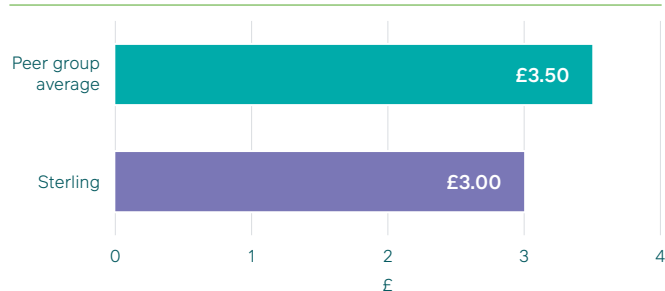
The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates



The fund's annual charges are found to be the least expensive among competitor funds, as defined by a custom peer group, 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 2021.

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



Given there is only a single share class, we rate the fund as "satisfactory".

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 only launched in November 2019, we are unable to assess the fund’s performance against its objective. We find that the fund’s annual charges are lower than most competitors and, overall, we believe 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	0.50%	2	3	4	3	3	2	4	3

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 the fund as “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.

*Comprising of 45% of the FTSE All-Share Index, 30% of the MSCI ACWI (ex UK) Index, 12.5% of the ICE BoAML 1-15 Gilt Index and 12.5% of the ICE BoAML 1-15 Non-Gilt Index.

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

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	24.6%	-	-
Sterling	28.5%	-	-

Past performance is not a guide to future performance.

Benchmark: 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 2021. 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

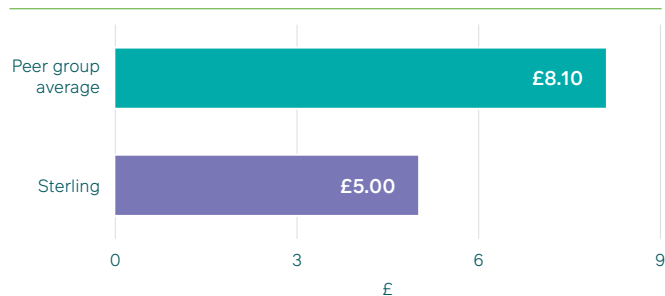


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be less expensive than most competitor funds, as defined by a custom peer group, so we rate the fund as "good".

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 2021.

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

Given there is only a single share class, we rate the fund as "satisfactory".

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 all criteria although, having only launched in November 2020, we are unable to assess the fund’s performance against its objectives. We believe 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	3	3	2	□
Sterling R	0.95%	2	3	□	3	3	3	2	□
Sterling I	0.70%	2	3	□	3	3	2	2	□
Sterling PP	0.60%	2	3	□	3	3	1	2	□
Sterling Z	0.00%	2	3	□	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 “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 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 2021

Share classes	One-year	Three-year	Five-year
Benchmark	-	-	-
Sterling A	-	-	-
Sterling R	-	-	-
Sterling I	-	-	-
Sterling PP	-	-	-
Sterling Z	-	-	-

Past performance is not a guide to future performance.

Benchmark: 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 2021. 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”.

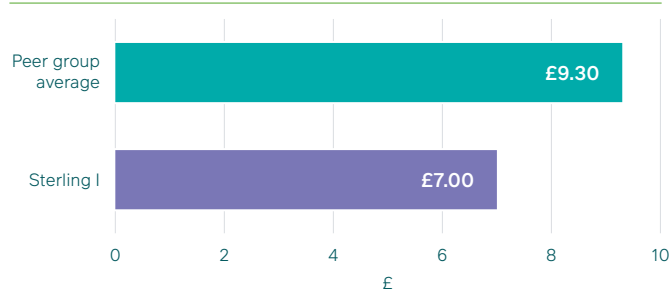
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "good" and "outstanding" respectively. After taking account of the effective charge for additional services provided to 'A' and 'R' share class investors, we rate their value 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 2021.

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

Similar funds or mandates that are managed by M&G are not materially cheaper than the fund, so we rate all share classes in the fund as "good".

7. Share classes

Having only recently launched, an assessment of whether investors are in the most appropriate share class has not yet been undertaken.

M&G 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 most criteria, although not investment performance. Despite improved performance since the last Value Assessment, not all share classes have been rated as “satisfactory” when assessed against the fund’s objective. The fund’s highest charging share classes are also found to be relatively expensive compared to most competitors. More positively, we believe all investors benefit from the fund’s economies of scale and low running costs relative to comparable M&G funds. 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	0.79%	3	3	4	2	2	4	3	3
Sterling X	0.79%	3	3	4	2	2	4	3	3
Sterling R	0.64%	3	3	3	2	2	3	3	3
Sterling I	0.39%	3	3	3	2	2	2	3	3
Sterling PP	0.29%	3	3	3	2	2	2	3	3

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 share class did not meet the fund’s objective.	2	After a thorough review of the fund’s performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward. However, the effect of higher charges (to reflect additional services provided to investors) makes it particularly challenging for the ‘A’ and ‘X’ share classes to outperform the fund’s benchmark.
The fund has share classes that are among the most expensive quartile in its peer group.	5	Although the annual charge for the fund’s ‘I’ share class (0.39%, after a discount for being a larger fund) is very competitive, those of the ‘A’ and ‘X’ (0.79%, after a discount for being a larger fund) are not. We are satisfied that the difference in annual charge is justified by the additional cost of M&G providing phone and postal client services to these investors. Nonetheless, we believe it is important that investors in the ‘A’ and ‘X’ share classes understand that it is particularly challenging for the fund to outperform its benchmark, given benchmark returns exclude the additional cost of providing services to investors. We will consider how best to engage those investors on this subject.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 IA £ Corporate Bond Sector over any five-year period.

Although the fund did not meet its investment objective over the five-year period ending 31 March 2021, it has a track record of delivering outperformance for most of the past decade. We therefore rate most share classes as “satisfactory”. Higher-charging ‘A’ and ‘X’ share classes are rated as “must improve”, however.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	9.1%	4.2%	4.7%
Sterling A	10.4%	3.8%	4.0%
Sterling X	10.4%	3.8%	4.0%
Sterling R	10.6%	4.0%	4.3%
Sterling I	10.9%	4.3%	4.5%
Sterling PP	11.1%	4.4%	4.6%

Past performance is not a guide to future performance.

Benchmark: IA £ Corporate Bond Sector Average

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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

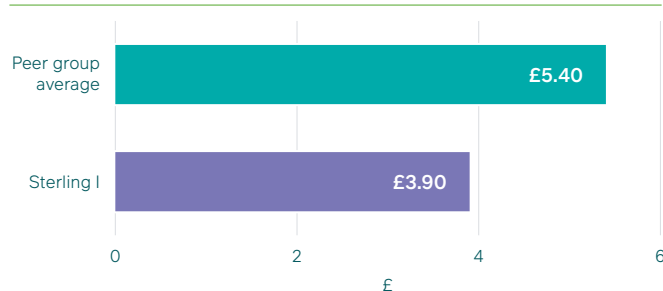


Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'R' and 'A'/'X' share class investors, we rate their value as "satisfactory" and "must improve" respectively.

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 2021.

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 annual 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 "satisfactory".

M&G 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. The fund did not achieve two of its three objectives in a challenging year for dividend investors, when many UK companies cut or suspended their distributions to shareholders. However, we believe investors benefit from the fund's economies of scale, annual charges that are found to be lower than most competitors, and low running costs relative to comparable M&G funds. 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	1.08%	3	3	4	2	2	3	3	3
Sterling X	1.08%	3	3	4	2	2	3	3	3
Sterling R	0.93%	3	3	4	2	2	3	3	3
Sterling I	0.68%	3	3	4	2	2	2	3	3

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
The fund did not achieve all of its objectives.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance



The fund has three aims:

- To provide an annual yield higher than that of the FTSE All-Share Index.
- To provide an income stream that increases every year.
- To provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than that of the FTSE All-Share Index over any five-year period.

While the fund has met its yield objective, its income growth and five-year capital growth objectives have not been met in the period ending 31 March 2021. We therefore rate the fund as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	26.7%	3.2%	6.3%
Sterling A	33.0%	2.6%	2.9%
Sterling X	33.0%	2.6%	2.9%
Sterling R	33.3%	3.0%	3.4%
Sterling I	33.7%	3.2%	3.6%

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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

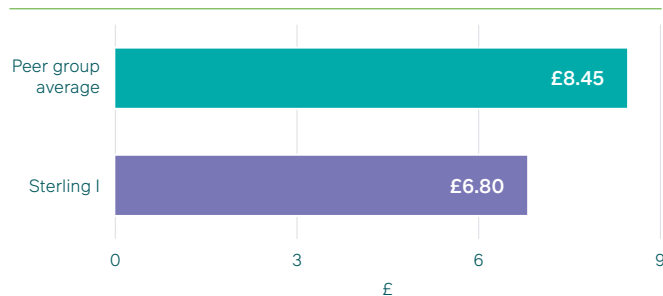


Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' share class as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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 annual 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 "satisfactory".

M&G Emerging Markets 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. The fund has met its investment objective and outperformed its benchmark over five years. We also believe investors benefit from annual charges that are found 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	2	3	3	3	3	3
Sterling X	1.10%	2	3	2	3	3	3	3	3
Sterling R	0.95%	2	3	2	3	3	3	3	3
Sterling I	0.70%	2	3	2	3	3	2	3	3
Sterling PP	0.60%	2	3	2	3	3	2	3	3
Sterling I-H	0.73%	2	3	2	3	3	2	3	3
Sterling PP-H	0.63%	2	3	2	3	3	2	3	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance

Investment objective:

- The fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than that of a composite index over any five-year period.

The composite index is made up of one-third JPM EMBI Global Diversified Index, one-third JPM CEMBI Broad Diversified Index and one-third JPM GBI-EM Global Diversified Index.

The fund met its investment objective over the five-year period ending 31 March 2021. All unhedged share classes outperformed the fund’s benchmark and we therefore rate them as “good”. Although the ‘I-H’ hedged share class underperformed the benchmark over the five-year period, this was due to the effects of successful currency hedging, not fund management. Its rating therefore follows that of its unhedged equivalent, the ‘I’.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	4.1%	3.7%	5.7%
Sterling A	9.5%	3.8%	6.4%
Sterling X	9.5%	3.8%	6.4%
Sterling R	9.7%	4.1%	6.6%
Sterling I	10.0%	4.4%	7.0%
Sterling PP	10.2%	4.5%	7.0%
Sterling I-H	21.7%	1.9%	4.6%
Sterling PP-H	–	–	–

Past performance is not a guide to future performance.

Benchmark: 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 shown in Sterling. For details, please refer to ‘Fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2021. 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”.

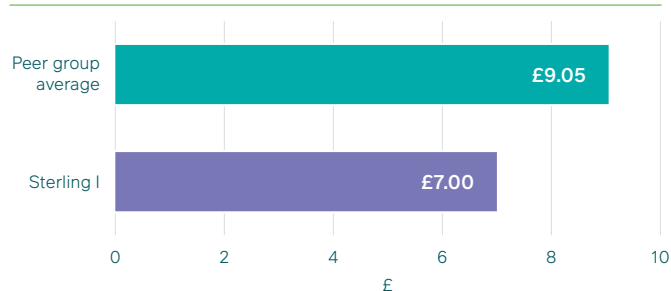
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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 annual 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 "satisfactory".

M&G Emerging Markets Monthly 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 all criteria although, having only launched in April 2020, we are unable to assess the fund’s performance against its objective. We believe 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	1.00%	2	3	Not applicable	3	3	3	2	3
Sterling R	0.85%	2	3	Not applicable	3	3	3	2	3
Sterling I	0.60%	2	3	Not applicable	3	3	2	2	3
Sterling PP	0.50%	2	3	Not applicable	3	3	2	2	3
Sterling L	0.40%	2	3	Not applicable	3	3	2	2	3

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 “satisfactory”.

2. Investment performance



The fund aims to provide:

- An annual yield of 4-6%.
- Capital growth, net of the Ongoing Charge Figure, over any five-year period.

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

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Sterling A	-	-	-
Sterling R	-	-	-
Sterling I	-	-	-
Sterling PP	-	-	-
Sterling L	-	-	-

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 2021. 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

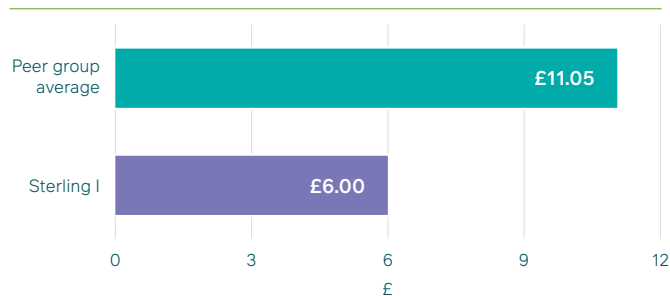


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate most share classes as "good". After taking account of the effective charge for additional services provided to 'A' and 'R' share class investors, we rate their value 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Episode Allocation Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to some, but not all, of its investors over the review period. We find that value has been achieved across all criteria, except investment performance. The highest-charging share classes did not achieve their investment objective, once charges are taken into account. Positively, annual charges are found to be lower than most competitors, however. Overall, we find that “satisfactory” or “good” value has been delivered for all except the ‘A’ and ‘X’ share classes, which are rated as “must improve”. We will continue to monitor the fund’s performance closely.

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	1.05%	4	3	4	3	3	3	<input type="checkbox"/>	3
Sterling X	1.05%	4	3	4	3	3	3	<input type="checkbox"/>	3
Sterling R	0.90%	3	3	3	3	3	3	<input type="checkbox"/>	3
Sterling I	0.65%	3	3	3	3	3	2	<input type="checkbox"/>	3
Sterling PP	0.55%	2	3	2	3	3	2	<input type="checkbox"/>	3

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 share class did not meet the fund’s objective.	2	After a thorough review of the fund’s performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance

The fund aims to deliver a total return (the combination of capital growth and income) of at least 5% per annum above the 3-month GBP LIBOR rate, before any charges are taken, over any five-year period. LIBOR is the rate at which banks borrow money from each other.

Please note that from 20 July 2021, the Sterling Overnight Index Average rate (SONIA) replaces the 3-month GBP LIBOR rate in the fund’s objective.

