

M&G(英國)收益優化基金

半年度報告及未經查核財務報告

截至 2022 年 3 月 31 日

(中文簡譯本)

不受理僅以此財務報告為基礎之申購，有效申購應以公開說明書及其最新之半年報為基礎。若中文版與英文版之內容有衝突，應以英文版為準。

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M&G(英國)收益優化基金

被核可公司董事報告

被核可公司董事(ACD)提出 M&G(英國)收益優化基金截至 2022 年 3 月 31 日止之半年度投資報告及未經查核財務報告。

(略)

公司資訊

此開放式投資公司為一依 2001 年開放式投資公司規範設立之可變動資本投資公司。本公司依 2000 年金融服務暨市場法，經金融行為監管局核准並受其規範。本公司為金融行為監管局所發行(並修訂)之集體投資計畫手冊中所定義之 UCITS 計畫。

本公司於 2006 年 11 月 17 日經核准，基金於 2006 年 12 月 8 日開始募集。

本公司之主要活動為執行開放式投資公司之業務。

股東無須負擔本公司之負債，且於支付購買股份之價格後，無須再支付本公司其它費用。

基金經理人

Richard Woolnough 為 M&G Limited (M&G Securities Limited 之關係企業)之員工

被核可公司董事(ACD)

M&G Securities Limited
10 Fenchurch Avenue, London EC3M 5AG, UK
Telephone: 0800 390 390 (限英國地區)

(經金融行為監管局核准並受其規範，且為投資協會及 Tax Incentivised Savings Association 之會員。)

被核可公司董事之董事

N J Brooks, C Dobson (非執行董事), S A Fitzgerald, P R Jelfs, M McGrade (非執行董事), L J Mumford

投資管理機構

M&G Investment Management Limited
10 Fenchurch Avenue, London EC3M 5AG, UK
電話: +44 (0)20 7626 4588
(經金融行為監管局核准並受其規範)

過戶代理機構

S&C Financial Services Europe Ltd
SS&C House St. Nicholas Lane, Basildon, Essex

SS15 5Fs, UK

(經金融行為監管局核准並受其規範)

存託機構

NatWest Trustee & Depository Services Limited,
House A Floor 0, Gogarburn, 175 Glasow Road,
Edinburgh EH12 1HQ, UK

(經審慎監管局核准，並受金融行為監管局及審慎監管局規範)

獨立查核會計師

Ernst & Young LLP

Atria One, 144 Morrison Street, Edinburgh EH3 8EX, UK

年度價值評估

M&G 於英國註冊之基金提供年度評估報告予投資人，該報告評估 M&G 所收取之費用是否與提供之服務內容相符。報告可於 www.mandg.co.uk/valueassessment 查看。

重要訊息

COVID-19 疫情是前所未見的事件，並將持續帶來不確定性。被核可法人董事將會持續監控其對本公司及服務供應商所構成的持續營運風險。

目前在烏克蘭發生的事件令人感到震驚與悲慘。儘管人們擔心，但俄羅斯對烏克蘭的全面軍事入侵可以說是始料未及並受到廣泛譴責。西方國家已經對俄羅斯於 2022 年 2 月 24 日發動的攻擊行為作出了回應：美國、英國和歐盟對俄羅斯銀行、國有企業和與普丁總統關係密切的個人實施制裁。2022 年 2 月 28 日，俄羅斯中央銀行關閉了莫斯科證券交易所的股票交易。雖然相關的制裁與限制持續實施中，交易所仍在 2022 年 3 月 24 日重新開啟部分服務。

從金融市場的角度來看，俄羅斯的攻擊引發了相當大的波動，尤其是俄羅斯的資產大幅下跌與石油價格大幅飆升。有鑒於持續衝突所帶來的不確定性，以及隨著投資者對事態發展作出反應，金融市場可能會在未來幾天和幾週內持續動盪。

在這種高度不確定且快速變化的環境中，請注意，投資評論可能會因為正在發生的事件而迅速過時。我們將持續且密切地關注地緣政治的情勢。

自 2022 年 4 月 27 日起，M&G 燃料煤投資政策將被實施。如欲獲取更多資訊，投資人應參閱公開說明書，或從 M&G 網站獲取「M&G 燃料煤投資政策」文件 (www.mandgplc.com/sustainability/environment/coal)。

投資人訊息

公開說明書、公司章程、簡式公開說明書、成本與費用列表、最新之年度或半年度投資報告與財務報告及可申購贖回的基金清單，可於本公司辦事處或存託機構辦事處免費索取。

客戶服務及行政（非英國地區客戶）

M&G Securities Limited,
c/o RBC I&TS, 14, Porte de France, L-4360
Esch-sur-Alzette,
Grand Duchy of Luxembourg

以書面方式聯絡我們時，請註明姓名、客戶編號及簽名，以便辦理後續相關事宜。

電話: +352 2605 9944

電子郵件: csmandg@rbc.com

為了提升我們的服務品質，我們可能錄音並監控電話。請備妥您的客戶編號。未提供客戶編號者可能對於您能否與本公司進行交易造成影響。

(略)

被核可公司董事之責任

被核可公司董事應編製本公司年度及半年度簡式及非簡式報告，並確保本基金之財務報告須遵循投資協會所發行之授權基金財務報表實務作業建議書 (Statement of Recommended Practice for Financial Statements of Authorised Funds) 及英國會計原則規定，非簡式報告應就本公司會計年度終了時之財務狀況及該年度之淨資本利得及費用提供真實且公允之看法。

被核可公司董事須保存適當會計紀錄，依金融行為監管局所發行（並修訂）之集體投資計畫手冊、公司章程及公開說明書管理本公司，並採取合理措施以預防及偵查詐欺或其他不法行為。

董事聲明

此報告依循金融行為遵循總署(Financial Conduct Authority) 發布與修訂之集合投資計畫法規(Collective Investment Schemes sourcebook)進行製備。

M&G Securities Limited

2022年5月13日

M&G(英國)收益優化基金

財務報告與附註

會計政策

自財務報告核准公布日起，至最少十二個月內，不會發生可能對公司持續經營能力造成嚴重疑慮之重大事件。

ACD 認為公司在可預見的將來有足夠的資源繼續營運，但考慮 COVID-19 的影響後，於編制財務報告時，將採持續關注的方法為基礎。ACD 已評估基金在發行財務報告之日的持續經營能力，並考慮流動性、全球資本市場下跌、投資者的意願、已知的贖回水平、費用預測、主要服務供應商的營運彈性，及 COVID-19 的影響。

半年度財務報告的編制與 2021 年 9 月 30 日經查核年度財務報告的編制基礎相同。這些財務報告是根據歷史成本慣例編制而成，經投資重估後進行修改，符合 2014 年 5 月，由投資協會所發行之基金財務報表實務作業建議書 (SORP)，且修改於 2017 年 6 月的規範。

銷售政策

在決定可分配收益股份的金額時，年度費用，年度管理費用和行政費用得從資本抵銷，從而增加可分配的金額，但同時會限制相等程度的資本績效。

(略)

M&G(英國)收益優化基金

M&G Optimal Income Fund

半年期至
2022年3月31日止

總收益報告

註	2022年		2021年	
	英鎊 (仟元)	英鎊 (仟元)	英鎊 (仟元)	英鎊 (仟元)
收益				
淨資本利得/(損失)		(117,554)		136,737
收入	23,601		21,619	
支出	(6,577)		(10,170)	
稅前淨利/(支出)	17,024		11,449	
稅賦	(87)		(59)	
稅後淨利/(支出)		16,937		11,390
分配前總收益		(100,617)		148,127
分配		(18,756)		(14,755)
股東資產淨值變動		(119,373)		133,372

股東資產淨值變動表

	2022年		2021年	
	英鎊 (仟元)	英鎊 (仟元)	英鎊 (仟元)	英鎊 (仟元)
期初股東資產淨值		1,934,975		2,416,912
發行單位收取之金額	49,541		6,338	
取消單位支付之金額	(162,367)		(475,753)	
轉入 M&G 收益優化基金		(112,826)		(469,415)
稀釋調整		348		1,410
股東資產淨值變動(參上)		(119,373)		133,372
累積股未分配金額		10,109		6,137
未宣布之分配		0		1
期末股東資產淨值		1,713,233		2,088,417

資產負債表

	2022年3 月31日	2021年9 月30日
註	英鎊 (仟元)	英鎊 (仟元)
資產		
固定資產		
投資	1,662,788	1,901,334
現有資產		
借項	44,085	21,594
現金及銀行餘額	51,028	35,998
約當現金	63,450	24,811
資產總計	1,821,351	1,983,737
負債		
投資負債	(53,381)	(16,078)
貸項		
銀行透支	(902)	0
在期貨結算所及 擔保經理的透支 部位	(4,447)	(6,798)
應付配息	(8,012)	(7,375)
其他貸項	(41,376)	(18,511)
負債總計	(108,118)	(48,762)
股東資產淨值	1,713,233	1,934,975

M&G Optimal Income Fund

**Interim Long Report and unaudited Financial Statements
for the six months ended 31 March 2022**

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Optimal Income Fund presents its Interim Long Report and unaudited Financial Statements for the six months ended 31 March 2022.

Please note that we have included an explanation of key investment terminology in the 'Glossary' (at the back of this report).

Company information

This Open-Ended Investment Company (OEIC) is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000. The Company is a UK UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA.

The Company was authorised on 17 November 2006 and the fund was launched on 8 December 2006.

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

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

Fund manager

Richard Woolnough is employed by M&G FA Limited which is an associate of M&G Securities Limited.

ACD

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

Directors of the ACD

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

Investment manager

M&G Investment Management Limited,
10 Fenchurch Avenue, London EC3M 5AG, UK
Telephone: +44 (0)20 7626 4588
(Authorised and regulated by the Financial Conduct Authority)

Registrar

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

Depository

NatWest Trustee & Depository Services Limited,
House A, Floor 0, 175 Glasgow Road, Gogarburn,
Edinburgh EH12 1HQ, UK
(Authorised and regulated by the Financial Conduct Authority)

Independent auditor

Ernst & Young LLP
Atria One, 144 Morrison Street, Edinburgh EH3 8EX, UK

Annual value assessment

An annual assessment report is available which shows the value provided to investors in each of M&G's UK-based funds. The assessment report evaluates whether M&G's charges are justified in the context of the overall service delivered to its investors. The report can be found at www.mandg.co.uk/valueassessment

Authorised Corporate Director's Report

Important information

The COVID-19 pandemic has been an unprecedented event and continues to bring uncertainties. The ACD continues to monitor the ongoing operational risks that are posed to the Company and its service providers.

The events currently unfolding in Ukraine are shocking and tragic. Although feared, a full-scale military invasion of Ukraine by Russia was arguably not expected and has been widely condemned. Western nations have responded to Russia's attack which started on 24 February 2022, with sweeping sanctions: the US, the UK and the European Union have imposed sanctions on Russian banks, state-owned enterprises (SOEs) and individuals with close links to President Putin. On 28 February 2022, Russia's central bank closed stock trading on the Moscow Stock Exchange. Whilst restrictions and sanctions are still in place, there was a partial reopening of the Exchange on 24 March 2022.

From the perspective of financial markets, Russia's attack has sparked considerable volatility, with Russian assets, in particular, falling sharply and oil prices surging. Given the uncertainty around the continuing conflict, it is likely that financial markets will remain volatile in the coming weeks and months as investors react to developments.

In this uncertain fast-moving environment, please be aware that investment commentary may become quickly outdated by ongoing events. We will continue to monitor the geopolitical situation closely.

Please refer to the 'Investment review' section for further details on significant events during the period.

From 27 April 2022, the M&G Investments Thermal Coal Investment Policy has been applied. For further information, investors should refer to the Prospectus or the 'M&G Investments Thermal Coal Investment Policy' document which is available on the M&G website at www.mandgplc.com/sustainability/environment/coal

Investor information

The Prospectus, Instrument of Incorporation, Key Investor Information Documents, costs and charges illustration, the latest Annual or Interim Investment

Report and Financial Statements as well as a list of purchases and sales are available free of charge on request from the following addresses. The Instrument of Incorporation can also be inspected at our offices or at the office of the Depositary.

Customer services and administration for UK clients:

M&G Securities Limited,
PO Box 9039, Chelmsford CM99 2XG, UK

Please remember to quote your name and M&G client reference and sign any written communication to M&G. Failure to provide this will affect your ability to transact with us.

Telephone: 0800 390 390 (UK only)

For security purposes and to improve the quality of our service, we may record and monitor telephone calls. You will require your M&G client reference. Failure to provide this will affect your ability to transact with us.

Customer services and administration for non-UK clients:

M&G Securities Limited,
c/o RBC I&TS, 14, Porte de France,
L-4360 Esch-sur-Alzette,
Grand Duchy of Luxembourg

Please remember to quote your name and M&G client reference and sign any written communication to M&G. Failure to provide this will affect your ability to transact with us.

Telephone: +352 2605 9944

Email: csmandg@rbc.com

For security purposes and to improve the quality of our service, we may record and monitor telephone calls. You will require your M&G client reference. Failure to provide this will affect your ability to transact with us.

Swiss paying agent and representative:

Société Générale, Paris, Zurich Branch,
Talacker 50, 8021 Zurich, Switzerland

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

The Authorised Corporate Director (ACD) is required to prepare annual and interim long reports for the Company. The ACD must ensure that the financial statements, contained in this report, for the fund are prepared in accordance with the Investment Association Statement of Recommended Practice for Financial Statements of UK Authorised Funds (SORP) and UK Financial Reporting Standards, and give a true and fair view of the net revenue or expenses and net capital gains or losses for the accounting period, and the financial position at the end of that period.

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

Directors' statement

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

M&G Securities Limited
13 May 2022

Authorised Corporate Director's Report

Investment objective

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

Investment policy

At least 50% of the fund is invested, directly or indirectly through derivatives, in debt securities, including investment grade bonds, below investment grade unrated securities and asset backed securities. These securities can be issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies from anywhere in the world, including emerging markets. These securities can be denominated in any currency.

Other investments may include:

- up to 20% of the fund in equities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

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

At least 80% of the fund is in sterling or hedged back to sterling.

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

Investment approach

The fund is globally diversified across a range of debt securities and issuers from a variety of sectors and geographies. This flexibility allows the fund manager to invest in a combination of assets that together provide the most attractive or 'optimal' income stream for the fund. Income streams from different assets essentially offer different combinations of duration (interest rate) risk and credit risk – the optimal income stream is

therefore that which incorporates the best mix of the two, based on the fund manager's view on macroeconomic, asset class, sector and geographic factors. In seeking an optimal income stream from investments, the fund manager may invest in a company's equities if they present a more attractive investment opportunity relative to its bonds.

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

Benchmark

Benchmark: IA Sterling Strategic Bond Sector.

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

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

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

Risk profile

The fund is a flexible bond fund which invests in a range of fixed income securities. In addition, up to 20% of the portfolio may be invested in company shares when the fund manager believes they offer better value than bonds. The fund is therefore subject to the price volatility of global bond and stockmarkets as well as the performance of individual companies. The fund is also subject to fluctuations in currency exchange rates.

There are no restrictions on the amount of government bonds, investment grade bonds or high yield bonds that can be held within the portfolio. While government and investment grade bonds are generally highly liquid assets that are normally traded with relative ease, high yield corporate bonds are higher risk assets that could

Authorised Corporate Director's Report

potentially experience a degree of illiquidity in times of market distress. The fund's exposure to company shares is typically through large companies, where the shares are normally traded with relative ease.

The fund's exposure to fixed income securities may be gained through the use of derivatives. In association with the use of derivatives, including those instruments not traded through an exchange, collateral is deposited in order to mitigate the risk that a counterparty may default on its obligations or become insolvent.

Portfolio diversification is key in managing liquidity and default risks as well as reducing market risk. The fund's risks are measured and managed as an integral part of the investment process.

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



The above number:

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

Investment review

As at 1 April 2022, for the six months ended 31 March 2022

Performance against objective

Between 1 October 2021 (the start of the review period) and 1 April 2022, the M&G Optimal Income Fund delivered a negative total return (the combination of income and growth of capital) across all of its sterling share classes. Fund performance was also behind that

of the average return from the fund's benchmark, the IA Sterling Strategic Bond Sector, which was -4.4% over the same period under review.

Over five years, the fund generated a positive total return, but all of its share classes lagged the benchmark, which had an average return of 2.4% pa over the same period. Therefore, the fund did not meet its objective of providing a higher total return, net of the ongoing charge figure, than the average return of the IA £ Strategic Bond Sector, over any five-year period.

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

Performance review

The six-month period under review saw heightened volatility across global bond markets, with the majority of fixed income assets delivering negative returns over the period. The downturn mainly occurred in the first quarter of 2022 and was driven by concerns that monetary policy would need to be tightened more aggressively to tackle surging inflation. The Russian invasion of Ukraine on 24 February became the dominant theme in the final weeks of the period, with a surge in wheat and energy prices expected to put even further pressure on inflation.

The volatility that characterised the early months of 2022 contrasted with the relatively subdued market conditions that persisted throughout much of 2021. While concerns about rising inflation had weighed on sentiment, the general view was that inflation would prove to be transient, with moves in fixed income markets relatively contained. Meanwhile, investors appeared to be reassured by the successful rollout of the COVID-19 vaccination programme, along with the gradual reopening of businesses and economies.

However, as it became apparent that inflation was likely to prove more persistent than originally thought, fixed income markets came under pressure in the final weeks of 2021. Around this time, the world's central banks took an increasingly assertive stance as they outlined their plans to curb inflationary pressures. In December, the Bank of England unexpectedly raised its key interest

Authorised Corporate Director's Report

rate for the first time in three years, while the US Federal Reserve indicated that a series of interest rate hikes would need to be implemented in 2022 and 2023.

Against this backdrop, core government bonds delivered negative returns across the board as yields (which move in the opposite direction to bond prices) rose sharply from December onwards. Corporate bonds also experienced negative returns, with returns for these assets held back by a combination of rising government bond yields and deteriorating investor sentiment. High yield bonds (which have a low credit rating and are therefore considered riskier) generally held up better than higher-rated bonds, which can mainly be explained by their lower sensitivity to movements in interest rates.

Emerging market bonds also came under pressure, with rising US Treasury yields acting as a headwind to the asset class. Usually, when US government bond yields increase, bonds in emerging markets suffer because some investors reallocate money to the US debt market, which is seen as safer than the smaller and riskier developing countries' markets.

One bright spot in fixed income markets was inflation-linked bonds (a type of bond whose cashflows are adjusted in line with a measure of inflation and can therefore offer some protection from price rises). Expectations of higher inflation led to a rise in breakeven rates (a measure of the bond market's expectation for inflation) across the US, Europe and the UK, and this proved helpful for the asset class overall.

In currencies, the US dollar performed strongly, benefiting from its perceived safe-haven credentials amid heightened geopolitical uncertainty, while the Japanese yen and the euro performed poorly. While emerging market currencies were weak overall, a number of Latin American currencies, such as the Brazilian real, saw strong gains.

The fund delivered a negative total return and was behind its benchmark over the six months under review. A large part of the fund's negative returns in the period was due to the poor performance of investment grade corporate bonds – the fund's largest allocation by bond

asset class. Exposure to other bond asset classes where we hold meaningful exposure included government bonds and high yield bonds, and these also fared poorly in the period under review. That said, because we had a more cautious view on having too much exposure to these types of bond, and held fewer compared to the sector average during this period, negative returns were cushioned somewhat.

Investment activities

We adjust the fund's positioning to reflect changes in our outlook regarding interest rates, credit risk and changes in relative value among the different fixed income asset classes. Throughout the review period, our largest portfolio conviction was in investment grade corporate bonds – although trimmed marginally during the six months – and, as a result, the fund held proportionately more of these bonds (around 42.6% at the end of the review period). Other exposures included government bonds (22.8%), high yield bonds (32.0%), and equities (4.2%). We have increased exposure to high yield bonds during the period and this was mainly done through using financial instruments called derivatives. Using the derivatives market is one way of expressing an investment view on certain assets – whether we think prices will rise or fall – without the need to hold their physical equivalent.

One of the key drivers of the fund's performance is the ability to reduce or increase the portfolio's sensitivity to changes in bond yields, otherwise known as 'duration' and measured in years. (Bond yields refer to the interest received from a fixed income security, which is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. Bond yields typically move in the opposite direction to bond prices). The longer the duration, the more sensitive a bond/bond fund is to movements in interest rates. We maintained a fairly short duration during the entire period, as we believed interest rates would likely rise on a build-up of inflation expectations and because of a strong economy. However, from the start of the period to the end, we increased duration from around 2.4 years to around 3.8 years because we felt the pace of interest rates is likely to be staggered.

Authorised Corporate Director's Report

Most of this increase was done in February and March 2022 as we saw rising uncertainty because of international events.

Outlook

For some time now we have remained constructive on the economy and this belief is integral to our portfolio positioning as we head into the second half of 2022. Monetary and fiscal stimulus has worked, in our view, but perhaps too well. Inflation across major markets is high, but labour markets are extremely strong, wages are rising and households are in a good financial position. Meanwhile, central banks have not kept pace with interest rate rises and remain behind the curve (ie, we still have negative real interest rates). As long as this continues, corporate bond defaults should stay low, which in turn should be a positive for credit. And while central banks have recently turned more 'hawkish' (particularly in the US and UK) their current and projected rates are still far below where inflation is. Given this macro backdrop, while we acknowledge that there has been an increase in the probability of rare events, we remain constructive on the economy and are therefore positioned for interest rates to go up and default rates to remain low.