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.

When assessed against its investment objective, most of the fund’s share classes are rated as “satisfactory” or higher. Higher-charging ‘A’ and ‘X’ share classes that did not meet the investment objective over the five-year period ending 31 March 2021 objective, and have a track record of underperformance for most of the past decade, once charges are taken into account, are rated as “must improve”, however. (Note that while the fund objective is gross of fees, we have considered returns net of fees in this Value Assessment.)

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	5.1%	5.6%	5.5%
Sterling A	21.7%	1.3%	5.0%
Sterling X	21.7%	1.3%	5.0%
Sterling R	21.9%	1.6%	5.3%
Sterling I	22.2%	1.8%	5.5%
Sterling PP	22.4%	1.9%	5.6%

Past performance is not a guide to future performance. Fund returns are shown net of charges.

Benchmark: 3-month GBP LIBOR + 5.0%

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 2021. 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”.

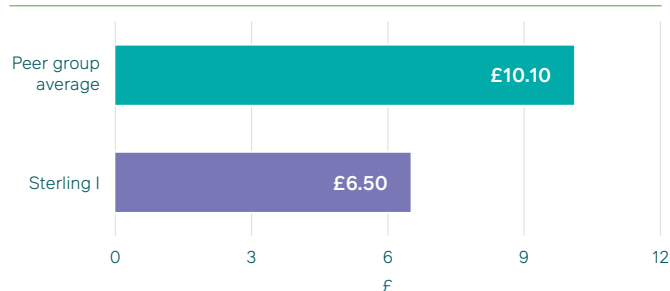
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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

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 "satisfactory".

M&G Episode Growth 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 as the fund did not achieve its five-year investment objective. However, we believe investors benefit from annual charges that are found to be lower than most competitors and low running costs relative to comparable M&G funds. 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	1.05%	3	3	4	2	3	3	<input type="checkbox"/>	3
Sterling X	1.05%	3	3	4	2	3	3	<input type="checkbox"/>	3
Sterling R	0.90%	3	3	4	2	3	3	<input type="checkbox"/>	3
Sterling I	0.65%	3	3	4	2	3	2	<input type="checkbox"/>	3
Sterling PP	0.55%	3	3	4	2	3	2	<input type="checkbox"/>	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its revised objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 IA Mixed Investment 40-85% Shares Sector over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	26.9%	10.9%	11.5%
Sterling A	27.0%	3.1%	7.0%
Sterling X	27.0%	3.1%	7.0%
Sterling R	27.3%	3.4%	7.5%
Sterling I	27.6%	3.6%	7.7%
Sterling PP	27.8%	3.8%	7.8%

Past performance is not a guide to future performance.

Benchmark: Prior to 10.12.19: 2/3 MSCI ACWI Index, 1/3 Bloomberg Barclays Global Aggregate GBP Index; 10.12.19 – 02.02.21: 2/3 MSCI ACWI Index, 1/3 Bloomberg Barclays Global Aggregate GBP Hedged Index; 02.02.21 – Present: IA Mixed Investment 40-85% 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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

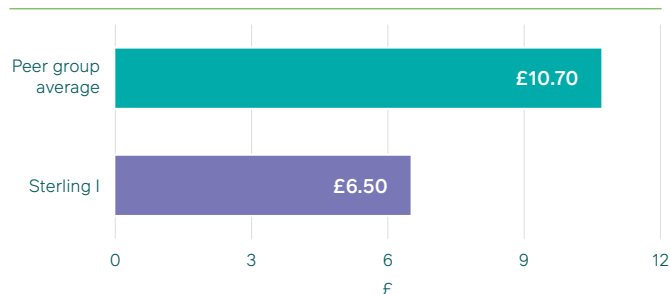


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value as "satisfactory".

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



Sector: IA Mixed Investment 40-85% Shares

Source: Morningstar, Inc. and M&G, as at 31 March 2021.

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

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 "satisfactory".

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 all criteria, except investment performance. The fund did not achieve its objectives in a challenging year for income investors, when many global companies cut or suspended their dividends to shareholders. However, we believe investors benefit from low running costs relative to comparable M&G funds and annual charges that are found to be lower than most competitors. Overall, we find that “satisfactory” value has been delivered for all share classes, with “good” value delivered to institutional ‘PP’ share class holders.

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	1.05%	3	3	4	2	3	3	2	3
Sterling X	1.05%	3	3	4	2	3	3	2	3
Sterling R	0.90%	3	3	4	2	3	3	2	3
Sterling I	0.65%	3	3	4	2	3	2	2	3
Sterling PP	0.55%	2	3	□	2	3	2	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 did not achieve either its capital growth or income growth objective over the five-year period ending 31 March 2021, and so we rate all share classes as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Sterling A	18.3%	2.5%	5.5%
Sterling X	18.3%	2.5%	5.5%
Sterling R	18.5%	2.8%	5.8%
Sterling I	18.7%	3.0%	6.1%
Sterling PP	18.9%	3.1%	6.1%

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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

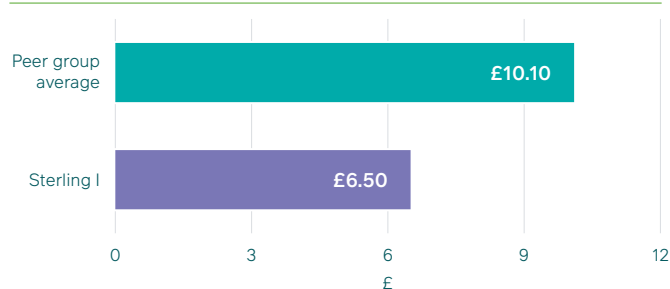


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

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 did not achieve two of its three objectives in a challenging year for dividend investors, when many UK companies cut or suspended their distributions to shareholders. However, we believe investors benefit from low running costs relative to comparable M&G funds and from annual charges that we find to be lower than most competitors. 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	0.47%	3	3	4	2	3	2	<input type="checkbox"/>	3

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
The fund did not achieve all of its objectives.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 the fund as “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 ten-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.

While the fund has met its yield objective, its income growth and ten-year capital growth objectives have not been met in the period ending 31 March 2021. We therefore rate the fund as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	26.7%	3.2%	6.3%
Sterling	29.7%	4.1%	6.0%

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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

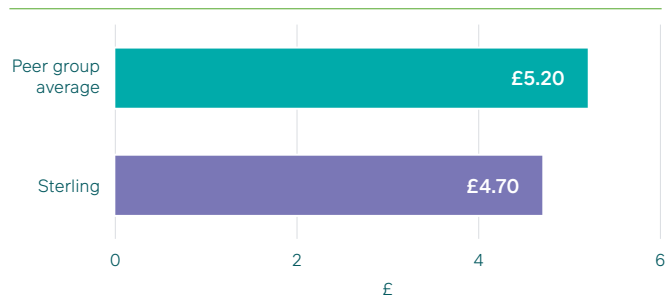
The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates



The fund's annual charges are found to be less expensive than most competitor funds, as defined by a custom peer group, so we rate the fund as "good".

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 2021.

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



Given there is only a single share class, we rate the fund as "satisfactory".

M&G European Corporate Bond Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to some, but not all, of its investors over the review period. In addition to having relatively expensive annual charges when compared with its peers, the fund's highest-charging share classes did not achieve their investment objective. Overall, we find that "satisfactory" value has been delivered for all except the 'A' and 'X' share classes, which are rated as "must improve". We will continue to monitor the fund closely.

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	0.75%	4	3	4	3	3	4	3	3
Sterling X	0.75%	4	3	4	3	3	4	3	3
Sterling R	0.60%	3	3	3	3	3	3	3	3
Sterling I	0.35%	3	3	3	3	3	2	3	3
Sterling I-H	0.38%	3	3	3	3	3	2	3	3

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 share class did not meet the fund's objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward. However, the effect of higher charges (to reflect additional services provided to investors) makes it particularly challenging for the 'A' and 'X' share classes to outperform the fund's benchmark.
The fund has share classes that are among the most expensive quartile in its peer group.	5	Although the annual charge for the fund's 'I' share class (0.35%) is very competitive, those of the 'A' and 'X' (0.75%) are found not to be, relative to competitor funds. We are satisfied, however, that the difference in annual charge is justified by the additional cost of M&G providing phone and postal client services to these investors. Nonetheless, we believe it is important that investors in the 'A' and 'X' share classes understand that it is particularly challenging for the fund to outperform its benchmark, given benchmark returns exclude the additional cost of providing services to investors. We will consider how best to engage those investors on this subject.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the ICE BofAML Euro Corporate Index over any five-year period.

Half of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, and we rate those as “satisfactory”. The higher-charging ‘A’ and ‘X’ share classes did not meet the same objective and are rated as “must improve”, however.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	4.4%	1.4%	3.8%
Sterling A	3.4%	0.7%	3.6%
Sterling X	3.4%	0.7%	3.5%
Sterling R	3.6%	1.0%	3.8%
Sterling I	3.9%	1.2%	4.1%
Sterling I-H	8.9%	3.1%	-

Past performance is not a guide to future performance.

Benchmark: ICE BofAML Euro Corporate 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 2021. 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

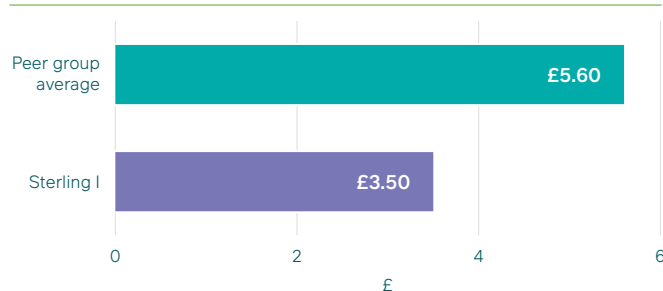


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' share class as "good". After taking account of the effective charge for additional services provided to 'R' and 'A'/'X' share class investors, however, we rate their value as "satisfactory" and "must improve" respectively.

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 2021.

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 annual 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 "satisfactory".

M&G European Index Tracker 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, and the fund has successfully tracked its benchmark index, before charges. The fund is, however, found to be more expensive than most competitor funds, but we are pleased that M&G is now reviewing the annual charges. Overall, we find that “satisfactory” value has been delivered to both 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	0.50%	3	3	3	3	3	4	3	3
Sterling I	0.25%	3	3	□	3	3	4	3	3

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
The fund has share classes that are among the most expensive quartile in its peer group.	5	This was one of the few UK-based M&G funds that did not see a reduction in annual charges in February 2021. Having now been identified as an expensive product relative to its peers, M&G is reviewing the annual charges of this fund. We look forward to reporting on progress in our next Value Assessment, if not sooner.

You can find out how we have addressed issues that were identified in the last Value Assessment on pages 5 and 6.

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 both share classes in the fund as “satisfactory”.

2. Investment performance



The fund is designed to track the FTSE World Europe ex UK Index, gross of the Ongoing Charge Figure (OCF).

Although the fund underperformed its benchmark, net of charges, over the five-year period ending 31 March 2021, it is judged to have met its investment objective, before the effect of charges. It is therefore is rated as “satisfactory”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	34.9%	8.4%	11.2%
Sterling A	34.2%	7.6%	10.2%
Sterling I	34.6%	–	–

Past performance is not a guide to future performance. Fund returns are shown net of charges.

Benchmark: FTSE World Europe ex UK 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 2021. 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

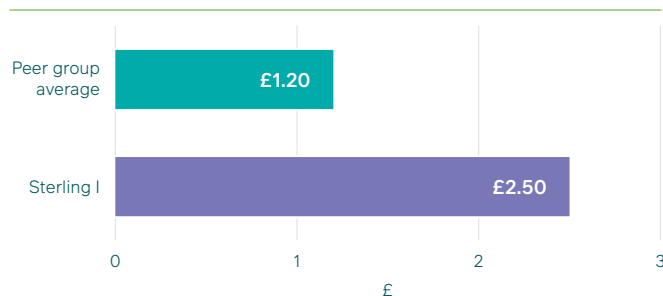


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund’s annual charges are found to be higher than the average for competitor funds, as defined by a custom peer group, so we rate both share classes as “must improve”.

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 2021.

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 annual charges and those of similar funds or mandates that are managed by M&G are not judged to be material, so we rate both 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 “satisfactory”.

M&G European Select Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to some, but not all, of its investors over the review period. We find that value has been achieved across all criteria, except investment performance. The fund did not achieve its objective in a challenging five-year period for investment strategies focused on cheaper parts of the global stockmarket. However, we believe investors benefit from annual charges that are found to be lower than most competitors. Overall, we find that value for all except the 'I' and 'PP' share classes “must improve”. We will continue to monitor performance closely.

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	0.95%	4	3	4	3	3	3	3	3
Sterling X	0.95%	4	3	4	3	3	3	3	3
Sterling R	0.80%	4	3	4	3	3	3	3	3
Sterling I	0.55%	3	3	4	3	3	2	3	3
Sterling PP	0.45%	3	3	4	3	3	2	3	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the FTSE World Europe ex UK Index over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	34.9%	8.4%	11.2%
Sterling A	36.7%	4.3%	8.2%
Sterling X	36.7%	4.3%	8.2%
Sterling R	37.1%	4.7%	8.7%
Sterling I	37.4%	4.9%	9.0%
Sterling PP	37.6%	5.0%	9.0%

Past performance is not a guide to future performance.

Benchmark: FTSE World Europe ex UK 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 2021. 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

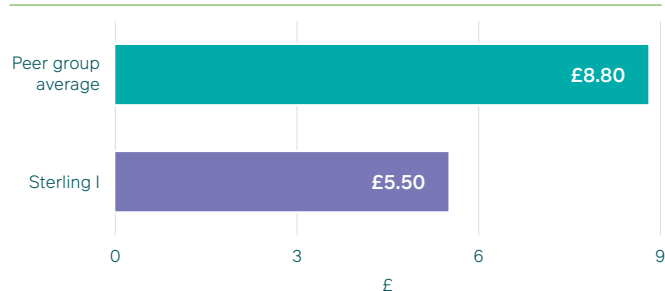


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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 annual 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 alignment 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 "satisfactory".

M&G Gilt & Fixed Interest 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 all criteria, except investment performance. The fund did not achieve its objective, having not fully captured the overall decline in UK government bond yields over the past five years. However, we believe investors benefit from annual charges that are found to be the lowest among competitor funds and low running costs relative to comparable M&G funds. Overall, we find that “satisfactory” value has been delivered for both 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	0.55%	3	3	4	2	3	2	2	3
Sterling I	0.25%	3	3	4	2	3	1	2	3

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
The fund did not achieve its investment objective.	2	<p>After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward under the new fund management team that took over in November 2020.</p> <p>Nonetheless, we note that the challenging context of record-low government bond yields makes it very difficult for this strategy to deliver strong returns.</p>

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 both share classes in the fund as “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 the FTSE UK Conventional Gilts All Stocks Index over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	-5.5%	2.5%	2.9%
Sterling A	-6.1%	1.7%	2.1%
Sterling I	-5.8%	1.9%	2.3%

Past performance is not a guide to future performance.

Benchmark: FTSE UK Conventional Gilts All Stocks 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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

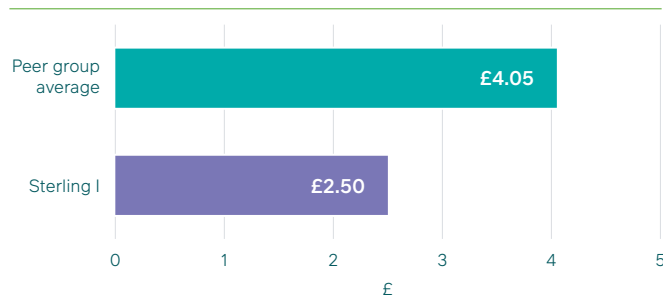


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be the least expensive among competitor funds, as defined by a custom peer group, so we rate the 'I' share class as "outstanding". After taking account of the effective charge for additional services provided to 'A' share class investors, we rate its value as "good".

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 2021.

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

Similar funds or mandates that are managed by M&G are not materially cheaper than the fund, so we rate both 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 "satisfactory".

M&G Global Convertibles 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. The fund did not achieve its five-year objective, having missed out on some of the strong-performing parts of the global convertibles market recently. However, we believe investors benefit from annual charges that are found to be the lowest among competitor funds. 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	1.25%	3	3	4	3	3	2	2	3
Sterling R	1.10%	3	3	4	3	3	3	2	3
Sterling I	0.85%	3	3	4	3	3	1	2	3
Sterling PP	0.70%	3	3	4	3	3	1	2	3
Sterling A-H	1.28%	3	3	4	3	3	3	2	3
Sterling R-H	1.13%	3	3	4	3	3	3	2	3
Sterling I-H	0.88%	3	3	4	3	3	3	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund’s performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 Thomson Reuters Global Focus Convertible Bond Index over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	23.2%	9.9%	8.7%
Benchmark (Hedged)	35.2%	9.5%	7.4%
Sterling A	20.5%	6.8%	6.0%
Sterling R	20.7%	7.2%	6.4%
Sterling I	21.0%	7.5%	6.7%
Sterling PP	21.2%	7.6%	6.8%
Sterling A-H	31.7%	5.7%	4.0%
Sterling R-H	32.2%	6.1%	4.8%
Sterling I-H	32.4%	6.4%	4.8%

Past performance is not a guide to future performance.

Benchmark: Thomson Reuters Global Focus Convertible Bond 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 2021. 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

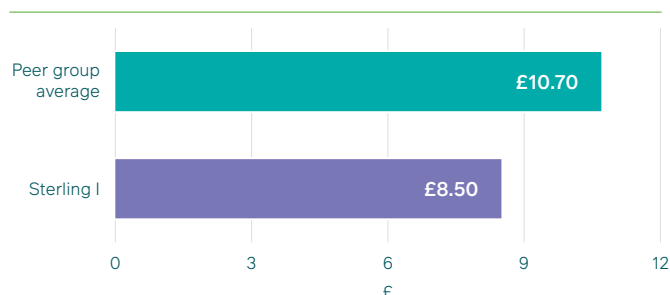


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be the least expensive among competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "outstanding". After taking account of the effective charge for additional services provided to 'A' and 'R' share class investors, we rate their value as "good" and "satisfactory" respectively. The fund's hedged share classes, which carry slightly higher annual charges than their unhedged counterparts, are also all rated 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

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. Despite improved performance since the last Value Assessment in a challenging year for dividend investors, when many global companies cut or suspended their distributions to shareholders, the fund only met two of its three objectives. However, we believe investors benefit from the fund's economies of scale, annual charges that we find to be lower than most competitors, and low running costs relative to comparable M&G funds. Overall, we find that "satisfactory" value has been delivered overall to 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	1.06%	3	3	4	2	2	3	3	3
Sterling X	1.06%	3	3	4	2	2	3	3	3
Sterling R	0.91%	3	3	4	2	2	3	3	3
Sterling I	0.66%	3	3	4	2	2	2	3	3
Sterling PP	0.56%	3	3	4	2	2	2	3	3

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
The fund did not achieve all of its objectives.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 All Countries World 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 All Countries World Index over any five-year period.

While the fund has met its income growth and yield objectives, its total return objective has not been met over the five-year period ending 31 March 2021. We therefore rate all share classes in the fund as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	39.6%	13.3%	14.7%
Sterling A	46.5%	10.5%	12.4%
Sterling X	46.5%	10.5%	12.4%
Sterling R	46.8%	10.9%	12.8%
Sterling I	47.2%	11.1%	13.1%
Sterling PP	47.5%	11.2%	13.2%

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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

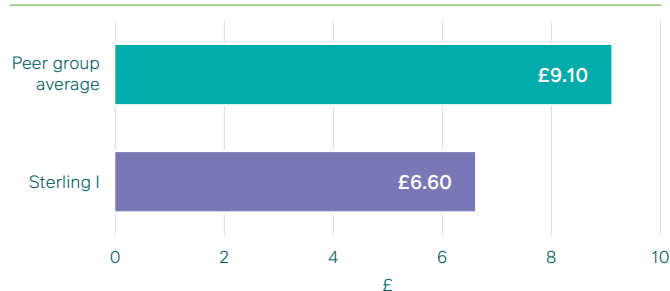


Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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 annual 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 "satisfactory".

M&G Global Emerging Markets 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. Despite improved performance since the last Value Assessment, the fund did not achieve its five-year objective in a challenging few years for investment strategies focused on cheaper parts of the global stockmarket. However, we believe investors benefit from annual charges that are found to be lower than most competitors. 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	1.15%	3	3	4	3	3	3	2	3
Sterling R	1.00%	3	3	4	3	3	3	2	3
Sterling I	0.75%	3	3	4	3	3	2	2	3
Sterling PP	0.65%	3	3	4	3	3	2	2	3
Sterling I-H	0.78%	3	3	4	3	3	2	2	3
Sterling PP-H	0.68%	3	3	4	3	3	2	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the MSCI Emerging Markets Index over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	42.8%	7.5%	13.4%
Sterling A	47.5%	4.8%	10.3%
Sterling R	47.8%	5.2%	10.7%
Sterling I	48.2%	5.5%	11.0%
Sterling PP	48.5%	5.6%	11.1%
Sterling I-H	63.4%	-	-
Sterling PP-H	62.7%	-	-

Past performance is not a guide to future performance.

Benchmark: MSCI Emerging Markets Index

For unhedged and hedged share classes, 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 2021. 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

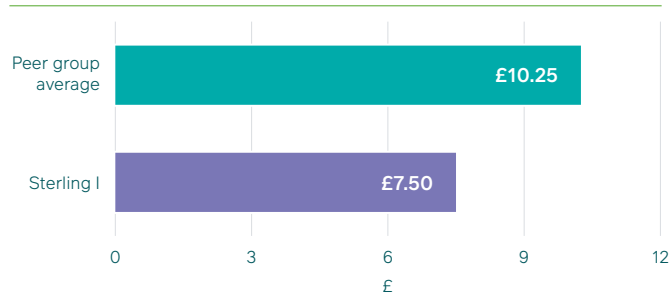


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate most share classes as "good". After taking account of the effective charge for additional services provided to 'A' and 'R' share class investors, we rate their value 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Global Enhanced Equity Premia 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, having only launched in November 2019, we are unable to assess the fund’s performance against its objective. We believe 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 I	0.30%	2	3	□	3	3	2	2	3
Sterling PP	0.25%	2	3	□	3	3	2	2	3
Sterling Z	0.00%	2	3	□	3	3	□	2	3

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 “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 the MSCI ACWI [NUK] Index over any five-year period.

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

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	38.9%	–	–
Sterling I	36.2%	–	–
Sterling PP	36.3%	–	–
Sterling Z	36.5%	–	–

Past performance is not a guide to future performance.

Benchmark: MSCI ACWI (NUK) 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 2021. 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

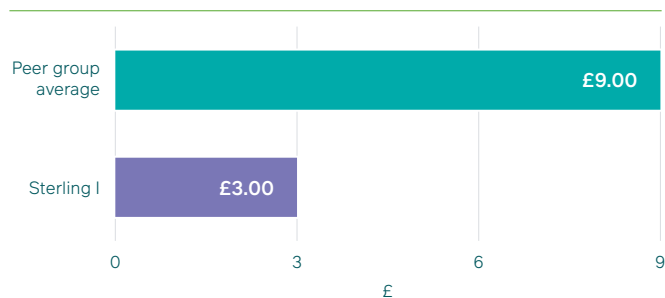


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the fund as "good".

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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Global Floating Rate High Yield 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. The fund did not achieve its five-year objective, having missed out on some of the recent strong returns from more cyclical parts of the global high yield bond market. However, we believe investors benefit from annual charges that are found to be lower than most competitors. 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-H	1.03%	3	3	4	3	3	3	2	3
Sterling R-H	0.88%	3	3	4	3	3	3	2	3
Sterling I-H	0.63%	3	3	4	3	3	2	2	3
Sterling PP-H	0.53%	3	3	4	3	3	2	2	3
Sterling E-H	0.43%	3	3	4	3	3	1	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its revised objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the ICE BofAML Global Floating Rate High Yield Index (3% constrained) GBP Hedged over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	27.8%	3.9%	5.2%
Sterling A-H	22.6%	1.6%	2.7%
Sterling R-H	23.0%	1.7%	2.9%
Sterling I-H	23.2%	2.1%	3.2%
Sterling PP-H	23.3%	2.2%	3.3%
Sterling E-H	23.5%	2.4%	3.5%

Past performance is not a guide to future performance.

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

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 2021. 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

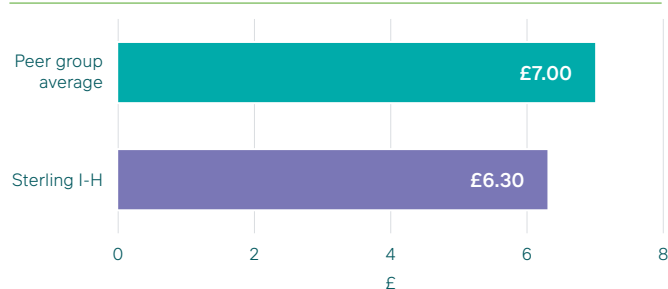


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate most share classes as either "good" or "outstanding". After taking account of the effective charge for additional services provided to 'A-H' and 'R-H' share class investors, we rate their value 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Global Government 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 and believe that most share classes have delivered “outstanding” investment performance over the long term. We also believe investors benefit from annual charges that are found to be lower than most competitors. Overall, we find that “good” value has been delivered for all share classes except the ‘A’, which is rated as “satisfactory”.

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	0.90%	3	3	3	3	3	3	3	3
Sterling R	0.75%	2	3	1	3	3	3	3	3
Sterling I	0.50%	2	3	1	3	3	2	3	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 IA Global Bonds Sector over any five-year period.

The fund met its investment objective over the five-year period ending 31 March 2021. The ‘I’ and ‘R’ share classes outperformed the benchmark and have delivered a longer track record of outperformance for their investors, so we rate them as “outstanding”. The higher-charging ‘A’ share class is rated as “satisfactory”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	6.4%	3.4%	3.9%
Sterling A	-1.4%	2.5%	4.0%
Sterling R	-1.2%	2.7%	4.3%
Sterling I	-0.9%	3.0%	4.5%

Past performance is not a guide to future performance.

Benchmark: IA Global Bonds Sector Average

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 2021. 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

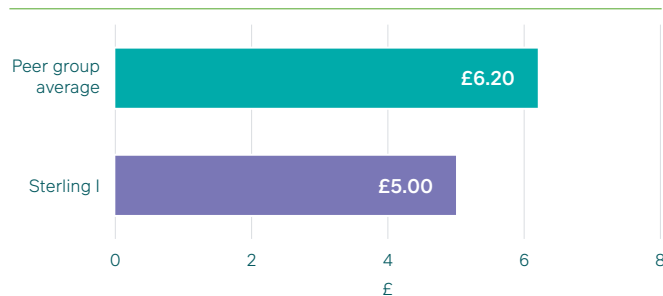


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate the 'I' share class as "good". After taking account of the effective charge for additional services provided to 'A' and 'R' share class investors, we rate their value as "satisfactory".

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



Sector: IA Global Bonds

Source: Morningstar, Inc. and M&G, as at 31 March 2021.

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 annual 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 "satisfactory".

M&G Global High Yield 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, except investment performance. The fund did not achieve its five-year objective, having missed out on some of the recent strong returns from more cyclical parts of the global high yield corporate bond market. However, we believe investors benefit from the fund's economies of scale, annual charges that are found to be lower than most competitors, and low running costs relative to comparable M&G funds. 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	0.98%	3	3	4	2	2	3	3	3
Sterling X	0.98%	3	3	4	2	2	3	3	3
Sterling R	0.83%	3	3	4	2	2	3	3	3
Sterling I	0.58%	3	3	4	2	2	2	3	3
Sterling PP	0.48%	3	3	4	2	2	1	3	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the ICE BofAML Global High Yield Index (GBP Hedged) over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	23.3%	5.0%	6.5%
Sterling A	20.0%	3.6%	4.7%
Sterling X	20.0%	3.6%	4.7%
Sterling R	20.3%	3.9%	4.9%
Sterling I	20.5%	4.2%	5.3%
Sterling PP	20.7%	4.3%	5.3%

Past performance is not a guide to future performance.