Richard Woolnough

Fund manager

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

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

Investments

Portfolio statement

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Equities	68,336	3.99	5.30
Telecommunication service providers	16,434	0.96	0.80
280,000 AT&T	5,158	0.30	
640,000 Orange	5,777	0.34	
140,000 Verizon Communications	5,499	0.32	
Pharmaceuticals & biotechnology	0	0.00	0.51
Non-life insurance	0	0.00	0.38
Automobiles & parts	14,239	0.83	0.92
110,000 Bayerische Motoren Werke	7,418	0.43	
125,000 Mercedes-Benz	6,821	0.40	
Travel & leisure	0	0.00	0.00
416,995 Codere ^a	0	0.00	
Tobacco	13,530	0.79	0.90
170,000 British American Tobacco	5,448	0.32	
500,000 Imperial Brands	8,082	0.47	
Aerospace & defence	1,297	0.08	0.08
400,000 Babcock International	1,297	0.08	
Industrial support services	4,892	0.28	0.12
140,000 Adecco	4,892	0.28	
Precious metals & mining	0	0.00	0.00
3,647,371 New World Resources ^a	0	0.00	
Oil, gas & coal	17,944	1.05	1.59^b
1,200,000 BP	4,504	0.26	
85 Chaparral Energy Warrants 01/10/2024 ^c	0	0.00	
85 Chaparral Energy Warrants 01/10/2025 ^c	0	0.00	
431 Denbury Warrants 18/09/2023	15	0.00	
450,000 Repsol	4,518	0.27	
220,000 Shell	4,606	0.27	
110,000 TotalEnergies	4,301	0.25	
Fixed income	1,559,380	91.02	92.86
Debt securities	1,525,786	89.06	91.48
'AAA' credit rated bonds	63,888	3.73	21.02
AU\$17,000,000 Australia (Commonwealth of) 1.75% 21/06/2051	7,043	0.41	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'AAA' credit rated bonds (continued)			
£1,298,000 Bank of Montreal FRN 1.6677% 15/09/2026	1,326	0.08	
£3,000,000 Bank of Nova Scotia FRN 1.494% 26/01/2026	3,055	0.18	
£1,551,000 Canada Square Funding FRN 1.3491% 17/01/2059	1,543	0.09	
£898,899 CMF 2020-1 FRN 1.0451% 16/01/2057	898	0.05	
£1,197,750 Elstree Funding No. 2 FRN 1.0993% 21/12/2054	1,193	0.07	
€686,204 Finance Ireland Rmbs No. 3 FRN 0.251% 24/06/2061	583	0.03	
£1,971,433 Finsbury Square 2021-2 FRN 1.0406% 16/12/2071	1,959	0.11	
€20,000,000 Germany (Federal Republic of) 0.5% 15/02/2026	17,058	1.00	
€1,916,034 Glenbeigh 2 Issuer FRN 0.251% 24/03/2046	1,607	0.09	
€1,875,628 Glenbeigh 2 Issuer 2021-2 FRN 0.251% 24/06/2050	1,576	0.09	
£1,435,320 Harbour FRN 0.954% 28/01/2054	1,426	0.08	
US\$1,000,000 Johnson & Johnson 3.55% 01/03/2036	787	0.05	
€1,546,146 Jubilee Place 2021-1 FRN 0.267% 17/07/2058	1,310	0.08	
£3,034,443 Jupiter Mortgage No. 1 FRN 0.8916% 20/07/2060	3,027	0.18	
£1,329,312 Lanebrook Mortgage Transaction 2021-1 FRN 0.7319% 20/07/2058	1,314	0.08	
£789,170 London Wall Mortgage Capital FRN 0.8966% 15/05/2051	784	0.05	
US\$1,009,000 Microsoft 4.5% 06/02/2057	928	0.05	
£7,005,000 Nationwide Building Society FRN 1.0266% 24/02/2031	6,907	0.40	
£1,991,272 Polaris 2022-1 FRN 1.2334% 23/10/2059	1,984	0.12	
£1,246,471 Taurus 2021-4 FRN 1.1052% 17/08/2031	1,240	0.07	
£4,000,000 Towd Point Mortgage Funding 2019 - Granite4 FRN 0.7616% 20/10/2051	3,957	0.23	
€3,000,000 Yorkshire Building Society 0.01% 13/10/2027	2,383	0.14	
'AA' credit rated bonds	382,752	22.34	4.28
US\$4,800,000 Apple 2.2% 11/09/2029	3,483	0.20	
US\$3,000,000 Apple 2.8% 08/02/2061	1,940	0.11	
US\$3,500,000 Apple 4.65% 23/02/2046	3,131	0.18	
€2,000,000 Emirates Telecommunications 2.75% 18/06/2026	1,786	0.11	
€9,500,000 Exxon Mobil 0.835% 26/06/2032	7,239	0.42	
€7,000,000 Exxon Mobil 1.408% 26/06/2039	5,160	0.30	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'AA' credit rated bonds (continued)			
£214,688 Intu Metrocentre 1% 23/12/2023	212	0.01	
£2,508,000 Metropolitan Life Global Funding I 1.625% 12/10/2028	2,360	0.14	
€5,000,000 New York Life Global Funding 0.25% 23/01/2027	3,995	0.23	
£2,086,000 New York Life Global Funding 1.5% 15/07/2027	1,971	0.12	
US\$50,000,000 US Treasury 0.75% 31/03/2026	35,601	2.08	
US\$50,000,000 US Treasury 1% 31/07/2028	34,948	2.04	
US\$15,000,000 US Treasury 1.25% 30/06/2028	10,659	0.62	
US\$50,000,000 US Treasury 1.5% 30/11/2028	35,981	2.10	
US\$30,000,000 US Treasury 1.625% 15/02/2026	22,139	1.29	
US\$35,000,000 US Treasury 1.875% 15/02/2041	23,716	1.39	
US\$50,000,000 US Treasury 2.25% 15/11/2025	37,787	2.21	
US\$50,000,000 US Treasury 2.25% 15/02/2027	37,796	2.21	
US\$50,000,000 US Treasury 2.25% 15/11/2027	37,758	2.20	
US\$50,000,000 US Treasury 2.25% 15/05/2041	35,957	2.10	
US\$50,000,000 US Treasury 2.875% 15/08/2028	39,133	2.28	
'A' credit rated bonds	119,789	6.99	10.81
€4,000,000 American Honda Finance 0.3% 07/07/2028	3,107	0.18	
€1,141,000 Argentum Netherlands for Zurich Insurance Var. Rate 2.75% 19/02/2049	971	0.06	
£1,188,000 Assura Financing 3% 19/07/2028	1,213	0.07	
€7,000,000 Banco Bilbao Vizcaya Argentaria Var. Rate 0.125% 24/03/2027	5,616	0.33	
€1,100,000 Banco Bilbao Vizcaya Argentaria FRN 0.502% 09/09/2023	940	0.05	
€3,542,000 Bank of America FRN 0.513% 22/09/2026	3,007	0.18	
€6,500,000 Bank of America Var. Rate 0.694% 22/03/2031	4,996	0.29	
€5,000,000 Bank of America Var. Rate 1.102% 24/05/2032	3,919	0.23	
£3,500,000 Bank of America Var. Rate 1.667% 02/06/2029	3,247	0.19	
US\$5,000,000 Bank of America Var. Rate 1.922% 24/10/2031	3,315	0.19	
€3,400,000 Banque Fédérative du Crédit Mutuel 0.625% 03/11/2028	2,668	0.16	
€1,000,000 Banque Fédérative du Crédit Mutuel 0.625% 21/02/2031	760	0.04	
£3,300,000 Banque Fédérative du Crédit Mutuel 1% 16/07/2026	3,081	0.18	
€2,500,000 Banque Fédérative du Crédit Mutuel 1.375% 02/04/2030	2,071	0.12	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'A' credit rated bonds (continued)			
€5,000,000 Chubb 0.875% 15/12/2029	3,947	0.23	
€2,600,000 Chubb 1.4% 15/06/2031	2,093	0.12	
€189,000 Chubb 1.55% 15/03/2028	158	0.01	
US\$1,249,000 Comcast Cable Communications 8.5% 01/05/2027	1,150	0.07	
€1,600,000 Crédit Agricole Var. Rate 0.5% 21/09/2029	1,240	0.07	
€2,500,000 Crédit Agricole 0.875% 14/01/2032	1,917	0.11	
£1,714,000 East Japan Railway 1.162% 15/09/2028	1,583	0.09	
€667,000 ELM Var. Rate 3.375% 29/09/2047	586	0.03	
€1,218,000 ELM Var. Rate 4.5% Perpetual	1,114	0.07	
€2,000,000 ESB Finance 1.875% 14/06/2031	1,711	0.10	
€2,700,000 Hannover Rueck Var. Rate 1.375% 30/06/2042	2,011	0.12	
€2,400,000 Hannover Rueck Var. Rate 1.75% 08/10/2040	1,874	0.11	
US\$1,400,000 Henkel 1.75% 17/11/2026	1,010	0.06	
€2,000,000 JPMorgan Chase Var. Rate 1.047% 04/11/2032	1,558	0.09	
€3,800,000 JPMorgan Chase Var. Rate 1.09% 11/03/2027	3,161	0.18	
€2,000,000 JPMorgan Chase Var. Rate 1.638% 18/05/2028	1,687	0.10	
€3,500,000 JPMorgan Chase Var. Rate 1.812% 12/06/2029	2,963	0.17	
£2,500,000 JPMorgan Chase Var. Rate 1.895% 28/04/2033	2,275	0.13	
US\$2,000,000 JPMorgan Chase Var. Rate 2.069% 01/06/2029	1,400	0.08	
US\$8,000,000 JPMorgan Chase Var. Rate 2.963% 25/01/2033	5,762	0.34	
€2,000,000 KKR 1.625% 22/05/2029	1,642	0.10	
£2,790,000 Leeds Building Society 1.375% 06/10/2027	2,578	0.15	
US\$1,727,000 Legrand France 8.5% 15/02/2025	1,504	0.09	
€3,000,000 Mizuho Financial Var. Rate 0.47% 06/09/2029	2,323	0.14	
€4,000,000 Nationwide Building Society 0.25% 14/09/2028	3,062	0.18	
€2,000,000 Philip Morris International 0.8% 01/08/2031	1,434	0.08	
€10,000,000 Philip Morris International 1.45% 01/08/2039	6,393	0.37	
€1,000,000 Philip Morris International 1.875% 06/11/2037	702	0.04	
€1,000,000 Philip Morris International 2% 09/05/2036	730	0.04	
US\$2,000,000 Philip Morris International 4.875% 15/11/2043	1,592	0.09	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'A' credit rated bonds (continued)			
US\$2,291,836 Project Silver 3.967% 15/07/2044	1,640	0.10	
€2,483,000 Public Storage 0.5% 09/09/2030	1,823	0.11	
US\$3,138,558 Slam 2021-1 2.434% 15/06/2046	2,188	0.13	
£5,872,000 Toronto-Dominion Bank 2.875% 05/04/2027	5,863	0.34	
€2,500,000 UBS 1.25% 01/09/2026	2,090	0.12	
£3,693,000 UBS Var. Rate 1.875% 03/11/2029	3,434	0.20	
US\$432,000 Willow No. 2 Var. Rate 4.25% 01/10/2045	328	0.02	
US\$3,500,000 Zurich Finance Ireland Designated Activity Var. Rate 3% 19/04/2051	2,352	0.14	
'BBB' credit rated bonds	683,940	39.92	39.46
£496,000 3i 5.75% 03/12/2032	602	0.04	
€5,000,000 ABN AMRO Bank 1% 02/06/2033	3,851	0.23	
US\$3,000,000 AerCap Ireland Capital DAC 3.3% 30/01/2032	2,065	0.12	
US\$2,000,000 AerCap Ireland Capital DAC 3.4% 29/10/2033	1,354	0.08	
€11,000,000 Altria 3.125% 15/06/2031	9,311	0.54	
US\$12,000,000 Altria 3.875% 16/09/2046	7,748	0.45	
US\$7,000,000 Altria 4% 04/02/2061	4,473	0.26	
US\$1,835,000 Altria 4.5% 02/05/2043	1,291	0.08	
US\$2,000,000 Altria 5.375% 31/01/2044	1,573	0.09	
US\$12,000,000 Altria 5.8% 14/02/2039	9,835	0.57	
US\$7,000,000 Altria 5.95% 14/02/2049	5,765	0.34	
US\$2,000,000 Amgen 4.2% 22/02/2052	1,571	0.09	
US\$4,000,000 Amgen 4.4% 22/02/2062	3,154	0.18	
£1,247,000 Anglo American Capital 3.375% 11/03/2029	1,243	0.07	
US\$1,766,000 Anglo American Capital 4.75% 16/03/2052	1,395	0.08	
US\$1,500,000 Anheuser-Busch InBev Worldwide 4.6% 15/04/2048	1,221	0.07	
US\$2,000,000 Anheuser-Busch InBev Worldwide 4.75% 15/04/2058	1,649	0.10	
£1,028,000 Annington Funding 2.308% 06/10/2032	937	0.05	
£1,164,000 Annington Funding 2.924% 06/10/2051	1,011	0.06	
US\$432,000 Argentum Netherlands for Swiss Re Var. Rate 5.75% 15/08/2050	338	0.02	
£2,500,000 Aroundtown 3% 16/10/2029	2,399	0.14	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
€4,000,000 Assicurazioni Generali Var. Rate 5.5% 27/10/2047	3,784	0.22	
£4,000,000 Australia & New Zealand Banking Var. Rate 1.809% 16/09/2031	3,696	0.22	
US\$1,000,000 Australia & New Zealand Banking Var. Rate 2.57% 25/11/2035	664	0.04	
£1,500,000 Aviva Var. Rate 4% 03/06/2055	1,467	0.09	
£2,269,000 Aviva Var. Rate 4.375% 12/09/2049	2,348	0.14	
£4,000,000 Aviva Var. Rate 5.125% 04/06/2050	4,315	0.25	
£3,000,000 Aviva Var. Rate 6.125% 14/11/2036	3,308	0.19	
£3,500,000 AXA Var. Rate 5.625% 16/01/2054	3,793	0.22	
€1,000,000 Banco Bilbao Vizcaya Argentaria 0.5% 14/01/2027	803	0.05	
€3,500,000 Banco Santander 1% 04/11/2031	2,702	0.16	
£2,700,000 Banco Santander 1.5% 14/04/2026	2,541	0.15	
£1,600,000 Banco Santander 1.75% 17/02/2027	1,495	0.09	
£5,000,000 Banco Santander Var. Rate 2.25% 04/10/2032	4,604	0.27	
£2,000,000 Banco Santander Var. Rate 3.125% 06/10/2026	1,994	0.12	
US\$2,090,000 Bangkok Bank Var. Rate 3.466% 23/09/2036	1,423	0.08	
US\$5,000,000 Bank of America Var. Rate 2.482% 21/09/2036	3,273	0.19	
US\$8,500,000 Bank of America Var. Rate 3.846% 08/03/2037	6,213	0.36	
€3,500,000 Bankinter Var. Rate 1.25% 23/12/2032	2,706	0.16	
€2,400,000 Banque Fédérative du Crédit Mutuel 1.125% 19/11/2031	1,806	0.11	
£4,400,000 BAT International Finance 2.25% 09/09/2052	2,574	0.15	
£500,000 BAT International Finance 4% 23/11/2055	378	0.02	
€2,500,000 Bayerische Landesbank Var. Rate 1% 23/09/2031	1,968	0.12	
€2,137,000 Bevco Lux 1% 16/01/2030	1,628	0.10	
€5,000,000 BNP Paribas Var. Rate 0.5% 19/02/2028	3,967	0.23	
€1,500,000 BNP Paribas Var. Rate 0.5% 01/09/2028	1,175	0.07	
€4,500,000 BNP Paribas Var. Rate 0.5% 19/01/2030	3,446	0.20	
€5,400,000 BNP Paribas Var. Rate 0.875% 31/08/2033	4,118	0.24	
€5,000,000 BNP Paribas Var. Rate 1.125% 17/04/2029	4,034	0.24	
£3,000,000 BNP Paribas 1.25% 13/07/2031	2,541	0.15	
£1,500,000 BNP Paribas 1.875% 14/12/2027	1,408	0.08	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£1,200,000 BNP Paribas Var. Rate 2% 24/05/2031	1,123	0.07	
US\$500,000 BNP Paribas 4.375% 28/09/2025	385	0.02	
US\$2,699,000 BNP Paribas 4.375% 12/05/2026	2,082	0.12	
US\$3,864,000 BNP Paribas 4.625% 13/03/2027	3,014	0.18	
US\$7,000,000 Boeing 5.705% 01/05/2040	5,961	0.35	
US\$11,000,000 Boeing 5.805% 01/05/2050	9,617	0.56	
US\$12,750,000 Boeing 5.93% 01/05/2060	11,187	0.65	
€2,829,000 Boston Scientific 0.625% 01/12/2027	2,247	0.13	
€4,100,000 BPCE Var. Rate 1.625% 02/03/2029	3,394	0.20	
US\$2,759,000 BPCE Var. Rate 3.582% 19/10/2042	1,798	0.11	
£1,700,000 BPCE 5.25% 16/04/2029	1,889	0.11	
US\$5,200,000 Broadcom 3.469% 15/04/2034	3,669	0.21	
US\$2,500,000 Broadcom 4.3% 15/11/2032	1,931	0.11	
£2,800,000 BUPA Finance 4.125% 14/06/2035	2,800	0.16	
£1,943,000 BUPA Finance 5% 08/12/2026	2,080	0.12	
€3,400,000 Bureau Veritas 1.875% 06/01/2025	2,905	0.17	
£3,000,000 Cadent Finance 2.125% 22/09/2028	2,880	0.17	
€2,500,000 CaixaBank Var. Rate 0.75% 26/05/2028	1,983	0.12	
£4,400,000 CaixaBank Var. Rate 3.5% 06/04/2028	4,398	0.26	
€4,000,000 Capital One Financial 1.65% 12/06/2029	3,229	0.19	
€2,000,000 Cellnex Telecom 0.75% 20/11/2031	1,454	0.09	
€1,700,000 Channel Link Enterprises Finance Var. Rate 1.761% 30/06/2050	1,438	0.08	
€2,613,000 Channel Link Enterprises Finance Var. Rate 2.706% 30/06/2050	2,155	0.13	
£1,943,000 Channel Link Enterprises Finance Var. Rate 3.043% 30/06/2050	1,856	0.11	
£360,000 Channel Link Enterprises Finance 3.848% 30/06/2050	361	0.02	
€1,000,000 Citigroup Var. Rate 0.5% 08/10/2027	803	0.05	
US\$750,000 Citigroup Var. Rate 3.057% 25/01/2033	537	0.03	
US\$8,099,000 Citigroup Var. Rate 3.785% 17/03/2033	6,034	0.35	
£2,276,000 Citigroup 4.5% 03/03/2031	2,463	0.14	
US\$864,000 Citigroup 6.625% 15/06/2032	795	0.05	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£1,000,000 CK Hutchison Telecom Finance 2% 17/10/2027	938	0.05	
£1,000,000 CK Hutchison Telecom Finance 2.625% 17/10/2034	877	0.05	
€2,000,000 Coca-Cola Europacific Partners 1.75% 26/05/2028	1,708	0.10	
£2,500,000 Cooperatieve Rabobank 4.625% 23/05/2029	2,697	0.16	
£1,506,000 Coventry Building Society 2% 20/12/2030	1,354	0.08	
£1,964,000 CPUK Finance 3.69% 28/08/2028	2,048	0.12	
€500,000 Crédit Agricole Var. Rate 1.625% 05/06/2030	419	0.02	
£2,100,000 Crédit Agricole Var. Rate 1.874% 09/12/2031	1,948	0.11	
£500,000 Crédit Agricole Var. Rate 7.5% Perpetual	533	0.03	