Benchmark: ICE BofAML 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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

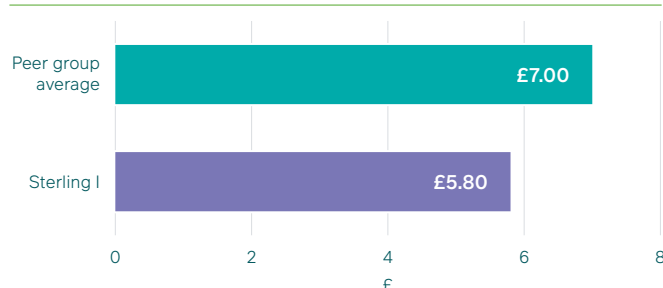


Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

5. Comparable market rates

The fund's annual charges are found to be lower alignment the average for competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "good" and "outstanding" respectively. After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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 annual 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 "satisfactory".

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. We find that value has been achieved across all criteria although, having only launched in February 2020, we are unable to assess the fund’s performance against its 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-H	1.03%	2	3	□	3	3	3	2	3
Sterling R-H	0.88%	2	3	□	3	3	3	2	3
Sterling I-H	0.63%	2	3	□	3	3	3	2	3
Sterling PP-H	0.53%	2	3	□	3	3	2	2	3
Sterling L-H	0.43%	2	3	□	3	3	1	2	3

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 “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 ICE BofAML Global High Yield Index (GBP hedged) over any five-year period.

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

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	23.3%	–	–
Sterling A-H	19.6%	–	–
Sterling R-H	19.8%	–	–
Sterling I-H	20.1%	–	–
Sterling PP-H	20.3%	–	–
Sterling L-H	20.3%	–	–

Past performance is not a guide to future performance.

Benchmark: ICE BofAML Global High Yield Index GBP Hedged

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 2021. 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 applied a positive ESG tilt to issuers with better ESG characteristics, excluding companies or issuers with poorer ESG characteristics. 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”.

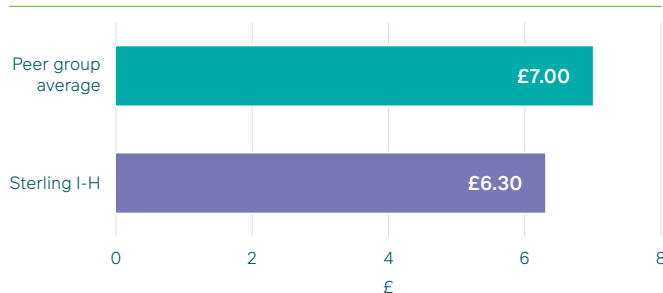
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by a custom peer group, so we rate the 'I-H' share class as satisfactory. The lowest-charging 'PP-H' and 'L-H' share classes are rated as "good" and "outstanding" respectively. After taking account of the effective charge for additional services provided to 'A-H' and 'R-H' share class investors, we also rate their value 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

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 investment performance. Although we are unable to assess performance against its five-year total return target, since the fund only launched in 2017, it has achieved its income goal. We are also pleased that annual charges are found to be the lowest among competitor funds. Overall, we believe that “satisfactory” value has been delivered overall 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%	3	3	3	3	3	2	2	3
Sterling I	0.70%	3	3	3	3	3	1	2	3
Sterling PP	0.60%	3	3	3	3	3	1	2	3
Sterling L	0.50%	3	3	3	3	3	1	2	3
Sterling I-H	0.73%	3	3	3	3	3	2	2	3
Sterling PP-H	0.63%	3	3	3	3	3	1	2	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 met its income growth objective since launch in 2017. Having only recently launched, the fund’s performance cannot yet be assessed against its five-year total return objective. We rate all share classes as “satisfactory”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	39.6%	13.3%	-
Sterling A	26.3%	14.4%	-
Sterling I	26.6%	14.6%	-
Sterling PP	26.8%	14.8%	-
Sterling L	26.9%	14.9%	-
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 2021. 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”.

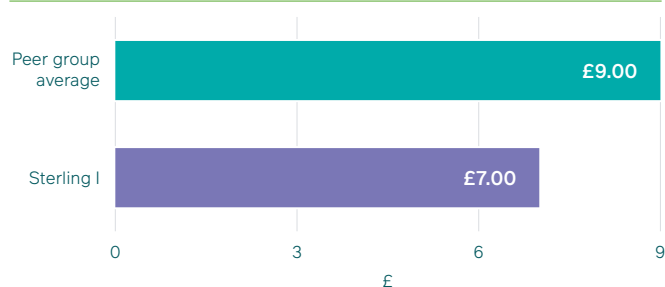
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be the least expensive among competitor funds, as defined by a custom peer group, so we rate most share classes, including the 'I', as "outstanding". After taking account of the effective charge for additional services provided to 'A' and 'I-H' share class investors, we rate their value as "good".

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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Global Macro 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, and believe that the fund has delivered “outstanding” investment performance over the long term. We also believe that investors also benefit from the fund’s economies of scale and low running costs relative to comparable M&G funds. Overall, we find that “good” value has been delivered for all share classes except the ‘PP’, which is rated as “outstanding”.

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%	2	3	1	2	2	3	☐	3
Sterling X	1.03%	2	3	1	2	2	3	☐	3
Sterling R	0.88%	2	3	1	2	2	3	☐	3
Sterling I	0.63%	2	3	1	2	2	3	☐	3
Sterling J	0.63%	2	3	1	2	2	3	☐	3
Sterling PP	0.53%	1	3	1	2	2	2	☐	3
Sterling A-H	1.06%	2	3	1	2	2	3	☐	3
Sterling X-H	1.06%	2	3	1	2	2	3	☐	3
Sterling R-H	0.91%	2	3	1	2	2	3	☐	3
Sterling I-H	0.66%	2	3	1	2	2	3	☐	3
Sterling J-H	0.66%	2	3	1	2	2	3	☐	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 IA Global Bonds Sector over any five-year period.

The fund met its investment objective over the five-year period ending 31 March 2021. All unhedged share classes outperformed the fund’s benchmark and have also delivered a longer track record of outperformance for their investors. We therefore rate all share classes as “outstanding”. Although the fund’s hedged share classes underperformed the benchmark over the five-year period, this was due to the effects of successful currency hedging, not fund management. Their ratings therefore follow those of their unhedged equivalents.

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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale



Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	6.4%	3.4%	3.9%
Sterling A	-3.9%	4.3%	4.2%
Sterling X	-3.9%	4.3%	4.2%
Sterling R	-3.7%	4.6%	4.5%
Sterling I	-3.5%	4.9%	4.8%
Sterling J	-3.4%	-	-
Sterling PP	-3.4%	5.0%	4.8%
Sterling A-H	6.4%	2.1%	1.9%
Sterling X-H	6.4%	2.1%	2.0%
Sterling R-H	6.6%	2.3%	2.2%
Sterling I-H	6.9%	2.6%	2.5%
Sterling J-H	7.0%	-	-

Past performance is not a guide to future performance.

Benchmark: IA Global Bonds Sector Average

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

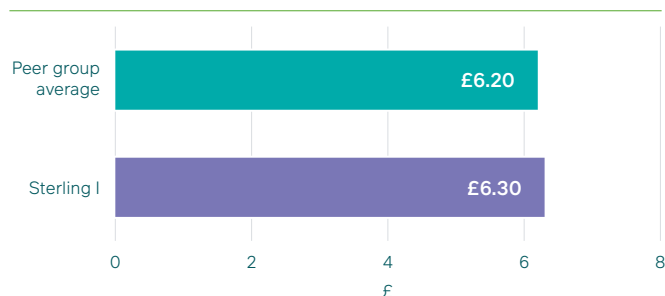
Source: Morningstar, Inc. and M&G, as at 31 March 2021. Returns are calculated on a price to price basis with income reinvested. Benchmark returns reflect what is displayed in the fund particulars. Note that the benchmark used for this Value Assessment reflects those in use at the time and therefore ignores any backdating of benchmarks, where relevant.

5. Comparable market rates



The fund's annual charges are found to be in line with the average for competitor funds, as defined by its sector, so we rate most share classes as "satisfactory".

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



Sector: IA Global Bonds

Source: Morningstar, Inc. and M&G, as at 31 March 2021.

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



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 "satisfactory".

M&G Global Select 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 as the fund did not achieve its five-year objective. Overall though, 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	1.30%	3	3	4	3	3	3	2	3
Sterling X	1.30%	3	3	4	3	3	3	2	3
Sterling R	1.15%	3	3	4	3	3	3	2	3
Sterling I	0.90%	3	3	4	3	3	3	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the MSCI World Index over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	39.1%	14.1%	14.9%
Sterling A	33.8%	14.2%	13.4%
Sterling X	33.8%	14.2%	13.4%
Sterling R	34.1%	14.6%	13.9%
Sterling I	34.4%	14.9%	14.2%

Past performance is not a guide to future performance.

Benchmark: 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 2021. 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

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by a custom peer group, so we rate all 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Global Strategic Value 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. Despite improved performance since the last Value Assessment, the fund did not achieve its five-year objective in a challenging few years for investment strategies focused on cheaper parts of the global stockmarket. Overall though, 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	1.30%	3	3	4	3	3	3	2	3
Sterling R	1.15%	3	3	4	3	3	3	2	3
Sterling I	0.90%	3	3	4	3	3	3	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward under the fund management team that took over in July 2019.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the MSCI ACWI Index over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	39.6%	13.3%	14.7%
Sterling A	44.4%	5.2%	8.5%
Sterling R	44.8%	5.6%	9.0%
Sterling I	45.1%	5.8%	9.2%

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 2021. 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

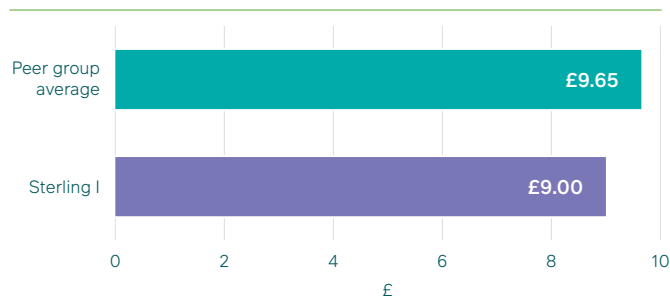


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by a custom peer group, so we rate all 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Global Target Return 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. Despite improved performance since the last Value Assessment, the fund did not achieve its three-year objective, having been hit by the exceptional global market downturn in early 2020. However, we are pleased to find that annual charges are the lowest among competitor funds. Overall, we believe 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	0.85%	3	3	4	3	3	2	2	3
Sterling I	0.50%	3	3	4	3	3	1	2	3
Sterling PP	0.40%	3	3	4	3	3	1	2	3
Sterling L	0.25%	3	3	4	3	3	1	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its revised objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance

The fund aims to achieve a total return (the combination of income and capital growth) of at least 4%, per annum above the 3-month GBP LIBOR rate, before any charges are taken, in any market conditions and over any three-year period. LIBOR is the rate at which banks borrow money from each other.

The fund aims to achieve this while seeking to minimise the degree to which the value of the fund fluctuates over time (volatility), while also seeking to limit monthly losses. Managing the fund in this way reduces its ability to achieve returns significantly above 3-month GBP LIBOR plus 4%.

Please note that from 20 July 2021, the fund’s target total return changes to “at least 2-4% per annum above the Sterling Overnight Index Average rate (SONIA)”.

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

The fund did not achieve its total return objective over the three-year period ending 31 March 2021, once charges are taken into account, and it exceeded volatility thresholds intended to limit losses during difficult market conditions. We therefore rate all share classes as “must improve”. (Note that while the fund objective is gross of fees, we have considered returns net of fees in this Value Assessment.)

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	4.1%	4.6%	-
Sterling A	8.9%	0.8%	-
Sterling I	9.0%	0.9%	-
Sterling PP	9.1%	1.0%	-
Sterling L	9.4%	1.1%	-

Past performance is not a guide to future performance. Fund returns are shown net of charges.

Benchmark: 3-month GBP LIBOR + 4.0%

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 2021. 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”.

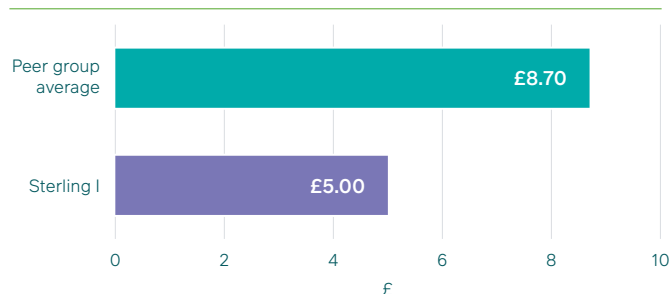
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be the least expensive among competitor funds, as defined by a custom peer group, so we rate most share classes as "outstanding". After taking account of the effective charge for additional services provided to 'A' share class investors, we rate its value as "good".

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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Global Themes 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 broadly achieved across all criteria, although the highest-charging share classes did not achieve their investment objective. We believe all investors benefit from the fund's economies of scale, and low running costs relative to comparable M&G funds. Overall, we find that "good" value has been delivered to half of share classes, including 'R' and 'I', and "satisfactory" value to others, including 'A' shares.

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	1.26%	3	3	4	2	2	3	2	3
Sterling X	1.26%	3	3	4	2	2	3	2	3
Sterling R	1.11%	2	3	2	2	2	3	2	3
Sterling I	0.86%	2	3	2	2	2	3	2	3
Sterling PP	0.66%	2	3	2	2	2	2	2	3
Euro A	1.86%	3	3	4	2	2	4	2	3
Euro C	0.86%	2	3	2	2	2	3	2	3
USD A	1.86%	3	3	4	2	2	4	2	3

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 share class did not meet the fund's objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.
The fund has non-sterling share classes that are amongst the most expensive quartile in its peer group.	5	The annual charge on these non-sterling share classes includes rebates that are paid to their distributor outside of the UK. They are therefore not directly comparable to the peer group. Since this pricing structure is commonplace in European markets where these share classes are distributed, we conclude that no action is required.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance

The fund aims to provide a higher total return (the combination of capital growth and income) than that of the MSCI ACWI Index over any five-year period.

Half of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021 and outperformed their respective benchmark. These share classes are rated as “good”. Higher-charging share classes that did not meet the fund’s objective, including the sterling ‘A’ and ‘X’, are rated as “must improve”, however.

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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	39.6%	13.3%	14.1%
Benchmark (EUR)	43.8%	14.7%	13.0%
Benchmark (USD)	54.3%	10.6%	11.4%
Sterling A	42.0%	13.8%	14.0%
Sterling X	42.0%	13.8%	14.0%
Sterling R	42.4%	14.2%	14.5%
Sterling I	42.7%	14.5%	14.8%
Sterling PP	43.0%	14.7%	14.9%
Euro A	46.8%	14.4%	11.9%
Euro C	48.3%	15.6%	13.1%
USD A	57.4%	12.6%	12.6%

Past performance is not a guide to future performance.

Benchmark: Prior to 16.11.17: FTSE Global Basic Composite Index;
17.11.17 – Present: MSCI ACWI Index

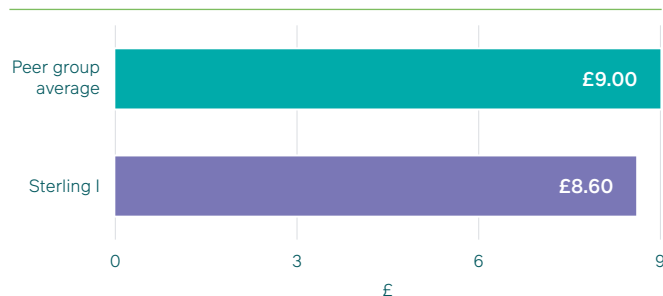
The benchmark is shown in the share class currency. For details, please refer to ‘Fund benchmarks’ in the Appendix.

Source: Morningstar, Inc. and M&G, as at 31 March 2021. 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.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by a custom peer group, so we rate most share classes as "satisfactory". The fund's non-sterling 'A' shares are among the most expensive in its peer group, however they are not directly comparable as they include rebates paid to their distributor outside the UK. We nonetheless rate these two share classes as "must improve".

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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Index Tracker 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, and the fund has successfully tracked its benchmark index, before charges. We believe investors also benefit from low running costs relative to comparable M&G funds. Overall, we find that either “good” or “satisfactory” value has been delivered for both 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	0.45%	3	3	3	2	3	3	2	3
Sterling I	0.20%	2	3	□	2	3	3	2	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 both share classes in the fund as “satisfactory”.

2. Investment performance

The fund is designed to track the FTSE All-Share Index, gross of the Ongoing Charge Figure (OCF).

Although the fund underperformed its benchmark, net of charges, over the five-year period ending 31 March 2021, it is judged to have met its investment objective, before the effect of charges. It is therefore is rated as “satisfactory”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	26.7%	3.2%	6.3%
Sterling A	27.2%	2.9%	6.1%
Sterling I	27.5%	–	–

Past performance is not a guide to future performance. Fund returns are shown net of charges.

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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

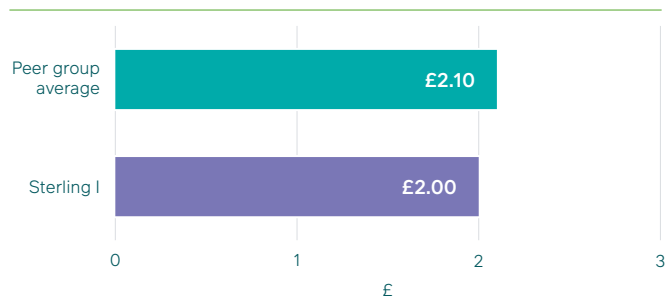
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by a custom peer group, so we rate both 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 2021.

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

Similar funds or mandates that are managed by M&G are not materially cheaper than the fund, so we rate both 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 "satisfactory".

M&G Index-Linked 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, except investment performance as the fund did not meet its five-year objective. However, we are pleased that annual charges are found to be the lowest among competitor funds. Overall, we find that “satisfactory” value has been delivered for both 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	0.55%	3	3	4	3	3	2	2	3
Sterling I	0.25%	3	3	4	3	3	1	2	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward under the new fund management team that took over in November 2020.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 both share classes in the fund as “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 the FTSE UK Index-linked Gilts All Stocks Index over any five-year period.

Neither of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	2.3%	3.3%	5.8%
Sterling A	-1.2%	2.8%	5.4%
Sterling I	-1.0%	3.0%	5.5%

Past performance is not a guide to future performance.

Benchmark: FTSE UK Index-linked Gilts All Stocks 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 2021. 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

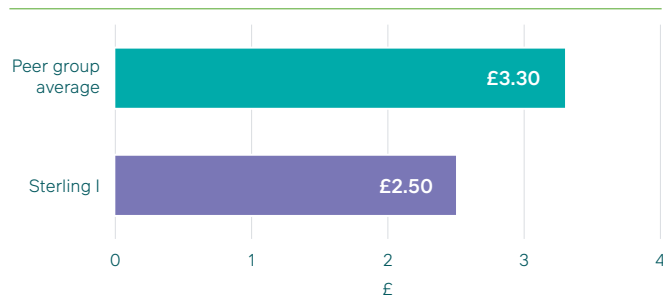


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be the least expensive among competitor funds, as defined by its sector, so we rate the 'I' share class as "outstanding". After taking account of the effective charge for additional services provided to 'A' share class investors, we rate its value as "good".

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



Sector: IA UK Index Linked Gilts

Source: Morningstar, Inc. and M&G, as at 31 March 2021.

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

Similar funds or mandates that are managed by M&G are not materially cheaper than the fund, so we rate both 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 "satisfactory".

M&G Japan 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. Despite an improvement in investment performance since the last Value Assessment, not all share classes have been rated as “satisfactory” when assessed against the fund’s objective. Overall though, 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	1.30%	3	3	4	3	3	3	2	3
Sterling X	1.30%	3	3	4	3	3	3	2	3
Sterling R	1.15%	3	3	3	3	3	3	2	3
Sterling I	0.90%	3	3	3	3	3	3	2	3
Sterling PP	0.70%	3	3	3	3	3	2	2	3

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 share class did not meet the fund’s objective.	2	After a thorough review of the fund’s performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward under the new fund management team that took over in September 2019.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the MSCI Japan Index over any five-year period.

Although the fund did not meet its investment objective over the five-year period ending 31 March 2021, it has a track record of delivering outperformance for most of the past decade. We therefore rate most share classes as “satisfactory”. Higher-charge ‘A’ and ‘X’ share classes are rated as “must improve”, however.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	26.0%	7.3%	11.8%
Sterling A	37.1%	3.2%	10.8%
Sterling X	37.1%	3.2%	10.8%
Sterling R	37.5%	3.6%	11.3%
Sterling I	37.8%	3.9%	11.6%
Sterling PP	38.1%	4.0%	11.7%

Past performance is not a guide to future performance.

Benchmark: MSCI Japan 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 2021. 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

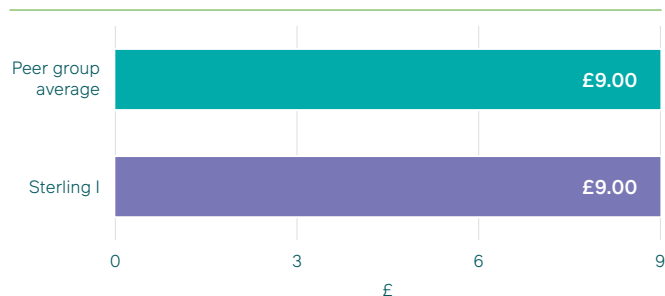


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by a custom peer group so we rate all share classes, except the lowest-charging 'PP' shares, 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Japan Smaller Companies 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 investment performance. We believe the fund has delivered “outstanding” investment performance over the long term, having reversed previous underperformance to outperform its benchmark over the past year. We also believe investors benefit from annual charges that are found 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	1.30%	2	3	1	3	3	3	2	3
Sterling X	1.30%	2	3	1	3	3	3	2	3
Sterling R	1.15%	2	3	1	3	3	3	2	3
Sterling I	0.90%	2	3	1	3	3	2	2	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the Russell/Nomura Mid-Small Cap Index over any five-year period.

The fund met its investment objective over the five-year period ending 31 March 2021 and outperformed the benchmark. Since the fund also has a track record of delivering outperformance for most of the past decade, we rate all shares as “outstanding”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	24.6%	4.0%	10.5%
Sterling A	65.5%	7.2%	14.1%
Sterling X	65.5%	7.2%	14.1%
Sterling R	65.9%	7.6%	14.6%
Sterling I	66.3%	7.8%	14.9%

Past performance is not a guide to future performance.

Benchmark: Russell/Nomura Mid-Small Cap 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 2021. 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

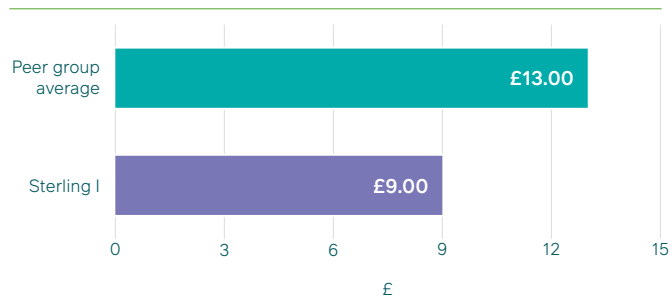


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' share class as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Managed Growth 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. Despite an improvement in investment performance since the last Value Assessment, the fund did not achieve its five-year objective in a challenging environment for value-oriented investment strategies. However, we believe investors benefit from annual charges that are found to be lower than most competitors and low running costs relative to comparable M&G funds. 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	1.05%	3	3	4	2	3	3	3	3
Sterling X	1.05%	3	3	4	2	3	3	3	3
Sterling R	0.90%	3	3	4	2	3	3	3	3
Sterling I	0.65%	3	3	4	2	3	2	3	3
Sterling PP	0.55%	3	3	4	2	3	2	3	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its revised objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 IA Flexible Investment Sector over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	33.8%	12.8%	14.4%
Sterling A	37.5%	6.1%	11.2%
Sterling X	37.5%	6.0%	11.0%
Sterling R	38.0%	6.4%	11.4%
Sterling I	38.2%	6.6%	11.6%
Sterling PP	38.4%	6.7%	11.6%

Past performance is not a guide to future performance.

Benchmark: Prior to 31.08.18: FTSE World Index; 01.09.18 – 02.02.21: 85% MSCI ACWI Index and 15% BBgBarc Global Aggregate GBP Hedged Index; 03.02.21 – Present: 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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

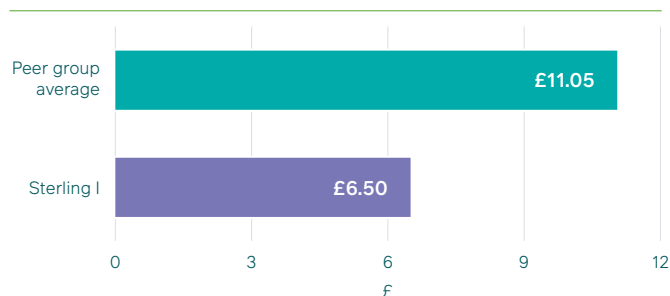


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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 annual 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 "satisfactory".

M&G North American 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. Although some share classes met the fund’s total return objective, the income growth objective was not achieved in a challenging year for dividend investors, when many companies cut or suspended their distributions to shareholders. Annual charges are found to be lower than most competitors, however. 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	0.95%	3	3	4	3	3	3	2	3
Sterling X	0.95%	3	3	4	3	3	3	2	3
Sterling R	0.80%	3	3	4	3	3	3	2	3
Sterling I	0.55%	3	3	4	3	3	2	2	3
Sterling PP	0.45%	3	3	4	3	3	2	2	3
Sterling I-H	0.58%	3	3	4	3	3	2	2	3
Sterling PP-H	0.48%	3	3	4	3	3	2	2	3

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
The fund did not achieve all of its investment objectives.	2	After a thorough review of the fund’s performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the S&P 500 Index over any five-year period.
- To provide an income stream that increases every year in US dollar (USD) terms.

While some of the fund's share classes met its total return objective over the five-year period ending 31 March 2021, no share class achieved its income growth objective. We therefore rate all share classes in the fund as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	40.5%	17.4%	17.2%
Sterling A	38.5%	15.9%	16.7%
Sterling X	38.5%	15.9%	16.7%
Sterling R	38.9%	16.4%	17.1%
Sterling I	39.2%	16.7%	17.4%
Sterling PP	39.4%	16.8%	17.5%
Sterling I-H	53.8%	–	–
Sterling PP-H	54.0%	–	–

Past performance is not a guide to future performance.

Benchmark: S&P 500 Index

For unhedged and hedged share classes, 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 2021. 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 those of comparable M&G funds and we therefore rate the fund as “satisfactory”.

4. Economies of scale

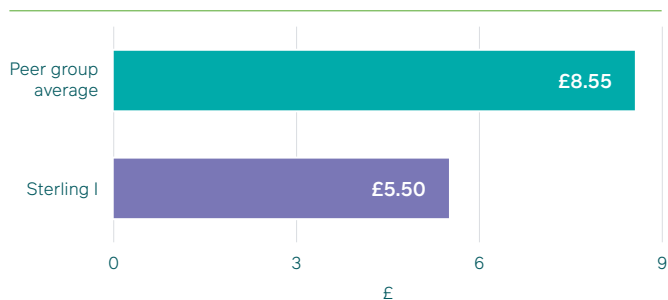


The fund's size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate most share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value as "satisfactory".

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



Peer sector: Custom

Source: Morningstar, Inc. and M&G, as at 31 March 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G North American Value Fund

Conclusions from the Value Assessment

We conclude that the fund has delivered value to most, but not all, of its investors over the review period. We find that value has been achieved across all criteria, except investment performance. The fund did not achieve its five-year objective in an especially challenging few years for investment strategies focused on cheaper parts of the North American stockmarket. However, we believe that investors benefit from annual charges that are found to be the lowest among competitor funds. Overall, we find that “satisfactory” value has been delivered for all except the ‘R’ share class, which is rated as “must improve”. We will continue to monitor performance closely.