€2,600,000 Crédit Agricole Assurances 1.5% 06/10/2031	1,974	0.12	
€4,000,000 Danske Bank Var. Rate 0.5% 27/08/2025	3,318	0.19	
€3,000,000 Danske Bank Var. Rate 0.75% 09/06/2029	2,342	0.14	
£1,000,000 Danske Bank Var. Rate 2.25% 14/01/2028	956	0.06	
£688,826 Delamare Finance 5.5457% 19/02/2029	756	0.04	
£200,000 Delamare Finance 6.067% 19/02/2029	232	0.01	
€2,000,000 Deutsche Bahn Finance Var. Rate 0.95% Perpetual	1,632	0.10	
US\$3,000,000 Deutsche Telekom International Finance 8.75% 15/06/2030	3,076	0.18	
US\$1,500,000 Deutsche Telekom International Finance 9.25% 01/06/2032	1,650	0.10	
€2,500,000 DH Europe Finance II 1.8% 18/09/2049	1,958	0.11	
£1,056,000 DWR Cymru Financing 2.375% 31/03/2034	967	0.06	
US\$8,190,000 Électricité de France 6% 22/01/2114	6,776	0.40	
£2,900,000 Électricité de France 6% 23/01/2114	4,100	0.24	
€2,000,000 ELO SACA 3.25% 23/07/2027	1,697	0.10	
€1,352,000 Enel Var. Rate 1.375% Perpetual	1,027	0.06	
€1,389,000 Enel Var. Rate 1.875% Perpetual	1,000	0.06	
€4,000,000 Enel Var. Rate 3.5% Perpetual	3,459	0.20	
US\$1,026,000 Enel Var. Rate 8.75% 24/09/2073	836	0.05	
US\$3,000,000 Enel Finance International 3.5% 06/04/2028	2,261	0.13	
€4,903,000 ENGIE 5.95% 16/03/2111	6,587	0.38	
US\$3,500,000 Eni 4.75% 12/09/2028	2,797	0.16	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
€2,156,000 Fastighets Balder 1.875% 14/03/2025	1,830	0.11	
€1,486,000 Fastighets Balder 1.875% 23/01/2026	1,248	0.07	
US\$4,218,000 Fresenius Medical Care US Finance III 3.75% 15/06/2029	3,143	0.18	
£500,000 Gatwick Funding 2.625% 07/10/2046	407	0.02	
£3,600,000 Gatwick Funding 2.875% 05/07/2049	3,060	0.18	
£5,300,000 Gatwick Funding 3.125% 28/09/2039	4,844	0.28	
£3,800,000 Gatwick Funding 3.25% 26/02/2048	3,469	0.20	
£1,000,000 Gatwick Funding 5.75% 23/01/2037	1,215	0.07	
£2,949 General Electric 6.44% 15/11/2022	3	0.00	
US\$4,800,000 General Motors 6.6% 01/04/2036	4,242	0.25	
£3,000,000 Goldman Sachs 1.5% 07/12/2027	2,752	0.16	
€4,000,000 Goldman Sachs FRN 0.506% 23/09/2027	3,364	0.20	
US\$7,423,000 Goldman Sachs FRN 2.1317% 15/03/2028	5,771	0.34	
£1,891,000 Grainger 3% 03/07/2030	1,787	0.10	
£1,401,493 Greene King Finance FRN 3.287% 15/12/2033	1,396	0.08	
£922,450 Greene King Finance 3.593% 15/03/2035	918	0.05	
£181,752 Greene King Finance 4.0643% 15/03/2035	185	0.01	
£4,794,000 Hammerson 3.5% 27/10/2025	4,658	0.27	
£273,000 Hammerson 6% 23/02/2026	286	0.02	
£1,000,000 Hammerson 7.25% 21/04/2028	1,114	0.07	
US\$1,818,000 HCA 3.625% 15/03/2032	1,359	0.08	
US\$4,000,000 HCA 4.5% 15/02/2027	3,142	0.18	
US\$1,233,000 HCA 4.625% 15/03/2052	952	0.06	
US\$1,943,000 HCA 5.25% 15/06/2026	1,563	0.09	
€1,500,000 Heathrow Funding 1.5% 11/02/2030	1,193	0.07	
€4,000,000 Heathrow Funding 1.875% 14/03/2034	3,098	0.18	
£2,376,000 Heathrow Funding 2.75% 13/10/2029	2,298	0.13	
£245,000 Heathrow Funding 2.75% 09/08/2049	208	0.01	
£1,000,000 Heathrow Funding 6.75% 03/12/2026	1,161	0.07	
£750,000 Heathrow Funding 7.075% 04/08/2028	910	0.05	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
£1,000,000 Holcim Sterling Finance 3% 12/05/2032	964	0.06	
US\$5,294,000 HP 4.2% 15/04/2032	4,042	0.24	
€3,800,000 Iberdrola International Var. Rate 1.874% Perpetual	3,105	0.18	
€4,500,000 ING Var. Rate 0.25% 18/02/2029	3,468	0.20	
€2,500,000 ING Var. Rate 0.375% 29/09/2028	1,958	0.11	
€2,500,000 ING Var. Rate 0.875% 09/06/2032	1,964	0.11	
€3,000,000 ING Var. Rate 1% 13/11/2030	2,431	0.14	
€2,800,000 ING Var. Rate 1% 16/11/2032	2,190	0.13	
€2,000,000 ING Var. Rate 1.625% 26/09/2029	1,682	0.10	
€4,000,000 ING Var. Rate 2.125% 26/05/2031	3,369	0.20	
US\$701,000 ING Var. Rate 4.252% 28/03/2033	551	0.03	
£1,397,000 InterContinental Hotels 2.125% 24/08/2026	1,342	0.08	
€2,000,000 InterContinental Hotels 2.125% 15/05/2027	1,695	0.10	
£3,000,000 InterContinental Hotels 3.375% 08/10/2028	2,977	0.17	
US\$6,674,000 Italy (Republic of) 3.875% 06/05/2051	4,701	0.27	
€3,400,000 KBC Var. Rate 0.625% 07/12/2031	2,650	0.15	
£2,400,000 KBC Var. Rate 1.25% 21/09/2027	2,224	0.13	
£3,527,000 KPN 5.75% 17/09/2029	4,005	0.23	
€4,500,000 La Banque Postale 0.75% 23/06/2031	3,353	0.20	
US\$4,000,000 Lear 5.25% 15/05/2049	3,255	0.19	
£1,500,000 Leeds Building Society Var. Rate 3.75% 25/04/2029	1,486	0.09	
£4,000,000 Legal & General Var. Rate 3.75% 26/11/2049	3,891	0.23	
£2,000,000 Legal & General Var. Rate 4.5% 01/11/2050	2,048	0.12	
£6,500,000 Legal & General Var. Rate 5.125% 14/11/2048	6,922	0.40	
£7,500,000 Legal & General Var. Rate 5.5% 27/06/2064	8,194	0.48	
£864,000 Lloyds Bank 7.625% 22/04/2025	975	0.06	
£200,000 Lloyds Bank 11.75% Perpetual	388	0.02	
£4,500,000 Lloyds Banking Var. Rate 1.985% 15/12/2031	4,194	0.25	
£6,000,000 Lloyds Banking Var. Rate 2.707% 03/12/2035	5,479	0.32	
£625,000 Logicor Financing 2.75% 15/01/2030	593	0.03	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
US\$1,455,000 Lowe's 3.75% 01/04/2032	1,124	0.07	
US\$1,008,000 Lowe's 4.25% 01/04/2052	795	0.05	
US\$1,600,000 Lowe's 4.45% 01/04/2062	1,263	0.07	
US\$1,026,000 LYB Finance 8.1% 15/03/2027	936	0.05	
US\$5,150,000 Magallanes 5.141% 15/03/2052	4,008	0.23	
US\$4,094,000 Magallanes 5.391% 15/03/2062	3,203	0.19	
€2,000,000 Merck Var. Rate 2.875% 25/06/2079	1,686	0.10	
€8,000,000 Mexico (United Mexican States) 2.125% 25/10/2051	4,833	0.28	
€6,273,000 Mexico (United Mexican States) 4% 15/03/2115	4,799	0.28	
£14,000,000 Mexico (United Mexican States) 5.625% 19/03/2114	13,747	0.80	
£132,959 Mitchells & Butlers Finance FRN 1.237% 15/12/2030	125	0.01	
US\$1,665,701 Mitchells & Butlers Finance FRN 1.276% 15/12/2030	1,176	0.07	
£1,779,963 Mitchells & Butlers Finance FRN 1.5063% 15/12/2033	1,549	0.09	
US\$8,000,000 Molson Coors Beverage 4.2% 15/07/2046	5,899	0.34	
US\$500,000 Molson Coors Beverage 5% 01/05/2042	404	0.02	
€1,827,000 Mondelēz International 0.25% 17/03/2028	1,435	0.08	
US\$3,500,000 Mondelēz International 3% 17/03/2032	2,564	0.15	
£1,404,000 Mondelēz International 3.875% 06/03/2045	1,520	0.09	
€1,611,000 Mondelēz International Netherlands 0.625% 09/09/2032	1,210	0.07	
€1,379,000 Mondelēz International Netherlands 1.25% 09/09/2041	945	0.06	
€2,800,000 Morgan Stanley Var. Rate 0.406% 29/10/2027	2,239	0.13	
€6,600,000 Morgan Stanley Var. Rate 0.495% 26/10/2029	5,106	0.30	
€4,000,000 Morgan Stanley Var. Rate 0.497% 07/02/2031	3,029	0.18	
€2,500,000 Morgan Stanley Var. Rate 1.102% 29/04/2033	1,938	0.11	
US\$2,800,000 Morgan Stanley Var. Rate 1.794% 13/02/2032	1,837	0.11	
US\$6,000,000 Morgan Stanley Var. Rate 2.484% 16/09/2036	3,928	0.23	
US\$2,000,000 Morgan Stanley Var. Rate 3.591% 22/07/2028	1,528	0.09	
US\$5,000,000 Morgan Stanley Var. Rate 3.622% 01/04/2031	3,795	0.22	
US\$5,000,000 National Australia Bank Var. Rate 3.347% 12/01/2037	3,502	0.20	
€1,767,000 National Grid 0.25% 01/09/2028	1,363	0.08	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
€1,517,000 National Grid 0.75% 01/09/2033	1,105	0.06	
£1,000,000 National Grid Gas 1.125% 14/01/2033	799	0.05	
£1,000,000 National Grid Gas 1.625% 14/01/2043	722	0.04	
€3,995,000 Nationwide Building Society Var. Rate 2% 25/07/2029	3,397	0.20	
US\$2,250,000 Nationwide Building Society Var. Rate 2.972% 16/02/2028	1,636	0.10	
US\$7,018,000 Nationwide Building Society Var. Rate 4.125% 18/10/2032	5,272	0.31	
€3,080,000 NatWest Var. Rate 0.67% 14/09/2029	2,382	0.14	
€2,500,000 NatWest Var. Rate 1.75% 02/03/2026	2,125	0.12	
£2,435,000 NatWest Var. Rate 2.057% 09/11/2028	2,282	0.13	
£1,720,000 NatWest Var. Rate 3.619% 29/03/2029	1,739	0.10	
£3,500,000 Next 3.625% 18/05/2028	3,569	0.21	
£1,826,000 Next 4.375% 02/10/2026	1,935	0.11	
£1,658,000 Nordea Bank Var. Rate 1.625% 09/12/2032	1,505	0.09	
£2,000,000 Pearson Funding 3.75% 04/06/2030	2,025	0.12	
€3,825,000 Prosus 1.288% 13/07/2029	2,684	0.16	
€4,400,000 Quadient 2.25% 03/02/2025	3,666	0.21	
€1,500,000 Raytheon Technologies 2.15% 18/05/2030	1,265	0.07	
€1,490,000 Rentokil Initial 0.5% 14/10/2028	1,136	0.07	
€1,848,000 Romania (Republic of) 1.75% 13/07/2030	1,317	0.08	
€1,926,000 Romania (Republic of) 2.875% 13/04/2042	1,241	0.07	
€500,000 Romania (Republic of) 3.375% 28/01/2050	337	0.02	
£3,544,000 Santander Var. Rate 2.421% 17/01/2029	3,366	0.20	
US\$1,347,000 SK Hynix 2.375% 19/01/2031	896	0.05	
€3,500,000 Société Générale 0.75% 25/01/2027	2,819	0.16	
£2,000,000 Société Générale 1.25% 07/12/2027	1,783	0.10	
€3,500,000 Société Générale 1.375% 13/01/2028	2,870	0.17	
US\$5,000,000 Société Générale 4.25% 14/04/2025	3,791	0.22	
US\$2,500,000 Société Générale 4.25% 19/08/2026	1,890	0.11	
US\$3,671,000 Société Générale 4.75% 24/11/2025	2,824	0.17	
€3,500,000 Société Générale Var. Rate 0.5% 12/06/2029	2,678	0.16	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
€1,500,000 Société Générale Var. Rate 1% 24/11/2030	1,208	0.07	
US\$3,000,000 Société Générale Var. Rate 3.337% 21/01/2033	2,107	0.12	
US\$2,500,000 Société Générale Var. Rate (non-public offering) 3.653% 08/07/2035	1,752	0.10	
US\$500,000 Société Générale Var. Rate 3.653% 08/07/2035	350	0.02	
£2,695,000 Southern Water Services Finance 2.375% 28/05/2028	2,627	0.15	
£1,500,000 Southern Water Services Finance 3% 28/05/2037	1,438	0.08	
€2,000,000 Stellantis 3.875% 05/01/2026	1,818	0.11	
US\$2,591,000 Stora Enso 7.25% 15/04/2036	2,409	0.14	
£3,722,000 Swedbank Var. Rate 1.375% 08/12/2027	3,443	0.20	
€800,000 Swiss Re Finance Var. Rate 2.714% 04/06/2052	650	0.04	
€1,500,000 Takeda Pharmaceutical 1.375% 09/07/2032	1,200	0.07	
€1,500,000 Takeda Pharmaceutical 2% 09/07/2040	1,193	0.07	
US\$2,300,000 Targa Resources Partners 4.875% 01/02/2031	1,766	0.10	
US\$1,500,000 Telefónica Emisiones 5.52% 01/03/2049	1,280	0.07	
US\$5,000,000 Telefónica Emisiones 7.045% 20/06/2036	4,793	0.28	
£943,000 Telereal Securitisation Var. Rate 1.9632% 10/12/2033	892	0.05	
£5,502,397 Tesco Property Finance 4 5.8006% 13/10/2040	6,502	0.38	
£2,720,502 Tesco Property Finance 5 5.6611% 13/10/2041	3,195	0.19	
£3,700,000 Tesco Property Finance 6 5.4111% 13/07/2044	4,257	0.25	
£2,000,000 Thames Water Utilities Finance 2.625% 24/01/2032	1,925	0.11	
£1,852,000 Thames Water Utilities Finance 4.375% 03/07/2034	2,056	0.12	
£2,000,000 Thames Water Utilities Finance 5.125% 28/09/2037	2,420	0.14	
€862,000 Thermo Fisher Scientific 1.875% 01/10/2049	651	0.04	
US\$369,792 United Airlines 2020-1 Class B Pass Through Trust 4.875% 15/01/2026	276	0.02	
€1,982,000 Upjohn Finance 1.362% 23/06/2027	1,590	0.09	
US\$864,000 UPM-Kymmene 7.45% 26/11/2027	770	0.05	
£400,000 Volkswagen International Finance 3.375% 16/11/2026	405	0.02	
£1,500,000 Volkswagen International Finance 4.125% 17/11/2031	1,591	0.09	
€5,200,000 Volkswagen International Finance 4.125% 16/11/2038	5,233	0.31	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BBB' credit rated bonds (continued)			
€2,500,000 Volkswagen International Finance Var. Rate 4.375% Perpetual	2,106	0.12	
€2,500,000 Vonovia 1.625% 01/09/2051	1,623	0.09	
£2,000,000 Walgreens Boots Alliance 3.6% 20/11/2025	2,058	0.12	
€2,000,000 Wells Fargo 1% 02/02/2027	1,642	0.10	
€2,500,000 Wells Fargo 1.375% 26/10/2026	2,097	0.12	
€1,500,000 Wells Fargo 1.5% 24/05/2027	1,258	0.07	
£4,500,000 Wells Fargo 2.125% 24/09/2031	4,079	0.24	
£1,080,000 Wells Fargo 3.5% 12/09/2029	1,107	0.06	
€6,000,000 Wells Fargo Var. Rate 1.741% 04/05/2030	4,980	0.29	
£1,500,000 Welltower 4.5% 01/12/2034	1,652	0.10	
£1,541,000 Welltower 4.8% 20/11/2028	1,699	0.10	
US\$2,532,000 Westpac Banking Var. Rate 3.02% 18/11/2036	1,706	0.10	
US\$290,000 Weyerhaeuser 7.375% 15/03/2032	288	0.02	
€1,742,000 Wolters Kluwer 0.75% 03/07/2030	1,353	0.08	
€3,858,000 WPC Eurobond 1.35% 15/04/2028	3,074	0.18	
£2,000,000 WPP Finance 2013 2.875% 14/09/2046	1,654	0.10	
£4,000,000 WPP Finance 2017 3.75% 19/05/2032	4,087	0.24	
£1,620,000 Yorkshire Building Society Var. Rate 1.5% 15/09/2029	1,438	0.08	
£679,000 Yorkshire Building Society Var. Rate 3% 18/04/2025	679	0.04	
'BB' credit rated bonds	219,312	12.80	13.04
€2,000,000 AIB Var. Rate 1.875% 19/11/2029	1,651	0.10	
€5,500,000 AIB Var. Rate 2.875% 30/05/2031	4,586	0.27	
£1,752,000 B&M European Value Retail 4% 15/11/2028	1,640	0.10	
€5,000,000 Banco de Sabadell Var. Rate 0.875% 16/06/2028	3,800	0.22	
€3,400,000 Banco Santander Var. Rate 4.125% Perpetual	2,636	0.15	
€2,200,000 Bank of Ireland Var. Rate 1.375% 11/08/2031	1,722	0.10	
€1,500,000 Barclays Var. Rate 1.125% 22/03/2031	1,200	0.07	
€1,527,000 Belden 3.375% 15/07/2027	1,254	0.07	
€1,080,000 Belden 3.875% 15/03/2028	895	0.05	
£2,600,000 Bellis Acquisition 3.25% 16/02/2026	2,399	0.14	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
US\$3,000,000 Berry Global 4.875% 15/07/2026	2,310	0.13	
US\$500,000 BNP Paribas Var. Rate 4.5% Perpetual	342	0.02	
US\$4,000,000 BNP Paribas Var. Rate 4.625% Perpetual	2,741	0.16	
€1,800,000 CaixaBank Var. Rate 3.625% Perpetual	1,293	0.08	
€842,000 Canpack 2.375% 01/11/2027	653	0.04	
€2,200,000 Cellnex Finance 1% 15/09/2027	1,683	0.10	
€5,000,000 Cellnex Finance 2% 15/02/2033	3,591	0.21	
US\$3,299,000 Cemex 3.875% 11/07/2031	2,290	0.13	
US\$6,000,000 Charter Communications Operating 3.7% 01/04/2051	3,731	0.22	
US\$9,000,000 Charter Communications Operating 3.85% 01/04/2061	5,467	0.32	
US\$3,000,000 Charter Communications Operating 4.4% 01/04/2033	2,283	0.13	
US\$4,000,000 Charter Communications Operating 5.25% 01/04/2053	3,101	0.18	
US\$587,000 Cheniere Energy Partners 4.5% 01/10/2029	443	0.03	
US\$2,500,000 Colombia (Republic of) 5% 15/06/2045	1,614	0.09	
€2,000,000 Côte d'Ivoire (Republic of) 6.625% 22/03/2048	1,467	0.09	
£3,156,000 Coventry Building Society Var. Rate 6.875% Perpetual	3,262	0.19	
US\$5,000,000 Credit Suisse Var. Rate 4.5% Perpetual	3,293	0.19	
€2,500,000 Croatia (Republic of) 1.125% 04/03/2033	1,871	0.11	
US\$756,000 Crown Americas Capital 4.25% 30/09/2026	577	0.03	
€1,714,000 Crown European 3.375% 15/05/2025	1,484	0.09	
US\$1,080,000 CSC 5.375% 01/02/2028	797	0.05	
US\$1,943,000 CSC 5.5% 15/04/2027	1,470	0.09	
£1,850,000 Daily Mail & General Trust 6.375% 21/06/2027	1,880	0.11	
€584,000 Derichebourg 2.25% 15/07/2028	482	0.03	
€800,000 Deutsche Bank Var. Rate 4% 24/06/2032	676	0.04	
US\$1,619,000 Drax Finco 6.625% 01/11/2025	1,244	0.07	
US\$1,662,000 DT Midstream 4.375% 15/06/2031	1,219	0.07	
US\$888,158 Energean Israel Finance 5.375% 30/03/2028	650	0.04	
US\$909,000 EQM Midstream Partners 4.75% 15/07/2023	696	0.04	
US\$1,600,000 EQM Midstream Partners 5.5% 15/07/2028	1,189	0.07	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
€1,000,000 Eurofins Scientific Var. Rate 3.25% Perpetual	836	0.05	
€864,000 Eurofins Scientific Var. Rate 4.875% Perpetual	746	0.04	
US\$1,144,000 Ford Motor 5.291% 08/12/2046	841	0.05	
€4,000,000 Ford Motor Credit FRN 0.172% 01/12/2024	3,241	0.19	
€1,251,000 Ford Motor Credit 3.021% 06/03/2024	1,068	0.06	
£1,000,000 Ford Motor Credit 4.535% 06/03/2025	999	0.06	
US\$1,669,000 Ford Motor Credit 4.95% 28/05/2027	1,282	0.07	
US\$3,000,000 Ford Motor Credit 5.113% 03/05/2029	2,294	0.13	
£2,982,000 H.J. Heinz Finance 6.25% 18/02/2030	3,507	0.20	
US\$365,000 Hanesbrands 4.875% 15/05/2026	280	0.02	
US\$2,000,000 HCA 3.5% 01/09/2030	1,461	0.09	
€800,000 Iliad 1.875% 25/04/2025	654	0.04	
€2,900,000 Iliad 1.875% 11/02/2028	2,192	0.13	
€4,300,000 Iliad 2.375% 17/06/2026	3,508	0.20	
€841,000 INEOS Quattro Finance 2 2.5% 15/01/2026	672	0.04	
€1,277,000 Intertrust 3.375% 15/11/2025	1,076	0.06	
€3,000,000 Intesa Sanpaolo 2.925% 14/10/2030	2,396	0.14	
€1,017,000 Intesa Sanpaolo Var. Rate 3.75% Perpetual	805	0.05	
€2,563,000 Intesa Sanpaolo Var. Rate 6.375% Perpetual	2,212	0.13	
€1,300,000 Intrum 3.5% 15/07/2026	1,052	0.06	
€1,432,000 James Hardie International Finance 3.625% 01/10/2026	1,221	0.07	
£2,000,000 John Lewis 4.25% 18/12/2034	1,827	0.11	
US\$2,000,000 KB Home 4.8% 15/11/2029	1,466	0.09	
£4,000,000 Kraft Heinz Foods 4.125% 01/07/2027	4,192	0.24	
US\$382,000 Kraft Heinz Foods 4.375% 01/06/2046	289	0.02	
US\$2,348,000 KUO 5.75% 07/07/2027	1,758	0.10	
€2,469,000 Leonardo 2.375% 08/01/2026	2,102	0.12	
US\$275,000 Levi Strauss 3.5% 01/03/2031	191	0.01	
£800,000 Lloyds Banking Var. Rate 5.125% Perpetual	795	0.05	
£5,600,000 Lloyds Banking Var. Rate 7.875% Perpetual	6,295	0.37	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
€1,666,000 Macedonia (Govt. of) 1.625% 10/03/2028	1,231	0.07	
US\$171,000 Macy's Retail 5.875% 15/03/2030	127	0.01	
€2,300,000 Mahle 2.375% 14/05/2028	1,650	0.10	
£432,000 Marston's Issuer Var. Rate 5.1774% 15/07/2032	430	0.03	
US\$2,331,000 Millicom International Cellular 6.25% 25/03/2029	1,867	0.11	
£95,564 Mitchells & Butlers Finance 5.965% 15/12/2023	97	0.01	
£344,343 Mitchells & Butlers Finance 6.013% 15/12/2028	361	0.02	
£1,800,000 Nationwide Building Society Var. Rate 5.75% Perpetual	1,813	0.11	
£1,106,000 Nationwide Building Society Var. Rate 5.875% Perpetual	1,124	0.07	
€1,158,000 NatWest Var. Rate 1.043% 14/09/2032	897	0.05	
£3,800,000 NatWest Var. Rate 2.105% 28/11/2031	3,538	0.21	
US\$3,800,000 NatWest Var. Rate 3.032% 28/11/2035	2,566	0.15	
£2,932,000 NatWest Var. Rate 3.622% 14/08/2030	2,922	0.17	
€5,000,000 Rolls-Royce 1.625% 09/05/2028	3,735	0.22	
€3,500,000 Serbia (Republic of) 1.65% 03/03/2033	2,311	0.13	
€1,000,000 Solvay Finance Var. Rate 5.425% Perpetual	878	0.05	
€3,900,000 Solvay Finance Var. Rate 5.869% Perpetual	3,426	0.20	
US\$1,110,000 Southwestern Energy 4.75% 01/02/2032	835	0.05	
US\$1,835,000 Syngenta Finance 5.182% 24/04/2028	1,436	0.08	
US\$2,910,000 Taylor Morrison Communities 5.875% 15/06/2027	2,306	0.13	
US\$3,488,000 TEGNA 4.625% 15/03/2028	2,631	0.15	
€4,000,000 Telecom Italia 2.875% 28/01/2026	3,246	0.19	
€13,800,000 Telecom Italia 5.25% 17/03/2055	11,317	0.66	
€1,850,000 Telecom Italia Finance 7.75% 24/01/2033	1,786	0.10	
€3,000,000 Teva Pharmaceutical Finance Netherlands II 1.625% 15/10/2028	2,079	0.12	
€369,000 Teva Pharmaceutical Finance Netherlands II 4.5% 01/03/2025	314	0.02	
US\$1,000,000 Teva Pharmaceutical Finance Netherlands III 4.1% 01/10/2046	590	0.03	
£3,607,000 Thames Water Utilities Finance Var. Rate 5.75% 13/09/2030	3,658	0.21	
£1,750,000 Time Warner Cable 5.75% 02/06/2031	1,976	0.12	
US\$5,250,000 UBS Var. Rate 4.375% Perpetual	3,606	0.21	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'BB' credit rated bonds (continued)			
€400,000 UniCredit Var. Rate 2% 23/09/2029	327	0.02	
€7,000,000 UniCredit Var. Rate 2.731% 15/01/2032	5,569	0.33	
US\$1,264,000 United Airlines 4.375% 15/04/2026	943	0.06	
US\$775,000 United Airlines 4.625% 15/04/2029	555	0.03	
US\$2,455,000 Videotron 5.375% 15/06/2024	1,910	0.11	
€3,402,000 Vmed O2 UK Financing I 3.25% 31/01/2031	2,644	0.15	
£4,690,000 Vmed O2 UK Financing I 4% 31/01/2029	4,284	0.25	
€1,330,000 Wabtec Transportation Netherlands 1.25% 03/12/2027	1,067	0.06	
US\$2,468,000 Yum! Brands 4.625% 31/01/2032	1,794	0.10	
US\$1,635,000 Yum! Brands 5.375% 01/04/2032	1,248	0.07	
US\$1,727,000 Yum! Brands 6.875% 15/11/2037	1,435	0.08	
€2,300,000 ZF Europe Finance 2.5% 23/10/2027	1,766	0.10	
€2,000,000 ZF Europe Finance 3% 23/10/2029	1,510	0.09	
€1,000,000 ZF Finance 2.75% 25/05/2027	786	0.05	
€1,300,000 ZF Finance 3% 21/09/2025	1,079	0.06	
€1,000,000 ZF Finance 3.75% 21/09/2028	802	0.05	
'B' credit rated bonds	48,491	2.83	2.34
€1,550,000 Adler Pelzer 4.125% 01/04/2024	1,189	0.07	
€1,707,000 Altice France 4% 15/07/2029	1,297	0.08	
€1,400,000 Altice France 5.875% 01/02/2027	1,210	0.07	
€4,800,000 Ardagh Packaging Finance 2.125% 15/08/2026	3,811	0.22	
€817,000 Avantor Funding 3.875% 15/07/2028	692	0.04	
US\$1,030,000 Avantor Funding 4.625% 15/07/2028	781	0.05	
€1,080,000 Axalta Coating Systems Dutch 3.75% 15/01/2025	896	0.05	
US\$2,000,000 Bausch Health 5% 30/01/2028	1,255	0.07	
US\$6,842,000 Bausch Health 7% 15/01/2028	4,695	0.27	
€1,446,000 Cheplapharm Arzneimittel 4.375% 15/01/2028	1,207	0.07	
US\$867,000 Cheplapharm Arzneimittel 5.5% 15/01/2028	642	0.04	
US\$1,000,000 CHS 4.75% 15/02/2031	711	0.04	
£884,000 CPUK Finance 4.5% 28/08/2027	850	0.05	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'B' credit rated bonds (continued)			
US\$1,700,000 CSC 5.75% 15/01/2030	1,160	0.07	
€719,000 Cullinan 4.625% 15/10/2026	572	0.03	
£2,037,000 Deuce Finco 5.5% 15/06/2027	1,943	0.11	
US\$1,032,000 DISH DBS 5.25% 01/12/2026	748	0.04	
US\$1,032,000 DISH DBS 5.75% 01/12/2028	743	0.04	
€1,200,000 Dufry One 3.375% 15/04/2028	938	0.05	
US\$1,500,000 Goodyear Tire & Rubber 5% 31/05/2026	1,126	0.07	
€496,000 Gruenenthal 3.625% 15/11/2026	415	0.02	
£500,000 Heathrow Finance 4.375% 01/03/2027	458	0.03	
€1,106,000 Iliad 5.125% 15/10/2026	946	0.06	
€464,000 INEOS Quattro Finance 1 3.75% 15/07/2026	368	0.02	
US\$1,306,000 MGM Resorts International 5.5% 15/04/2027	998	0.06	
£3,000,000 NatWest Var. Rate 4.5% Perpetual	2,780	0.16	
US\$4,068,000 Pilgrim's Pride 3.5% 01/03/2032	2,708	0.16	
US\$2,686,000 Pilgrim's Pride 4.25% 15/04/2031	1,887	0.11	
US\$587,000 Pilgrim's Pride 5.875% 30/09/2027	449	0.03	
US\$1,162,000 SCIH Salt 4.875% 01/05/2028	842	0.05	
£1,686,000 Sherwood Financing 6% 15/11/2026	1,593	0.09	
US\$2,000,000 Staples 7.5% 15/04/2026	1,473	0.09	
US\$2,000,000 Tenet Healthcare 5.125% 01/11/2027	1,539	0.09	
€2,000,000 TI Automotive Finance 3.75% 15/04/2029	1,522	0.09	
€1,750,000 TK Elevator Midco 4.375% 15/07/2027	1,458	0.09	
€1,067,000 Trivium Packaging Finance 3.75% 15/08/2026	883	0.05	
US\$1,974,000 Vertiv 4.125% 15/11/2028	1,354	0.08	
US\$489,000 VTR Comunicaciones 5.125% 15/01/2028	352	0.02	
	6,932	0.41	0.39
'CCC' credit rated bonds			
US\$2,000,000 Altice France 6% 15/02/2028	1,316	0.08	
US\$319,000 Caesars Entertainment 4.625% 15/10/2029	227	0.01	
£2,699,000 Metrocentre Finance 8.75% 06/12/2023	1,441	0.08	
€122,285 Selecta 8% 01/04/2026	103	0.01	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt securities (continued)			
'CCC' credit rated bonds (continued)			
£1,064,293 SGS Finance 9% 17/03/2028	590	0.03	
€2,500,000 Sigma Holdco 5.75% 15/05/2026	1,718	0.10	
US\$1,144,000 Staples 10.75% 15/04/2027	775	0.05	
US\$1,000,000 Trivium Packaging Finance 8.5% 15/08/2027	762	0.05	
'CC' credit rated bonds	0	0.00	0.11
'D' credit rated bonds	682	0.04	0.03
£1,644,440 Intu Debenture 5.562% 31/12/2027	682	0.04	
Bonds with no credit rating	0	0.00	0.00
ZAR2,678,858 K2016470219 South Africa 3% 31/12/2022 ^d	0	0.00	
US\$228,714 K2016470219 South Africa 3% 31/12/2022 ^d	0	0.00	
Debt derivatives	33,594	1.96	1.38
Credit default swaps			
US\$16,000,000 Altria Dec 2026	(188)	(0.01)	
US\$29,500,000 Brazil (Republic of) Jun 2026	608	0.04	
€5,000,000 British American Tobacco Jun 2026	(42)	0.00	
€5,000,000 Electricite de France Dec 2026	(25)	0.00	
€5,000,000 Engie Dec 2026	(46)	0.00	
US\$(44,000,000) Markit CDX North American High Yield Series 36 V1 5 Year Jun 2026	2,137	0.12	
US\$(75,000,000) Markit CDX North American High Yield Series 37 5 Year Dec 2026	3,664	0.21	
US\$(11,500,000) Markit CDX North American High Yield Series 38 5 Year Jun 2027	491	0.03	
US\$40,000,000 Markit CDX North American Investment Grade Series 37 5 Year Dec 2026	(541)	(0.03)	
€(120,000,000) Markit iTraxx Europe Crossover Series 36 V1 5 Year Dec 2026	8,135	0.47	
€(40,000,000) Markit iTraxx Europe Crossover Series 37 V1 5 Year Jun 2027	2,541	0.15	
€60,000,000 Markit iTraxx Europe Series 36 5 Year Dec 2026	(821)	(0.05)	
US\$30,000,000 Mexico (United Mexican States) Dec 2026	(140)	(0.01)	
Interest rate swaps	17,805	1.04	0.73
€10,000,000 Pay 0.092% Receive VAR Aug 2050	2,048	0.12	
€9,000,000 Pay 0.139% Receive Var Sep 2050	1,752	0.10	
£1,500,000 Pay 0.3677% Receive VAR Dec 2071	509	0.03	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt derivatives (continued)			
Interest rate swaps (continued)			
£7,500,000 Pay 0.454% Receive VAR Nov 2071	2,315	0.14	
£20,000,000 Pay 0.456% Receive VAR Feb 2070	6,088	0.36	
£20,000,000 Pay 0.471% Receive VAR Sep 2049	4,503	0.26	
£20,000,000 Pay 0.54% Receive VAR Sep 2049	4,181	0.24	
£12,000,000 Pay 0.55% Receive VAR Oct 2071	3,287	0.19	
€8,000,000 Pay 0.555% Receive VAR Feb 2052	864	0.05	
£20,000,000 Pay 0.685% Receive VAR Sep 2049	3,525	0.21	
£4,000,000 Pay 1.2058% Receive VAR Feb 2052	252	0.01	
£5,000,000 Pay 1.21% Receive VAR Feb 2052	311	0.02	
US\$8,000,000 Pay 1.3817% Receive VAR Sep 2051	793	0.05	
US\$8,000,000 Pay 1.4177% Receive VAR Sep 2051	740	0.04	
US\$5,000,000 Pay 1.4622% Receive VAR Nov 2051	454	0.03	
US\$8,000,000 Pay 1.4817% Receive VAR Nov 2051	669	0.04	
US\$8,000,000 Pay 1.4837% Receive VAR Sep 2051	650	0.04	
US\$15,000,000 Pay 1.523% Receive VAR Nov 2051	1,203	0.07	
US\$10,000,000 Pay 1.5577% Receive VAR Nov 2051	745	0.04	
US\$10,000,000 Pay 1.5707% Receive VAR Nov 2051	724	0.04	
US\$10,000,000 Pay 1.7577% Receive VAR Mar 2052	399	0.02	
US\$18,000,000 Pay 1.992% Receive VAR Mar 2051	46	0.00	
€16,000,000 Pay VAR Receive 0.04930% Nov 2026	(552)	(0.03)	
€16,000,000 Pay VAR Receive 0.1263% Jan 2027	(549)	(0.03)	
€80,000,000 Pay VAR Receive 0.1282% Dec 2026	(3,463)	(0.20)	
€20,000,000 Pay VAR Receive 0.3908% Feb 2027	(483)	(0.03)	
€10,000,000 Pay VAR Receive 0.40070% Nov 2026	(382)	(0.02)	
€20,000,000 Pay VAR Receive 0.444% Feb 2032	(1,223)	(0.07)	
€20,000,000 Pay VAR Receive 0.4635% Feb 2032	(1,191)	(0.07)	
€20,000,000 Pay VAR Receive 0.4883% Feb 2032	(1,152)	(0.07)	
€30,000,000 Pay VAR Receive 0.541% Feb 2027	(548)	(0.03)	
€20,000,000 Pay VAR Receive 0.5573% Feb 2027	(357)	(0.02)	
€15,000,000 Pay VAR Receive 0.5798% Feb 2027	(248)	(0.01)	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Fixed income (continued)			
Debt derivatives (continued)			
Interest rate swaps (continued)			
€20,000,000 Pay VAR Receive 0.6048% Feb 2027	(317)	(0.02)	
€20,000,000 Pay VAR Receive 0.6468% Feb 2027	(280)	(0.02)	
€20,000,000 Pay VAR Receive 0.677% Mar 2032	(843)	(0.05)	
€20,000,000 Pay VAR Receive 0.6923% Feb 2032	(830)	(0.05)	
€15,000,000 Pay VAR Receive 0.712% Nov 2026	(602)	(0.04)	
€12,000,000 Pay VAR Receive 0.7183% Feb 2032	(473)	(0.03)	
€20,000,000 Pay VAR Receive 0.7233% Mar 2032	(773)	(0.04)	
€20,000,000 Pay VAR Receive 0.7478% Mar 2032	(733)	(0.04)	
€50,000,000 Pay VAR Receive 0.8123% Mar 2027	(444)	(0.03)	
£10,000,000 Pay VAR Receive 0.9082% Nov 2026	(421)	(0.02)	
£25,000,000 Pay VAR Receive 1.0003% Dec 2026	(937)	(0.05)	
£40,000,000 Pay VAR Receive 1.0619% Nov 2026	(1,359)	(0.08)	
€10,000,000 Pay VAR Receive 1.1208% Mar 2032	(93)	(0.01)	
€8,000,000 Pay VAR Receive 1.3078% Apr 2032	0	0.00	
Interest rate futures	16	0.00	0.39
(70) 10 Year Japanese Bond Jun 2022	(290)	(0.02)	
1,750 10 Year US Treasury Note Jun 2022	(6,533)	(0.38)	
100 10 Year US Ultra Treasury Note Jun 2022	(549)	(0.03)	
(900) 30 Year Bond Euro Buxl Jun 2022	10,333	0.60	
1,600 5 Year US Treasury Note Jun 2022	(5,120)	(0.30)	
(100) Euro Bobl Jun 2022	414	0.02	
(250) Euro Bund Jun 2022	1,652	0.10	
(80) UK Long Gilt Jun 2022	7	0.00	
(300) US Ultra Bond Jun 2022	102	0.01	
Currency	(18,309)	(1.07)	(0.73)
Forward currency contracts	(18,309)	(1.07)	(0.73)
AU\$1,253,204 Bought for £704,533 (expires 06.04.22)	11	0.00	
AU\$(13,315,892) Sold for £7,426,023 (expires 06.04.22)	(172)	(0.01)	
€146,243,248 Bought for £122,502,559 (expires 06.04.22)	1,132	0.07	
€81,322,051 Bought for £68,180,954 (expires 04.05.22)	638	0.04	