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	0.95%	3	3	4	3	3	2	3	3
Sterling X	0.95%	3	3	4	3	3	2	3	3
Sterling R	0.80%	4	3	4	3	3	3	3	3
Sterling I	0.55%	3	3	4	3	3	1	3	3
Sterling PP	0.45%	3	3	4	3	3	1	3	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the S&P 500 Index over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	40.5%	17.4%	17.2%
Sterling A	39.7%	8.6%	11.8%
Sterling X	39.7%	8.6%	11.8%
Sterling R	40.0%	9.0%	12.3%
Sterling I	40.4%	9.3%	12.6%
Sterling PP	40.6%	9.4%	12.6%

Past performance is not a guide to future performance.

Benchmark: S&P 500 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 2021. 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

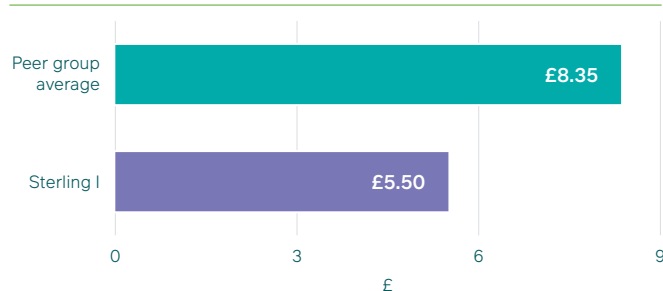


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be the least expensive among competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "outstanding". After taking account of the effective charge for additional services provided to 'A'/'X' and 'R' share class investors, we rate their value as "good" and "satisfactory" respectively.

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 2021.

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 annual 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 "satisfactory".

M&G Optimal 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 all criteria. Following improved investment performance since the last Value Assessment, all share classes have been rated as “satisfactory” or better when assessed against the fund’s objective. We also believe investors benefit from the fund’s economies of scale and annual charges that are found to be lower than most competitors. Overall, we find that “good” value has been delivered for half of all share classes, including the ‘I’, and “satisfactory” value for the others, including the ‘A’.

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	1.01%	3	3	3	3	2	3	3	3
Sterling X	1.01%	3	3	3	3	2	3	3	3
Sterling R	0.86%	3	3	3	3	2	3	3	3
Sterling I	0.61%	2	3	2	3	2	2	3	3
Sterling J	0.61%	2	3	2	3	2	2	3	3
Sterling PP	0.51%	2	3	2	3	2	2	3	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 IA £ Strategic Bond Sector, over any five-year period.

When assessed against its investment objective, all share classes in the fund are rated as at least “satisfactory”. Although higher-charging share classes did not meet the objective over the five-year period ending 31 March 2021, the fund has a track record of delivering outperformance for most of the past decade. Lower-charging ‘I’ and ‘PP’ share classes met their five-year objective and we rate them as “good”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	13.3%	4.1%	4.5%
Sterling A	16.8%	2.9%	4.0%
Sterling X	16.8%	2.9%	4.0%
Sterling R	17.1%	3.2%	4.3%
Sterling I	17.4%	3.4%	4.5%
Sterling J	17.5%	–	–
Sterling PP	17.5%	3.5%	4.6%

Past performance is not a guide to future performance.

Benchmark: IA £ Strategic Bond Sector Average

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 2021. 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”.

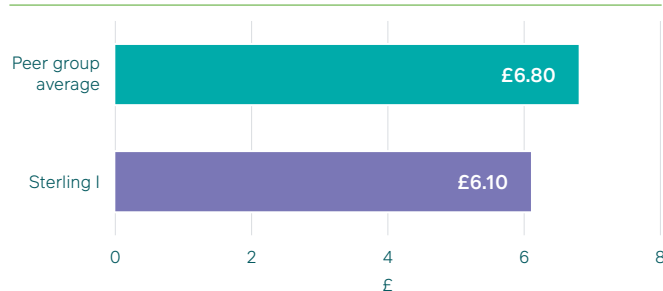
4. Economies of scale

Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate half of all share classes, including the 'I', as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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 annual 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 "satisfactory".

M&G Pan European Select 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. Only half of the fund’s share classes have been rated as “satisfactory” when assessed against the fund’s objective. However, we believe investors benefit from annual charges that are found to be the lowest among its competitors. 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	0.95%	3	3	4	3	3	2	2	3
Sterling X	0.95%	3	3	4	3	3	2	2	3
Sterling R	0.80%	3	3	3	3	3	3	2	3
Sterling I	0.55%	3	3	3	3	3	1	2	3

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 share class did not meet the fund’s objective.	2	After a thorough review of the fund’s performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the MSCI Europe Index over any five-year period.

The fund met its investment objective over the five-year period ending 31 March 2021 and we rate the ‘R’ and ‘I’ share classes as “satisfactory”. Higher-charging ‘A’ and ‘X’ share classes have a track record of underperformance for most of the past decade, however. We therefore rate these two share classes as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	30.9%	6.9%	9.7%
Sterling A	36.7%	6.3%	9.7%
Sterling X	36.7%	6.3%	9.7%
Sterling R	37.0%	6.6%	10.1%
Sterling I	37.3%	6.9%	10.4%

Past performance is not a guide to future performance.

Benchmark: MSCI Europe 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 2021. 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

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be the least expensive among competitor funds, as defined by a custom peer group, so we rate the 'I' share class as "outstanding". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value as "good" and "satisfactory" respectively.

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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Pan European Select Smaller Companies Fund

Conclusions from the Value Assessment

We are again unable to 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. Despite an improvement in investment performance since the last Value Assessment, the fund did not meet its five-year objective. Overall, we find that value for all share classes “must improve”. We will continue to monitor performance closely as we await the outcome of a review of the future of the fund.

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	1.25%	4	3	4	3	3	3	<input type="checkbox"/>	3
Sterling X	1.25%	4	3	4	3	3	3	<input type="checkbox"/>	3
Sterling R	1.10%	4	3	4	3	3	3	<input type="checkbox"/>	3
Sterling I	0.85%	4	3	4	3	3	2	<input type="checkbox"/>	3

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
The fund did not achieve its investment objective.	2	A thorough review of the fund's performance and strategy has been conducted, and we continue to monitor the fund's performance closely. M&G is evaluating different options for the future of the fund in the best long-term interests of investors. Any proposals will be communicated to investors in the fund prior to the next Value Assessment.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance



The fund aims to provide a higher total return (the combination of capital growth and income) than that of the EMIX Smaller European Companies Index, net of the Ongoing Charges Figure, over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	56.9%	9.4%	12.6%
Sterling A	64.8%	4.1%	8.7%
Sterling X	64.8%	4.1%	8.7%
Sterling R	65.2%	4.5%	9.2%
Sterling I	65.6%	4.7%	9.5%

Past performance is not a guide to future performance.

Benchmark: EMIX Smaller European Companies 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 2021. 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

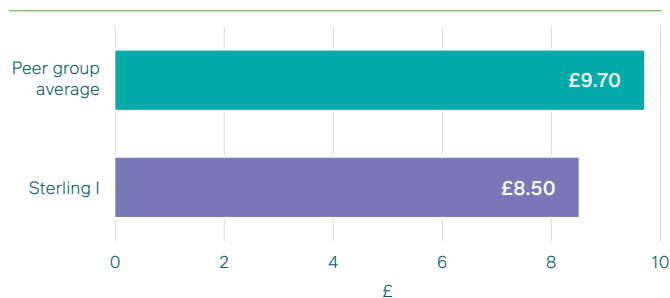


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate the 'I' share class as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value as "satisfactory".

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



Sector: IA European Smaller Companies

Source: Morningstar, Inc. and M&G, as at 31 March 2021.

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

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 "satisfactory".

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. We find that value has been achieved across all criteria. Although we are unable to assess the fund's investment performance against its five-year financial objective, since the fund only launched in 2018, we believe it has achieved its impact goal. We also believe that investors benefit from annual charges that are found to be the lowest among competitor funds. 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	3	2	3	3
Sterling R	0.95%	2	3	□	3	3	3	3	3
Sterling I	0.70%	2	3	□	3	3	1	3	3
Sterling PP	0.60%	2	3	□	3	3	1	3	3
Sterling L	0.50%	2	3	□	3	3	1	3	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 2021

Share classes	One-year	Three-year	Five-year
Benchmark	39.6%	–	–
Sterling A	40.7%	–	–
Sterling R	41.0%	–	–
Sterling I	41.3%	–	–
Sterling PP	41.6%	–	–
Sterling L	41.7%	–	–

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 2021. 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”.

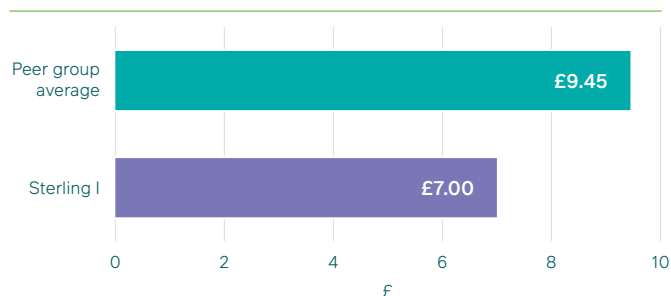
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be the least expensive among competitor funds, as defined by a custom peer group, so we rate most share classes as "outstanding". After taking account of the effective charge for additional services provided to 'A' and 'R' share class investors, we rate their value as "good" and "satisfactory" respectively.

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 2021.

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 annual 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 "satisfactory".

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

Conclusions from the Value Assessment

We are again unable to conclude that the fund has delivered value to its investors over the review period, throughout which dealing in the fund was suspended. Whilst we believe that suspension was in the best interests of investors, to protect value in the face of very challenging conditions in the UK commercial property market, we consider dealing to be a core part of the service offered by M&G. In addition, the fund did not meet its investment objective in an environment where commercial property values and rent collection were negatively affected by the pandemic. Overall, we have therefore rated all share classes as “must improve”. We have paid close scrutiny to the fund and believe that recent changes, including the move to a dual pricing methodology and targeting a cash weighting of 20% in normal market conditions, are in customers’ interests. A restructuring of the portfolio has also been completed under a new lead fund manager. With the suspension of dealing lifted, we will continue to closely monitor the fund’s performance and the impact of recent changes.

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	1.21%	4	4	4	2	2	3	2	3
Sterling X	1.21%	4	4	4	2	2	3	2	3
Sterling R	1.06%	4	4	4	2	2	3	2	3
Sterling I	0.81%	4	4	4	2	2	3	2	3
Sterling D	0.56%	4	4	4	2	2	1	2	3

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
Dealing in the fund was suspended throughout the review period, meaning investors are unable to deal daily, as specified in the fund’s prospectus.	1	<p>The fund was reopened for dealing on 10 May 2021 once we, the Board, were satisfied that the fund had a suitable liquidity position for customers who wished to sell their investment and for those who wished to remain invested.</p> <p>We deeply regret the inconvenience that suspension caused our customers and clients. The decision to suspend was taken to protect the interests of all of our investors, enabling the fund manager to sell assets in an orderly fashion. We believe this has preserved value for customers, while also maintaining the integrity and future prospects of the fund.</p>
The fund did not achieve its investment objective.	2	<p>Under a new lead fund manager, the portfolio has been restructured through the sale of property assets. We note that this has reduced the fund’s allocation to the retail property sector, and increased its exposure to prime and good secondary assets.</p> <p>With this restructuring now complete, and with the fund reopen for dealing, we continue to monitor the fund’s performance closely.</p>

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

1. Quality of services

Given the fund remained suspended throughout the 12-month review period, and that being able to redeem assets is part of the service offered to investors, we rate all share classes in the fund as “must improve”.

2. Investment performance

The fund aims to provide a higher total return (capital growth plus income) net of the Ongoing Charge Figure and Property Expense Ratio, than the average return of the IA UK Direct Property Sector over any five-year period.

The fund has not met its objective to provide income and growth to investors, and total returns have lagged its comparative benchmark over the five-year period ending 31 March 2021. We therefore rate all share classes in the fund as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	-2.3%	-1.1%	0.2%
Sterling A	-6.6%	-4.9%	-3.3%
Sterling X	-6.5%	-4.8%	-3.2%
Sterling R	-6.4%	-4.6%	-2.9%
Sterling I	-6.3%	-4.4%	-2.8%
Sterling D	-6.2%	-4.3%	-2.6%

Past performance is not a guide to future performance.

Benchmark: IA Property UK Sector Average

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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

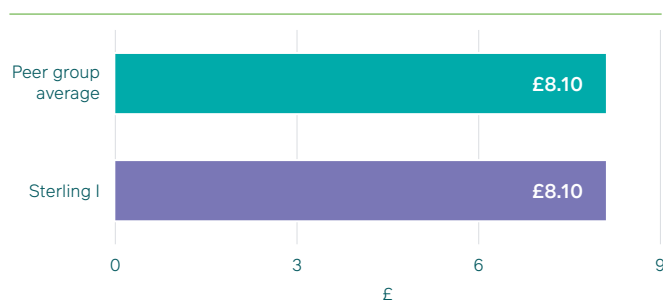
4. Economies of scale

Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

5. Comparable market rates

With the exception of the lowest-charging 'D' share class, the fund's annual charges are found to be in line with the average for competitor funds, as defined by its sector, so we rate most share classes as "satisfactory". Value for investors was improved by M&G waiving 30% of the fund's annual charge throughout the review period, during its suspension.

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



Sector: IA UK Direct Property Sector

Source: Morningstar, Inc. and M&G, as at 31 March 2021. The 'Sterling I' figure excludes the additional 30% discount that was applied by M&G during the fund's suspension.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Recovery 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. Despite much-improved performance since the last Value Assessment, the fund did not achieve its five-year objective in a challenging few years for investment strategies focused on cheaper parts of the UK stockmarket. However, we believe investors benefit from the fund’s economies of scale and annual charges that are found to be lower than most competitors. 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	1.08%	3	3	4	3	2	3	<input type="checkbox"/>	3
Sterling X	1.08%	3	3	4	3	2	3	<input type="checkbox"/>	3
Sterling R	0.93%	3	3	4	3	2	3	<input type="checkbox"/>	3
Sterling I	0.68%	3	3	4	3	2	2	<input type="checkbox"/>	3
Sterling PP	0.58%	3	3	4	3	2	2	<input type="checkbox"/>	3

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
The fund did not achieve its investment objective.	2	After a thorough review of the fund’s performance and strategy, we believe the necessary actions have been taken for it to be able to meet its objective going forward under the new fund manager, following a refresh of the fund’s approach since the last Value Assessment.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the FTSE All-Share Index over any five-year period.

None of the fund’s share classes met its investment objective over the five-year period ending 31 March 2021, so they are rated as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	26.7%	3.2%	6.3%
Sterling A	51.6%	-1.4%	3.7%
Sterling X	51.6%	-1.4%	3.7%
Sterling R	52.0%	-1.1%	4.2%
Sterling I	52.3%	-0.8%	4.4%
Sterling PP	52.6%	-0.7%	4.5%

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 2021. 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

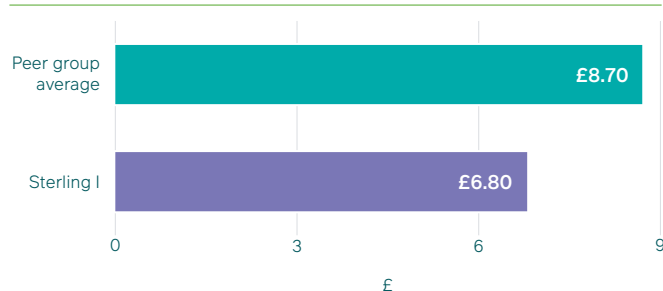


Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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

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 "satisfactory".

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, and the fund has met its investment objective. We believe investors also benefit from annual charges that are found 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	0.50%	2	3	2	3	3	3	2	3
Sterling I	0.25%	2	3	2	3	3	2	2	3
Sterling PP	0.15%	2	3	2	3	3	1	2	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged) over any five-year period.

The fund met its investment objective over the five-year period ending 31 March 2021. All share classes outperformed the fund's benchmark and we rate them as “good”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	4.4%	1.6%	-
Sterling A	7.1%	2.2%	2.3%
Sterling I	7.2%	2.3%	2.4%
Sterling PP	7.3%	2.4%	2.4%

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 2021. 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

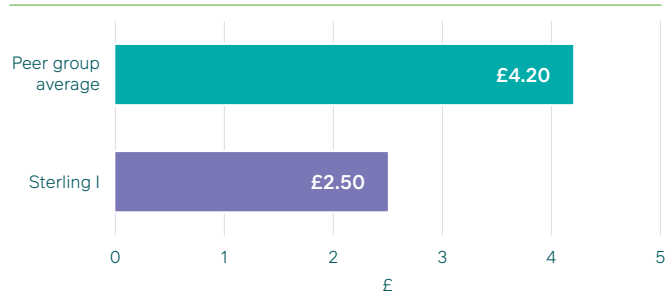


The fund's size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "good" and "outstanding" respectively. After taking account of the effective charge for additional services provided to 'A' share class investors, we rate their value 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G Smaller Companies 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 investment performance. Overall, we find that “good” value has been delivered for the ‘I’ and ‘R’ share classes, and “satisfactory” value for the ‘A’ and ‘X’.

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	1.25%	3	3	3	3	3	3	3	3
Sterling X	1.25%	3	3	3	3	3	3	3	3
Sterling R	1.10%	2	3	2	3	3	3	3	3
Sterling I	0.85%	2	3	2	3	3	3	3	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance



The fund aims to deliver a higher total return (the combination of capital growth and income) than the Numis Smaller Companies Index (excluding Investment Companies), net of the Ongoing Charge Figure, over any five-year period.

The fund met its investment objective over the five-year period ending 31 March 2021, and all share classes are rated as at least “satisfactory”. Lower-charging ‘R’ and ‘I’ share classes outperformed the benchmark and we rate them as “good”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	65.6%	6.6%	8.7%
Sterling A	49.2%	7.5%	9.0%
Sterling X	49.1%	7.5%	9.0%
Sterling R	49.4%	7.9%	9.5%
Sterling I	49.8%	8.1%	9.7%

Past performance is not a guide to future performance.

Benchmark: Numis Smaller Companies Index excluding Investment Companies

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 2021. 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

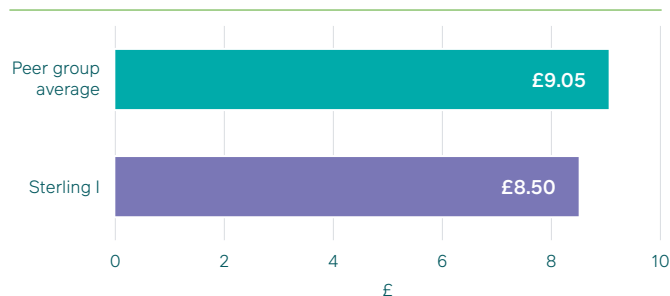


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by a custom peer group, 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 2021.

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 annual 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 "satisfactory".

M&G Strategic 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, except investment performance. Following improved performance since the last Value Assessment, all share classes except the 'X' have been rated as “satisfactory” or better when assessed against the fund’s objective. We also believe investors benefit from the fund’s economies of scale, annual charges that are found to be lower than most competitors and low running costs relative to comparable M&G funds. Overall, we find that “good” value has been delivered for the 'I' and 'PP' share class, and “satisfactory” value for others, including the 'A'.

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	0.81%	3	3	3	2	2	3	3	3
Sterling X	0.81%	3	3	4	2	2	3	3	3
Sterling R	0.66%	3	3	3	2	2	3	3	3
Sterling I	0.41%	2	3	2	2	2	2	3	3
Sterling PP	0.31%	2	3	2	2	2	2	3	3

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 share class did not meet the fund’s objective.	2	After a thorough review of the fund’s performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 IA £ Corporate Bond Sector, over any five-year period.

When assessed against its investment objective, all share classes except the ‘X’ are rated as at least “satisfactory”. Although higher-charging share classes did not meet the objective over the five-year period ending 31 March 2021, the fund has a track record of delivering outperformance for most of the past decade, with the exception of the ‘X’ share class which is therefore rated as “must improve”. Lower-charging ‘I’ and ‘PP’ share classes met their five-year objective and we rate them as “good”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	9.1%	4.2%	4.7%
Sterling A	14.8%	4.0%	4.3%
Sterling X	14.7%	4.0%	4.2%
Sterling R	15.0%	4.3%	4.5%
Sterling I	15.3%	4.5%	4.8%
Sterling PP	15.5%	4.6%	4.8%

Past performance is not a guide to future performance.

Benchmark: IA £ Corporate Bond Sector Average

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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

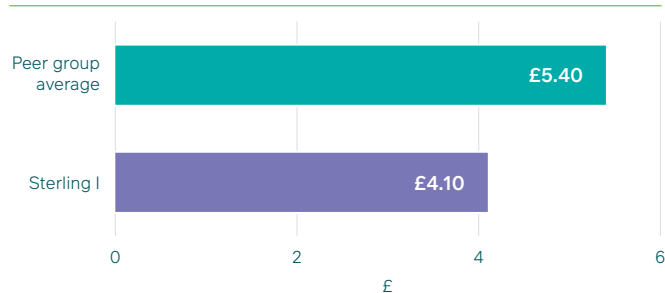


Investors received a discount on their annual charges, as the fund size exceeded the £1 billion threshold at which M&G deems there are material economies of scale to pass on. We therefore rate the fund as “good”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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 annual 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 "satisfactory".

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. We find that value has been achieved across all criteria although, having only launched in December 2020, we are unable to assess the fund's performance against its objectives. 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	1.05%	3	3	□	3	3	3	2	□
Sterling R	0.90%	3	3	□	3	3	3	2	□
Sterling I	0.65%	3	3	□	3	3	3	2	□
Sterling PP	0.55%	3	3	□	3	3	3	2	□
Sterling L	0.45%	3	3	□	3	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 “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 2021

Share classes	One-year	Three-year	Five-year
Benchmark	-	-	-
Sterling A	-	-	-
Sterling R	-	-	-
Sterling I	-	-	-
Sterling PP	-	-	-
Sterling L	-	-	-

Past performance is not a guide to future performance.

Benchmark: IA Volatility Managed 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 2021. 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. 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

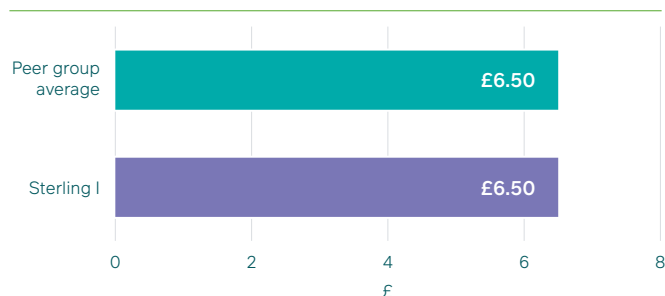


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by its sector, so we rate most share classes as "satisfactory".

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



Sector: IA Volatility Managed

Source: Morningstar, Inc. and M&G, as at 31 March 2021.

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

Similar funds or mandates that are managed by M&G are not materially cheaper than the fund, so we rate all share classes in the fund as "good".

7. Share classes

Having only recently launched, an assessment of whether investors are in the most appropriate share class has not yet been undertaken.

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. We find that value has been achieved across all criteria although, having only launched in December 2020, we are unable to assess the fund's performance against its objectives. 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	1.05%	3	3	□	3	3	3	2	□
Sterling R	0.90%	3	3	□	3	3	3	2	□
Sterling I	0.65%	3	3	□	3	3	3	2	□
Sterling PP	0.55%	3	3	□	3	3	3	2	□
Sterling L	0.45%	3	3	□	3	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 “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 2021

Share classes	One-year	Three-year	Five-year
Benchmark	-	-	-
Sterling A	-	-	-
Sterling R	-	-	-
Sterling I	-	-	-
Sterling PP	-	-	-
Sterling L	-	-	-

Past performance is not a guide to future performance.

Benchmark: IA Volatility Managed 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 2021. 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. 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”.

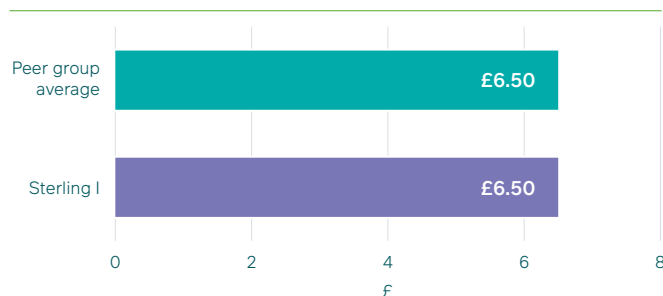
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by its sector, so we rate most share classes as "satisfactory".

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



Sector: IA Volatility Managed

Source: Morningstar, Inc. and M&G, as at 31 March 2021.

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

Similar funds or mandates that are managed by M&G are not materially cheaper than the fund, so we rate all share classes in the fund as "good".

7. Share classes

Having only recently launched, an assessment of whether investors are in the most appropriate share class has not yet been undertaken.

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. We find that value has been achieved across all criteria although, having only launched in February 2019, we are unable to assess the fund’s performance against its objectives. We believe investors benefit from annual charges that are found 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	1.05%	2	3	Not applicable	3	3	3	2	3
Sterling R	0.90%	2	3	Not applicable	3	3	3	2	3
Sterling I	0.65%	2	3	Not applicable	3	3	2	2	3
Sterling PP	0.55%	2	3	Not applicable	3	3	2	2	3
Sterling L	0.45%	2	3	Not applicable	3	3	2	2	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance

The fund aims to provide a total return (the combination of capital growth and income) of 4 to 8% per annum over any five-year period, net of the Ongoing Charges Figure. The fund aims to provide this return while considering environmental, social and governance (ESG) factors.

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 2021

Share classes	One-year	Three-year	Five-year
Sterling A	19.9%	-	-
Sterling R	20.1%	-	-
Sterling I	20.4%	-	-
Sterling PP	20.5%	-	-
Sterling L	20.6%	-	-

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 2021. 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. 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”.

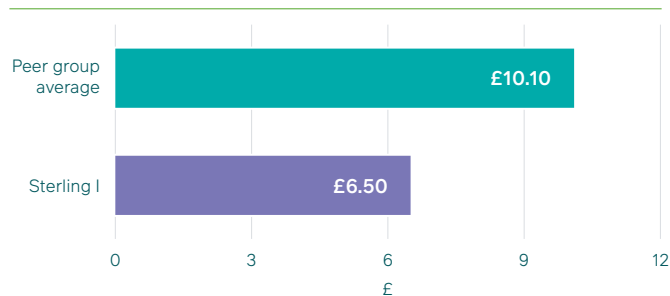
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by its sector, so we rate most share classes, including the 'I', as "good". After taking account of the effective charge for additional services provided to 'A' and 'R' share class investors, we rate their value 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

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. We find that value has been achieved across all criteria although, having only launched in December 2020, we are unable to assess the fund's performance against its objectives. 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	1.05%	3	3	□	3	3	3	2	□
Sterling R	0.90%	3	3	□	3	3	3	2	□
Sterling I	0.65%	3	3	□	3	3	3	2	□
Sterling PP	0.55%	3	3	□	3	3	3	2	□
Sterling L	0.45%	3	3	□	3	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 “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 2021

Share classes	One-year	Three-year	Five-year
Benchmark	-	-	-
Sterling A	-	-	-
Sterling R	-	-	-
Sterling I	-	-	-
Sterling PP	-	-	-
Sterling L	-	-	-

Past performance is not a guide to future performance.

Benchmark: IA Volatility Managed 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 2021. 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. 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”.

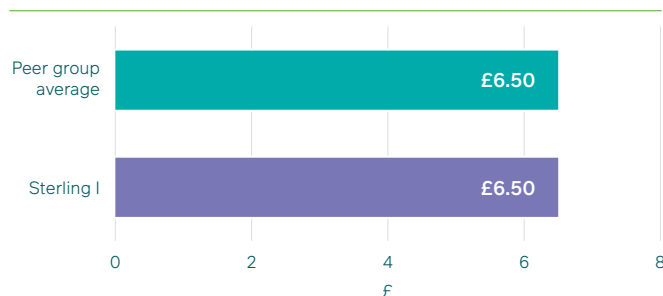
4. Economies of scale

The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be in line with the average for competitor funds, as defined by its sector, so we rate most share classes as "satisfactory".