Investments

Portfolio statement (continued)

Holding	as at 31.03.22 £'000	as at 31.03.22 %	as at 30.09.21 %
Currency (continued)			
Forward currency contracts (continued)			
€5,332,969 Bought for £4,488,595 (expires 01.06.22)	30	0.00	
€(285,335,854) Sold for £242,093,642 (expires 04.05.22)	627	0.04	
€(326,421,695) Sold for £272,832,276 (expires 06.04.22)	(3,125)	(0.18)	
€(217,458,065) Sold for £179,977,834 (expires 01.06.22)	(4,277)	(0.25)	
CHF8,584,246 Bought for £6,987,270 (expires 06.04.22)	86	0.00	
CHF(14,705,599) Sold for £12,089,074 (expires 06.04.22)	(28)	0.00	
US\$12,975,284 Bought for £9,895,901 (expires 04.05.22)	(9)	0.00	
US\$(343,315,382) Sold for £261,208,991 (expires 01.06.22)	(425)	(0.03)	
US\$(270,874,958) Sold for £200,013,519 (expires 06.04.22)	(6,363)	(0.37)	
US\$(333,065,000) Sold for £247,368,698 (expires 04.05.22)	(6,434)	(0.38)	
Portfolio of investments	1,609,407	93.94	97.43
Cash equivalents	63,450	3.70	1.28
'AAA' rated money market funds^e	63,450	3.70	1.28
63,450,000 Northern Trust Global Fund - Sterling	63,450	3.70	1.28
Total portfolio	1,672,857	97.64	98.71
Net other assets/(liabilities)	40,376	2.36	1.29
Net assets attributable to shareholders	1,713,233	100.00	100.00

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

^a Suspended.

^b The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.

^c Unlisted/unquoted.

^d Defaulted bond.

^e Uncommitted surplus cash is placed into 'AAA' rated money market funds with the aim of reducing counterparty risk.

Investments

Portfolio transactions

for the six months to 31 March	2022 £'000	2021 £'000
Total purchases	755,681	686,058
Total sales	900,738	915,998

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

Financial highlights

Fund performance

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

The following chart and tables reflect the key financial information of a representative share class, Sterling Class 'A' (Accumulation) shares. As different share classes have different attributes, for example charging structures and minimum investments, please be aware that their performance may be different. For more information on the different share classes in this fund please refer to the Prospectus for M&G Optimal Income Fund, which is available free of charge either from our website at www.mandg.co.uk/prospectuses or by calling M&G Customer Relations.

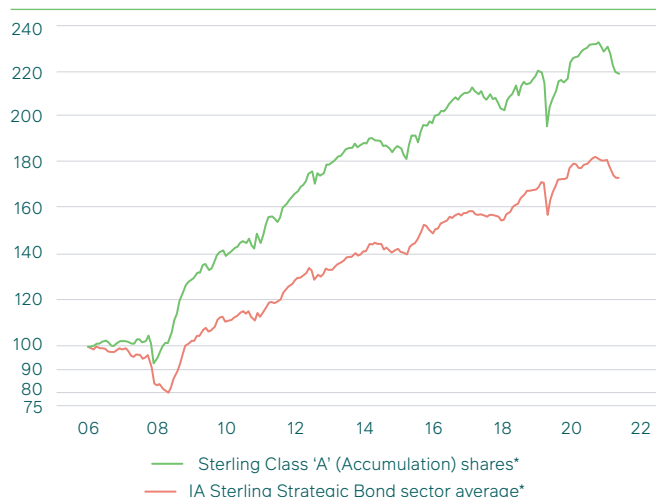
Fund level performance

Fund net asset value as at	31.03.22 £'000	30.09.21 £'000	30.09.20 £'000
Fund net asset value (NAV)	1,713,233	1,934,975	2,416,912

Performance since launch

To give an indication of how the fund has performed since launch, the chart below shows total return of Sterling Class 'A' (Accumulation) shares.

December 2006 = 100, plotted monthly
Chart date 1 April 2022



Source: Morningstar, Inc. and M&G

* Income reinvested

Long-term performance by share class

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

Share class ^a	Six months 01.10.21 % ^b	Three years 01.04.19 % pa	Five years 03.04.17 % pa	Since launch % pa
Sterling				
Class 'A'	-5.8	+1.3	+1.5	+5.3
Class 'I'	-5.6	+1.8	+2.0	+5.7
Class 'J'	-5.6	+1.9	n/a	+2.5
Class 'PP'	-5.6	n/a	n/a	+1.7
Class 'R'	-5.7	+1.5	+1.8	+3.5
Class 'X'	-5.8	+1.3	+1.5	+5.1

^a On 2 December 2008 the M&G Optimal Income Fund de-merged from M&G Investment Funds (6) to become the M&G Optimal Income Fund.

^b Not annualised.

Operating charges and portfolio transaction costs

We explain below the payments made to meet the ongoing costs of investing and managing the fund, comprising operating charges and portfolio transaction costs.

Operating charges

Operating charges include payments made to M&G and to providers independent of M&G:

- **Annual charge:** Charge paid to M&G covering the annual cost of M&G managing and administering the fund and the costs of third parties providing services to the fund.

For every £1 billion of a fund's net asset value, a discount of 0.02% will be applied to that fund's annual charge (up to a maximum of 0.12%).

Financial highlights

- **Extraordinary legal and tax expenses:** Costs that specifically relate to legal or tax claims that are both exceptional and unforeseeable. Such expenses are uncommon, and would not be expected in most years. Although they result in a short-term cost to the fund, generally they can deliver longer term benefits for investors.
- **Ongoing charges from underlying funds:** Ongoing charges from underlying funds (excluding Investment Trust Companies and Real Estate Investment Trusts) will be rebated.

The operating charges paid by each share class of the fund are shown in the following performance tables. These charges do not include portfolio transaction costs or any entry and exit charges (also known as initial and redemption charges). The charging structures of share classes may differ, and therefore the operating charges may differ.

Operating charges are in line with the ongoing charges shown in the Key Investor Information Document, other than where there have been extraordinary legal or tax expenses, or an estimate has been used for the ongoing charge because a material change has made the operating charges unreliable as an estimate of future charges.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange and method of execution. They are made up of direct and indirect portfolio transaction costs:

- **Direct portfolio transaction costs:** Broker execution commission and taxes.
- **Indirect portfolio transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid.

Investments are bought or sold by a fund when changes are made to the investment portfolio and in

response to net flows of money into or out of the fund from investors buying and selling shares in the fund.

To protect existing investors, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive. The following table shows direct portfolio transaction costs paid by the fund before and after that part of the dilution adjustment relating to direct portfolio transaction costs. To give an indication of the indirect portfolio dealing costs the table also shows the average portfolio dealing spread.

Further information on this process is in the Prospectus, which is available free of charge on request either from our website at www.mandg.co.uk/prospectuses or by calling M&G Customer Relations.

Portfolio transaction costs

Direct portfolio transaction costs ^b	Six months to 31.03.22 %	Year to 30.09.21 %	Year to 30.09.20 %	Average ^a %
Taxes	0.00	0.01	0.01	0.01
Costs before dilution adjustments	0.00	0.01	0.01	0.01
Dilution adjustments ^c	0.00	0.00	(0.01)	0.00
Total direct portfolio transaction costs	0.00	0.01	0.00	0.01
as at Indirect portfolio transaction costs	31.03.22 %	30.09.21 %	30.09.20 %	Average ^a %
Average portfolio dealing spread	0.57	0.43	0.72	0.57

^a Average of first three columns.

^b As a percentage of average net asset value.

^c In respect of direct portfolio transaction costs. Please see the section above this table for an explanation of dilution adjustments.

Specific share class performance

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

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adjustments' are only in respect of direct portfolio transaction costs.

The closing NAV per share shown may diverge from the highest and lowest share prices (used for dealing purposes) as at the balance sheet date due to accounting and valuation adjustments.

Sterling Class 'A' Income share performance

The share class was launched on 8 December 2006.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	150.05	141.57	144.99
Return before operating charges	(7.52)	13.11	2.04
Operating charges	(0.75)	(1.71)	(1.92)
Return after operating charges	(8.27)	11.40	0.12
Distributions	(1.82)	(2.92)	(3.54)
Closing NAV	139.96	150.05	141.57
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments ^a	0.00	0.00	(0.01)
Total direct transaction costs	0.00	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	1.02	1.15	1.34
Return after charges	-5.51	+8.05	+0.08
Distribution yield	2.60	1.97	2.24
Other information			
Closing NAV (£'000)	75,636	90,238	113,201
Closing NAV (%)	4.42	4.66	4.68
Number of shares	54,039,657	60,139,435	79,963,919
Highest share price (UK p)	150.56	152.13	149.57
Lowest share price (UK p)	140.16	142.31	126.50

Sterling Class 'A' Accumulation share performance

The share class was launched on 8 December 2006.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	233.02	215.64	215.28
Return before operating charges	(11.67)	20.00	3.23
Operating charges	(1.16)	(2.62)	(2.87)
Return after operating charges	(12.83)	17.38	0.36
Distributions	(1.70)	(1.87)	(2.41)
Retained distributions	1.70	1.87	2.41
Closing NAV	220.19	233.02	215.64
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.01
Dilution adjustments ^a	0.00	(0.01)	(0.01)
Total direct transaction costs	0.01	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	1.02	1.15	1.34
Return after charges	-5.51	+8.06	+0.17
Distribution yield	1.54	0.96	0.89
Other information			
Closing NAV (£'000)	272,038	306,085	345,994
Closing NAV (%)	15.88	15.81	14.31
Number of shares	123,547,532	131,354,443	160,449,628
Highest share price (UK p)	233.82	233.82	222.09
Lowest share price (UK p)	217.66	216.76	187.84

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Sterling Class 'I' Income share performance

The share class was launched on 8 December 2006.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	153.88	144.55	147.30
Return before operating charges	(7.72)	13.40	2.08
Operating charges	(0.47)	(1.08)	(1.23)
Return after operating charges	(8.19)	12.32	0.85
Distributions	(1.87)	(2.99)	(3.60)
Closing NAV	143.82	153.88	144.55
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments ^a	0.00	0.00	(0.01)
Total direct transaction costs	0.00	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	0.62	0.71	0.84
Return after charges	-5.32	+8.52	+0.58
Distribution yield	2.59	1.97	2.24
Other information			
Closing NAV (£'000)	384,934	460,078	581,440
Closing NAV (%)	22.47	23.78	24.06
Number of shares	267,640,432	298,981,262	402,254,418
Highest share price (UK p)	154.42	156.00	152.23
Lowest share price (UK p)	144.00	145.31	128.83

Sterling Class 'I' Accumulation share performance

The share class was launched on 8 December 2006.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	247.75	228.27	226.75
Return before operating charges	(12.43)	21.20	3.42
Operating charges	(0.75)	(1.72)	(1.90)
Return after operating charges	(13.18)	19.48	1.52
Distributions	(2.28)	(3.05)	(3.68)
Retained distributions	2.28	3.05	3.68
Closing NAV	234.57	247.75	228.27
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.02
Dilution adjustments ^a	0.00	(0.01)	(0.02)
Total direct transaction costs	0.01	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	0.62	0.71	0.84
Return after charges	-5.32	+8.53	+0.67
Distribution yield	1.95	1.36	1.39
Other information			
Closing NAV (£'000)	715,841	801,025	972,038
Closing NAV (%)	41.78	41.39	40.22
Number of shares	305,169,130	323,322,502	425,832,569
Highest share price (UK p)	248.62	248.58	234.35
Lowest share price (UK p)	231.83	229.46	198.32

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Sterling Class 'J' Income share performance

The share class was launched on 18 January 2019.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	106.21	99.71	101.46
Return before operating charges	(5.33)	9.25	1.42
Operating charges	(0.32)	(0.69)	(0.69)
Return after operating charges	(5.65)	8.56	0.73
Distributions	(1.29)	(2.06)	(2.48)
Closing NAV	99.27	106.21	99.71
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments ^a	0.00	0.00	(0.01)
Total direct transaction costs	0.00	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	0.62	0.66	0.69
Return after charges	-5.32	+8.58	+0.72
Distribution yield	2.59	1.97	2.24
Other information			
Closing NAV (£'000)	16,262	19,477	146,865
Closing NAV (%)	0.95	1.01	6.08
Number of shares	16,381,244	18,338,400	147,292,049
Highest share price (UK p)	106.58	107.67	104.91
Lowest share price (UK p)	99.39	100.24	88.80

Sterling Class 'J' Accumulation share performance

The share class was launched on 18 January 2019.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	114.82	105.73	104.87
Return before operating charges	(5.76)	9.82	1.58
Operating charges	(0.35)	(0.73)	(0.72)
Return after operating charges	(6.11)	9.09	0.86
Distributions	(1.06)	(1.47)	(1.87)
Retained distributions	1.06	1.47	1.87
Closing NAV	108.71	114.82	105.73
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments ^a	0.00	0.00	(0.01)
Total direct transaction costs	0.00	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	0.62	0.65	0.69
Return after charges	-5.32	+8.60	+0.82
Distribution yield	1.95	1.36	1.54
Other information			
Closing NAV (£'000)	885	1,187	5,464
Closing NAV (%)	0.05	0.06	0.23
Number of shares	813,772	1,033,968	5,168,233
Highest share price (UK p)	115.22	115.20	108.44
Lowest share price (UK p)	107.44	106.28	91.79

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Sterling Class 'PP' Income share performance

The share class was launched on 5 August 2019.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	103.45	97.06	98.76
Return before operating charges	(5.19)	9.00	1.37
Operating charges	(0.26)	(0.60)	(0.66)
Return after operating charges	(5.45)	8.40	0.71
Distributions	(1.26)	(2.01)	(2.41)
Closing NAV	96.74	103.45	97.06
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments ^a	0.00	0.00	(0.01)
Total direct transaction costs	0.00	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges	0.52	0.59	0.68
Return after charges	-5.27	+8.65	+0.72
Distribution yield	2.59	1.97	2.24
Other information			
Closing NAV (£'000)	101,333	97,840	82,795
Closing NAV (%)	5.91	5.06	3.42
Number of shares	104,746,431	94,574,689	85,301,903
Highest share price (UK p)	103.82	104.87	102.13
Lowest share price (UK p)	96.85	97.57	86.44

Sterling Class 'PP' Accumulation share performance

The share class was launched on 8 April 2019.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	111.56	102.67	101.83
Return before operating charges	(5.60)	9.53	1.54
Operating charges	(0.28)	(0.64)	(0.70)
Return after operating charges	(5.88)	8.89	0.84
Distributions	(1.08)	(1.50)	(1.80)
Retained distributions	1.08	1.50	1.80
Closing NAV	105.68	111.56	102.67
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments ^a	0.00	0.00	(0.01)
Total direct transaction costs	0.00	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	0.52	0.59	0.69
Return after charges	-5.27	+8.66	+0.82
Distribution yield	2.06	1.46	1.54
Other information			
Closing NAV (£'000)	70,077	72,856	79,259
Closing NAV (%)	4.09	3.77	3.28
Number of shares	66,309,141	65,305,097	77,198,353
Highest share price (UK p)	111.96	111.93	105.31
Lowest share price (UK p)	104.44	103.20	89.13

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Sterling Class 'R' Income share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	118.06	111.17	113.58
Return before operating charges	(5.92)	10.31	1.60
Operating charges	(0.50)	(1.12)	(1.23)
Return after operating charges	(6.42)	9.19	0.37
Distributions	(1.44)	(2.30)	(2.78)
Closing NAV	110.20	118.06	111.17
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments ^a	0.00	0.00	(0.01)
Total direct transaction costs	0.00	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	0.87	0.95	1.09
Return after charges	-5.44	+8.27	+0.33
Distribution yield	2.59	1.97	2.24
Other information			
Closing NAV (£'000)	3,815	4,225	3,909
Closing NAV (%)	0.22	0.22	0.16
Number of shares	3,462,069	3,578,412	3,515,672
Highest share price (UK p)	118.47	119.69	117.27
Lowest share price (UK p)	110.35	111.76	99.21

Sterling Class 'R' Accumulation share performance

The share class was launched on 3 August 2012.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	148.36	137.04	136.47
Return before operating charges	(7.43)	12.71	2.05
Operating charges	(0.63)	(1.39)	(1.48)
Return after operating charges	(8.06)	11.32	0.57
Distributions	(1.19)	(1.47)	(1.87)
Retained distributions	1.19	1.47	1.87
Closing NAV	140.30	148.36	137.04
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments ^a	0.00	0.00	(0.01)
Total direct transaction costs	0.00	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	0.87	0.95	1.09
Return after charges	-5.43	+8.26	+0.42
Distribution yield	1.69	1.11	1.14
Other information			
Closing NAV (£'000)	7,979	9,082	9,855
Closing NAV (%)	0.47	0.47	0.41
Number of shares	5,687,303	6,121,703	7,191,286
Highest share price (UK p)	148.87	148.86	140.91
Lowest share price (UK p)	138.67	137.75	119.21

Financial highlights

Sterling Class 'X' Income share performance

The share class was launched on 8 December 2006.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	149.80	141.33	144.75
Return before operating charges	(7.50)	13.09	2.03
Operating charges	(0.75)	(1.70)	(1.92)
Return after operating charges	(8.25)	11.39	0.11
Distributions	(1.82)	(2.92)	(3.53)
Closing NAV	139.73	149.80	141.33
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.00	0.01	0.01
Dilution adjustments ^a	0.00	0.00	(0.01)
Total direct transaction costs	0.00	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	1.02	1.14	1.34
Return after charges	-5.51	+8.06	+0.08
Distribution yield	2.60	1.97	2.24
Other information			
Closing NAV (£'000)	32,902	37,636	38,900
Closing NAV (%)	1.92	1.95	1.61
Number of shares	23,547,435	25,124,960	27,524,723
Highest share price (UK p)	150.31	151.87	149.32
Lowest share price (UK p)	139.92	142.07	126.29

Sterling Class 'X' Accumulation share performance

The share class was launched on 8 December 2006.

Change in NAV per share	Six months to 31.03.22 UK p	Year to 30.09.21 UK p	Year to 30.09.20 UK p
Opening NAV	228.24	211.21	210.86
Return before operating charges	(11.43)	19.59	3.16
Operating charges	(1.14)	(2.56)	(2.81)
Return after operating charges	(12.57)	17.03	0.35
Distributions	(1.66)	(1.84)	(2.36)
Retained distributions	1.66	1.84	2.36
Closing NAV	215.67	228.24	211.21
Direct transaction costs	UK p	UK p	UK p
Costs before dilution adjustments	0.01	0.02	0.01
Dilution adjustments ^a	0.00	(0.01)	(0.01)
Total direct transaction costs	0.01	0.01	0.00
Performance and charges	%	%	%
Direct portfolio transaction costs ^b	0.00	0.01	0.00
Operating charges ^c	1.02	1.14	1.34
Return after charges	-5.51	+8.06	+0.17
Distribution yield	1.54	0.96	0.89
Other information			
Closing NAV (£'000)	31,531	35,246	37,192
Closing NAV (%)	1.84	1.82	1.54
Number of shares	14,619,798	15,442,356	17,608,733
Highest share price (UK p)	229.02	229.02	217.53
Lowest share price (UK p)	213.19	212.31	183.98

^a In respect of direct portfolio transaction costs.

^b As a percentage of average net asset value.

^c Where there is a change in the charging structure, you may see variances between the comparative and current year figures.