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



Sector: IA Volatility Managed

Source: Morningstar, Inc. and M&G, as at 31 March 2021.

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

Similar funds or mandates that are managed by M&G are not materially cheaper than the fund, so we rate all share classes in the fund as "good".

7. Share classes

Having only recently launched, an assessment of whether investors are in the most appropriate share class has not yet been undertaken.

M&G UK Income Distribution 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. The fund did not achieve two of its three objectives in a challenging year for income investors, when many UK companies cut or suspended their dividends to shareholders. However, we believe investors benefit from annual charges that are found to be lower than most competitors. 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	1.10%	3	3	4	3	3	3	□	3
Sterling X	1.10%	3	3	4	3	3	3	□	3
Sterling R	0.95%	3	3	4	3	3	3	□	3
Sterling I	0.70%	3	3	4	3	3	2	□	3

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
The fund did not achieve all of its objectives.	2	After a thorough review of the fund's performance and strategy, we, the Board, believe the necessary actions have been taken for it to be able to meet its objective going forward.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance



The fund aims to provide:

- A higher annual yield than the FTSE All-Share Index.
- An income stream that increases annually.
- A higher total return (capital growth plus income), net of the Ongoing Charge Figure, than a composite index* over any five-year period.

*70% FTSE All-Share Index and 30% FTSE Actuaries UK Conventional Gilts All Stocks Index.

While the fund has met its yield objective, its income growth and five-year capital growth objectives have not been met in the period ending 31 March 2021.

We therefore rate the fund as “must improve”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	16.7%	3.5%	5.7%
Sterling A	22.8%	2.9%	4.7%
Sterling X	22.8%	2.9%	4.7%
Sterling R	23.0%	3.2%	5.0%
Sterling I	23.3%	3.4%	5.2%

Past performance is not a guide to future performance.

Benchmark: 70% FTSE All Share Index, 30% FTSE UK Conventional Gilts All Stocks Index

The total return 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 2021. 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

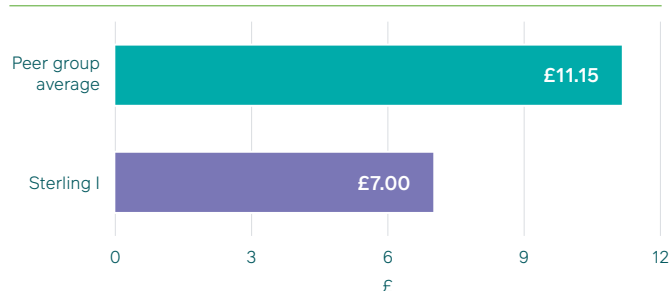


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' share class as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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

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 "satisfactory".

M&G UK Inflation Linked 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, and the fund has met its investment objective. We believe investors also benefit from low running costs relative to comparable M&G funds. 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	0.85%	2	3	2	2	3	3	2	3
Sterling R	0.70%	2	3	2	2	3	3	2	3
Sterling I	0.45%	2	3	2	2	3	3	2	3
Sterling PP	0.35%	2	3	2	2	3	3	2	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “satisfactory”.

2. Investment performance



The fund aims to protect the value of capital and income from inflation by providing a total return (the combination of capital growth and income), net of the Ongoing Charge Figure, that is consistent with or higher than UK inflation (as measured by the UK Consumer Prices Index), 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 investment objective over the three-year period ending 31 March 2021. All share classes outperformed the fund's benchmark and we rate them as “good”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	0.4%	1.3%	1.7%
Sterling A	5.6%	1.8%	2.4%
Sterling R	5.9%	2.1%	2.6%
Sterling I	6.1%	2.3%	2.9%
Sterling PP	6.3%	2.4%	2.9%

Past performance is not a guide to future performance.

Benchmark: UK Consumer Prices 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 2021. 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 below those of comparable M&G funds and we therefore rate the fund as “good”.

4. Economies of scale

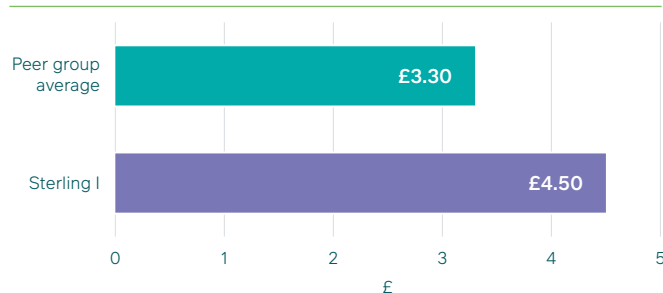


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be slightly higher than the average for competitor funds, as defined by a custom peer group. However, we believe it offers a differentiated, value-adding investment proposition amongst peers by aiming to protect investors against UK inflation, not just aiming to outperform inflation-linked UK government bonds. We therefore rate all 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 2021.

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

Similar funds or mandates that are managed by M&G are not 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 "satisfactory".

M&G UK Select 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, and the fund met its investment objective. We also believe investors benefit from annual charges that we find to be lower than most competitors. Overall, we find that “good” value has been delivered for most share classes, including ‘R’ and ‘I’, and “satisfactory” value for ‘A’ and ‘X’ shares.

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%	3	3	3	3	3	3	3	3
Sterling X	1.10%	3	3	3	3	3	3	3	3
Sterling R	0.95%	2	3	2	3	3	3	3	3
Sterling I	0.70%	2	3	2	3	3	2	3	3
Sterling PP	0.55%	2	3	□	3	3	2	3	3

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.

You can find out how we have addressed issues that were identified in the last Value Assessment on [pages 5 and 6](#).

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 “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 the FTSE All Share Index over any five-year period.

The fund met its investment objective over the five-year period ending 31 March 2021, and all share classes are rated as at least “satisfactory”. Lower-charging ‘R’ and ‘I’ share classes outperformed the benchmark and we rate them as “good”.

Annualised performance to 31 March 2021

Share classes	One-year	Three-year	Five-year
Benchmark	26.7%	3.2%	6.3%
Sterling A	31.9%	5.7%	6.7%
Sterling X	31.9%	5.7%	6.7%
Sterling R	32.2%	6.1%	7.2%
Sterling I	32.5%	6.4%	7.4%
Sterling PP	-	-	-

Past performance is not a guide to future performance.

Benchmark: FTSE All-Share Index

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

Source: Morningstar, Inc. and M&G, as at 31 March 2021. 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

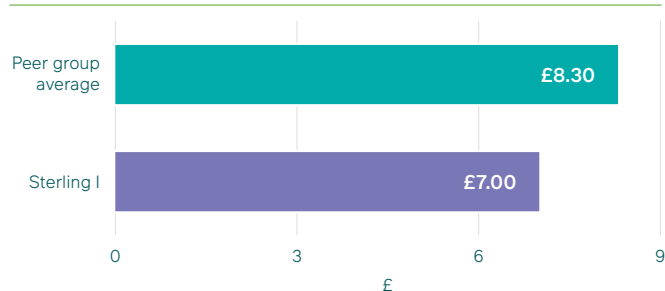


The fund’s size remained below the £1 billion threshold at which investors receive a discount. Without material economies of scale to pass on, we rate the fund as “satisfactory”.

5. Comparable market rates

The fund's annual charges are found to be lower than the average for competitor funds, as defined by a custom peer group, so we rate the 'I' and 'PP' share classes as "good". After taking account of the effective charge for additional services provided to 'A', 'X' and 'R' share class investors, we rate their value 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 2021.

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 annual 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 "satisfactory".

Methodology of the Value Assessment

We have outlined our approach to evaluating each of the seven criteria that comprise our Value Assessment below.

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, as below.

- **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 book management, tax, legal and shareholder services, while others are delivered externally by third party providers, including custody and clearing services.
- **Authorised Corporate Director**
The responsibility of the ACD is to ensure funds are run in the best interests of their investors.
- **Brand** Despite being a non-tangible service, 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.

Wherever possible, 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 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.

This year, we have made a fund by fund assessment by evaluating 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 profitable 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 profitability, and explore any exceptions.

Since August 2019, 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. The discount applies as follows. For every £1 billion of a fund's net asset value, a discount of 0.02% is applied to that fund's annual charge (equating to £0.20 a year for every £1,000 invested) up to a maximum of 0.12%. This also works in the opposite direction should a fund's net asset value fall below the £1 billion threshold.

This year, we have evaluated whether each fund has demonstrated that it is able to achieve economies of scale as it grows in size. Where fund-specific economies of scale already exist, we have assessed the extent to which M&G has passed on these cost savings to investors in the form of a discount on annual charges.

Where a fund achieves material economies of scale and shares cost savings with its investors, that fund is rated as "good". Where a fund achieves some economies of scale but is not yet large enough to achieve them materially, and so does not pass on a discount, it is rated as "satisfactory". Where a fund has not achieved any economies of scale – in that its costs have not fallen as a percentage of rising assets under management – it is rated as "must improve".

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 its 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, being those whose objective is to track an index, are not comparable to actively managed funds, we only compared 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". If it has the lowest annual charge in its peer group, it will be rated as "outstanding". Conversely, if a fund is more expensive than most comparable funds, we rate that fund as no better than "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 no better than "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 (for instance, 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. No investor should be paying more than others to access the same product with substantially similar rights and services.

Where investors are in the most appropriate share class and pay an appropriate charge, we rate that share class as “satisfactory”. This is the highest rating we award for this criterion. If the number of customers paying charges that deviate meaningfully is above a given threshold, we will rate that share class as 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.

Fund benchmarks

M&G Absolute Return Bond Fund

Benchmark: 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 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. The benchmark is shown in sterling.

M&G Asian Fund

Benchmark: MSCI AC Asia Pacific ex 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 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. The benchmark is shown in sterling.

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. The benchmark is shown in sterling.

M&G Climate Solutions Fund

Benchmark: MSCI World Index

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: IA £ Corporate Bond Sector

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the benchmark as the fund is a constituent of the sector. The benchmark is used solely to measure the fund's performance and does not constraint 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 the 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 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 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 benchmark as it best reflects the scope of the fund's investment policy. The benchmark 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 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 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: 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 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. The benchmark is shown in sterling.

M&G Episode Growth Fund

Benchmark: IA Mixed Investment 40-85%

Shares Sector

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the fund 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. The benchmark is shown in sterling.

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 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 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 European Index Tracker

Benchmark: FTSE World Europe ex UK Index

The index is a target 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, though the weighting of the holdings of the fund may deviate from the weighting of the benchmark's constituents. The benchmark is shown in the share class currency.

M&G European Select Fund

Benchmark: FTSE World Europe ex UK 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 Gilt & Fixed Interest Income Fund

Benchmark: FTSE Actuaries UK Conventional Gilts All Stocks Index

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 benchmark's constituents. The benchmark is shown in sterling.

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

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. The benchmark is shown in sterling.

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

M&G Global Enhanced Equity Premia

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. The benchmark is shown in sterling.

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: IA Global Government Bond sector

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the 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 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 the 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 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.

M&G Global High Yield ESG 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. For unhedged share classes, the benchmark is shown in sterling. For currency hedged share classes, the benchmark is hedged to sterling.

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

M&G Global Macro Bond Fund

Benchmark: IA Global Bond sector

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the 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 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 share classes, the benchmark is shown in sterling. For currency hedged share classes, the benchmark is hedged to sterling.

M&G Global Select 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. The benchmark is shown in sterling.

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. The benchmark is shown in the share class currency.

M&G Global Target Return Fund

Benchmark: 3-month GBP LIBOR + 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. The benchmark is shown in sterling.

M&G Global Themes 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. The benchmark is shown in the share class currency.

M&G Index Tracker Fund

Benchmark: FTSE All-Share Index

The index is a target 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, though the weighting of the holdings of the fund may deviate from the weighting of the benchmark's constituents. The benchmark is shown in sterling.

M&G Index-Linked Bond Fund

Benchmark: FTSE Actuaries 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 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.

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 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. The benchmark is shown in sterling.

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

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: IA £ Strategic Bond Sector

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the 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 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 Pan European Select Fund

Benchmark: MSCI Europe 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 Pan European Select Smaller Companies Fund

Benchmark: EMIX Smaller European Companies 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 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.

M&G Smaller Companies Fund

Benchmark: Numis Smaller Companies Index excluding Investment Companies

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, together with the other index, and the Alternative Investment Market as referenced in "Core investment" constrains 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

Benchmark: IA £ Corporate Bond Sector

The benchmark is a target which the fund seeks to outperform. The sector has been chosen the 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 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 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 Actuaries 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

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 Select 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.

A summary of M&G fund share classes

Most M&G funds have different share classes, each offering certain services and carrying its own level of charges. The share class that you hold will typically depend on how you invest in any given fund and the value of your investment.

For your information, and to provide further context for our Value Assessment, we have provided a summary for each of the share classes – including who generally invests in them and the services they receive – below.

Please note all share classes are [denominated in Sterling](#) unless another currency is stated.

'A' and 'X' share classes have the same characteristics and charges*, and are 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.

* Prior to December 2016, the 'X' share class incurred an exit fee on 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.
- 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 £500,000 or more through the Prudential Wealth platform.
- UK wealth managers who can invest £5 million or more in a fund.

Charges are generally lower than 'I' shares for any given fund.

Other share classes

The 'D' share class is only available in the M&G Property Portfolio. Charges are lower than 'I' shares in the fund, but redemptions are subject to a notice period.

The 'E' share class is held by institutional investors who made investments in a fund at its launch. It carries lower charges than the 'I' share class.

The 'J' share class is held by large institutional investors who have holdings of £200 million or more in a fund. It carries lower charges than the 'I' share class.

The 'L' share class is held by institutional investors who made investments in a fund at its launch. It carries lower charges than the 'I' share class.

The 'Z' share class is held by large institutional investors who have holdings of £20 million or more in a fund. It carries lower charges than the 'I' share class.

Non-sterling share classes are those denominated in either Euros, Swiss francs (CHF) or US dollars (USD).

- 'Euro A' / 'CHF 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' / 'CHF 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.
- 'Euro Z' shares held only by large institutional investors who have entered into a bespoke agreement with M&G.

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.

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 stockmarket 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 Long-term investment in a company, asset or sector that makes a positive contribution to environment, economy or society, in order to support or boost that positive contribution over time.

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.