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Statement of total return

for the six months to 31 March	2022		2021	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		(117,554)		136,737
Revenue	23,601		21,619	
Expenses	(6,577)		(10,170)	
Net revenue/(expense) before taxation	17,024		11,449	
Taxation	(87)		(59)	
Net revenue/(expense) after taxation		16,937		11,390
Total return before distributions		(100,617)		148,127
Distributions		(18,756)		(14,755)
Change in net assets attributable to shareholders from investment activities		(119,373)		133,372

Statement of change in net assets attributable to shareholders

for the six months to 31 March	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,934,975		2,416,912
Amounts received on issue of shares	49,541		6,338	
Amounts paid on cancellation of shares	(162,367)		(475,753)	
		(112,826)		(469,415)
Dilution adjustments		348		1,410
Change in net assets attributable to shareholders from investment activities (see above)		(119,373)		133,372
Retained distributions on Accumulation shares		10,109		6,137
Unclaimed distributions		0		1
Closing net assets attributable to shareholders		1,713,233		2,088,417

The opening net assets attributable to shareholders for 2022 differs to the closing position in 2021 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

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Balance sheet

as at	31 March 2022 £'000	30 September 2021 £'000
Assets		
Fixed assets		
Investments	1,662,788	1,901,334
Current assets		
Debtors	44,085	21,594
Cash and bank balances	51,028	35,998
Cash equivalents	63,450	24,811
Total assets	1,821,351	1,983,737
Liabilities		
Investment liabilities	(53,381)	(16,078)
Creditors		
Bank overdrafts	(902)	0
Overdrawn positions at futures clearing houses and collateral manager	(4,447)	(6,798)
Distribution payable	(8,012)	(7,375)
Other creditors	(41,376)	(18,511)
Total liabilities	(108,118)	(48,762)
Net assets attributable to shareholders	1,713,233	1,934,975

Financial statements and notes

Notes to the financial statements

Accounting policies

There are no material events that have been identified that may cast significant doubt on the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company has adequate resources to continue in operational existence for the foreseeable future and, following consideration of the impact of COVID-19 they continue to adopt the going concern basis in preparing the financial statements. The ACD has made an assessment of the fund's ability to continue as a going concern which is made as at the date of issue of these financial statements and considers liquidity, declines in global capital markets, investor intention, known redemption levels, expense projections, key service provider's operational resilience, and the impact of COVID-19.

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30 September 2021. They are prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

Distribution policy

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

Other regulatory disclosures

Swiss investor information

For funds registered in Switzerland we are required by FINMA to disclose the Total Expense Ratio (TER).

For this fund the TERs are the same as the operating charges disclosed in the fund's financial highlights section under 'Performance and charges'.

Glossary

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

Accumulation units A type of unit where distributions are automatically reinvested and reflected in the value of the units.

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.

Bond issue A set of fixed income securities offered for sale to the public by a company or government. If the bonds are sold for the first time, it is called a 'new issue'.

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

Bunds Fixed income securities issued by the German government.

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

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).

Cash equivalents Deposits or investments with similar characteristics to cash.

Charity Authorised Investment Fund (CAIF) An investment entity that is both a registered charity and an authorised investment fund. The CAIF must comply with charity law as well as financial services laws and regulations, and is usually treated as a registered charity for tax purposes.

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.

Consumer Prices Index (CPI) An index used to measure inflation, which is the rate of change in prices for a basket of goods and services. The contents of the basket are meant to be representative of products and services we typically spend our money on.

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.

Coupon The interest paid by the government or company that has raised a loan by selling bonds.

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 default swaps (CDS) Are a type of derivative, namely financial instruments whose value, and price, are dependent on one or more underlying assets. CDS are insurance-like contracts that allow investors to transfer the risk of a fixed income security defaulting to another investor.

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.

Credit rating agency A company that analyses the financial strength of issuers of fixed income securities and attaches a rating to their debt. Examples include Standard & Poor's and Moody's.

Credit risk Risk that a financial obligation will not be paid and a loss will result for the lender.

Glossary

Credit selection The process of evaluating a fixed income security, also called a bond, in order to ascertain the ability of the borrower to meet its debt obligations. This research seeks to identify the appropriate level of default risk associated with investing in that particular bond.

Credit spread The difference between the yield of a corporate bond, a fixed income security issued by a company, and a government bond of the same life span. Yield refers to the income received from an investment and is expressed as a percentage of the investment's current market value.

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

Defaulted bond When a bond issuer does not maintain interest payments or repay the amount borrowed when due.

Default risk Risk that a debtholder will not receive interest and full repayment of the loan 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.

Developed economy/market Well-established economies with a high degree of industrialisation, standard of living and security.

Dilution adjustments The dilution adjustment is used to protect ongoing investors against the transaction charges incurred in investing or divesting in respect of creations and cancellations. The dilution adjustment is made up of the direct and indirect transaction charges. In the financial statements the direct transaction charges as a percentage of average NAV will be disclosed. This percentage will take account of those direct transaction charges that have been recovered through the dilution adjustment leaving a percentage that just represents the costs incurred in portfolio management.

Distribution Distributions represent a share in the 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.

Distribution yield Expresses the amount that is expected to be distributed by the fund over the next 12 months as a percentage of the share price as at a certain date. It is based on the expected gross income less the ongoing charges.

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 a company and are paid out to the 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.

Duration risk The longer a fixed income security, also called a bond, or bond fund's duration, the more sensitive and therefore at risk it is to changes in interest rates.

Emerging economy or 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.

Exchange traded Usually refers to investments traded on an exchange, such as company shares on a stock exchange.

Ex-dividend, ex-distribution or XD date The date on which declared distributions officially belong to underlying investors.

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.

Floating rate notes (FRNs) Securities whose interest (income) payments are periodically adjusted depending on the change in a reference interest rate.

Foreign exchange The exchange of one currency for another, or the conversion of one currency into another currency. Foreign exchange also refers to the global market where currencies are traded virtually around the clock. The term foreign exchange is usually abbreviated as 'forex' and occasionally as 'FX'.

Glossary

Foreign exchange (FX) strategy Currencies can be an asset class in its own right, along with company shares, fixed income securities, property and cash. Foreign exchange strategy can therefore be a source of investment returns.

Forward contract A contract between two parties to buy or sell a particular commodity or financial instrument at a pre-determined price at a future date. Examples include forward currency contracts.

Fundamentals (company) A basic principle, rule, law, or the like, that serves as the groundwork of a system. A company's fundamentals pertain specifically to that company, and are factors such as its business model, earnings, balance sheet and debt.

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.

Futures A futures contract is a contract between two parties to buy or sell a particular commodity or financial instrument at a predetermined price at a future date. Futures are traded on a regulated exchange.

Gilts Fixed income securities issued by the UK government.

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 water mark (HWM) The highest level that a fund's NAV (net asset value) has reached at the end of any 12-month accounting period.

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.

Historic yield The historic yield reflects distributions declared over the past 12 months as a percentage of the share price, as at the date shown.

Income yield Refers to the income received from an investment and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value.

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

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

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

Index tracking A fund management strategy that aims to match the returns from a particular index.

Index-linked bonds Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.

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.

Inflation risk The risk that inflation will reduce the return of an investment in real terms.

Initial public offering (IPO) The first sale of shares by a private company to the public.

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

Interest rate swap An agreement between two parties to swap a fixed interest payment with a variable interest payment over a specified period of time.

Investment Association (IA) The UK trade body that represents fund managers. It works with investment managers, liaising with government on matters of taxation and regulation, and also aims to help investors understand the industry and the investment options available to them.

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.

Issuer An entity that sells securities, such as fixed income securities and company shares.

Glossary

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.

Liquidity A company is considered highly liquid if it has plenty of cash at its disposal. A company's shares are considered highly liquid if they can be easily bought or sold since large amounts are regularly traded.

Long position Refers to ownership of a security held in the expectation that the security will rise in value.

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.

Modified duration A measure of the sensitivity of a fixed income security, 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.

Monetary easing When central banks lower interest rates or buy securities on the open market to increase the money in circulation.

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

Monetary tightening When central banks raise interest rates or sell securities on the open market to decrease the money in circulation.

Morningstar™ A provider of independent investment research, including performance statistics and independent fund ratings.

Near cash Deposits or investments with similar characteristics to cash.

Net asset value (NAV) A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.

Ongoing Charge Figure The ongoing charge figure represents the operating costs investors can reasonably expect to pay under normal circumstances.

Open-ended investment company (OEIC) A type of managed fund, whose value is directly linked to the value of the fund's underlying investments.

Options Financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.

Over-the-counter (OTC) Whereby financial assets are traded directly between two parties. This is in contrast to exchange trading, which is carried out through exchanges set up specifically for the purpose of trading. OTC is also known as off-exchange trading.

Overweight If a fund is 'overweight' a stock, it holds a larger proportion of that stock than the comparable index or sector.

Payment date The date on which distributions will be paid by the fund to investors, usually the last business day of the month.

Physical assets An item of value that has tangible existence, for example, cash, equipment, inventory or real estate. Physical assets can also refer to securities, such as company shares or fixed income securities.

Portfolio transaction cost The cost of trading, such as brokerage, clearing, exchange fees and bid-offer spread as well as taxes such as stamp duty.

Preference shares Preference shares are a loan to a company that may be traded in the same way as ordinary shares, but generally have a higher yield and pay dividends on fixed dates. Preference shares have varying characteristics as to the treatment of the principal and the dividend payment, which includes ranking them above ordinary shares when it comes to dividend payments.

Principal The face value of a fixed income security, which is the amount due back to the investor by the borrower when the security reaches the end of its life.

Private placement An offer of sale of securities to a relatively small number of investors selected by the company, generally investment banks, mutual funds, insurance companies or pension funds.

Property Expense Ratio (PER) Property expenses are the operating expenses that relate to the management of the property assets in the portfolio. These include: insurance and rates, rent review and lease renewal costs and maintenance and repairs, but not improvements. They depend on the level of activity taking place within the fund. The Property Expense Ratio is the ratio of property expenses to the fund's net asset value.

Glossary

Real yield The return of an investment, adjusted for changes in prices in an economy.

Retail Prices Index (RPI) A UK inflation index that measures the rate of change in prices for a basket of goods and services in the UK, including mortgage payments and council tax.

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.

Risk management The term used to describe the activities the fund manager undertakes to limit the risk of a loss in a fund.

Risk premium The difference between the return from a risk-free asset, such as a high-quality government bond or cash, and the return from an investment in any other asset. The risk premium can be considered the 'price' or 'pay-off' for taking on increased risk. A higher risk premium implies higher risk.

Risk-free asset An asset that notionally carries no risk of nonpayment by the borrower such as a high-quality fixed income security issued by a government or cash.

Risk/reward ratio A ratio comparing the expected returns of an investment with the amount of risk undertaken.

Safe-haven assets Refers to assets that investors perceive to be relatively safe from suffering a loss in times of market turmoil.

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 Key Investor Information Documents.

Share class hedging Activities undertaken in respect of hedged shares to mitigate the impact on performance of exchange rate movements between the fund's currency exposure and the investor's chosen currency.

Short position A way for a fund manager to express his or her view that the market might fall in value.

Short selling This often refers to the practice whereby an investor sells an asset they do not own. The investor borrows the asset from someone who does own it and pays a fee. The investor must eventually return the borrowed asset by buying it in the open market. If the asset has fallen in price, the investor buys it for less than they sold it for, thus making a profit. The contrary may also occur.

Short-dated corporate bonds Fixed income securities issued by companies and repaid over relatively short periods.

Short-dated government bonds Fixed income securities issued by governments and repaid over relatively short periods.

Sovereign debt Debt of a government. Also referred to as government bonds.

Sub-investment grade bonds Fixed income securities issued by a company with a low rating from a recognised credit rating agency. They are considered to be at higher risk from default than those issued by companies with higher 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.

Suspended Temporarily halting the trading of a listed security on the stock exchange. It can be voluntary (requested by the issuing company) or imposed by regulators. Typically, trading suspensions are introduced ahead of important news announcements, following technical glitches, or due to regulatory concerns.

Swing pricing Swing pricing is a method of protecting long-term shareholders in the fund from bearing the costs of transactions carried out by shorter-term investors. When investors buy or sell shares in the fund, the fund manager has to buy or sell underlying securities to either invest the cash obtained from investors, or to provide them with cash in exchange for their shares. Swing pricing essentially adjusts the fund shares' daily price to take into account the costs of buying or selling the underlying securities held by the fund. This ensures that transaction costs such as brokerage fees and administrative charges are borne by those investors who trade shares in the fund, not by those who remain invested in the fund. (Also see dilution adjustment).

Top-down investing An investment approach that analyses economic factors, ie surveys the 'big picture', before selecting which companies to invest in. The top-down investor will look at which industries are likely to generate the best returns in certain economic conditions and limit the search to that area.

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.

Treasuries Fixed income securities issued by the US government.

Glossary

Triple A or AAA rated The highest possible rating a fixed income security, also called a bond, can be assigned by credit rating agencies. Bonds that are rated AAA are perceived to have the lowest risk of default. 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.

UCITS Stands for Undertakings for Collective Investment in Transferable Securities. This is the European regulatory framework for an investment vehicle that can be marketed across the European Union and is designed to enhance the single market in financial assets while maintaining high levels of investor protection.

Unconstrained The term used to describe the mandate of a fund whereby the manager has the freedom to invest according to his or her own strategy, not being obliged to allocate capital according to the weightings of any index, for example.

Underlying value The fundamental value of a company, reflecting both tangible and intangible assets, rather than the current market value.

Underlying yield Refers to the income received by a managed fund, and is usually expressed annually as a percentage based on the fund's current value.

Underweight If a portfolio is 'underweight' a stock, it holds a smaller proportion of that stock than the comparable index or sector.

Unit trust A type of managed fund, whose value is directly linked to the value of the fund's underlying investments.

Unit/share type Type of units/shares held by investors in a trust or fund (unit/share types differ by features such as whether income is to be paid out as cash or reinvested on the payment date).

Unlisted/unquoted stocks Shares of ownership in companies that are not listed on a public exchange, known as private companies.

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

Volatile When the value of a particular share, market or sector swings up and down fairly frequently and/or significantly, it is considered volatile.

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.

Warrant A security issued by a company that gives the holder the right to buy shares in that company at a specified price and within a certain timeframe.

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.

Yield (equity) Refers to the dividends received by a holder of company shares and is usually expressed annually as a percentage based on the investment's cost, its current market value or 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.

Yield (bonds) This refers to the interest received from a fixed income security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

Yield (income) Refers to the income received from an investment and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value.

