M&G Investments

M&G Investment Funds (2)

Annual report and audited financial statements for the year ended 31 May 2026

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Investment Funds (2) presents its annual report and audited financial statements for the year ended 31 May 2026.

The audited financial statements of M&G Investment Funds (2), the Authorised Corporate Director's Reports including the portfolio statements, financial highlights and the audited financial statements and notes of each sub-fund are presented in their individual sections of this report as set out in the contents page.

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

Company information

M&G Investment Funds (2) is an umbrella Open-Ended Investment Company (OEIC) and contains seven sub-funds, hereinafter referred to as 'funds' in the rest of this report. Each fund is a UK UCITS (Undertakings for Collective Investment in Transferable Securities) scheme as defined in the Collective Investment Schemes sourcebook, as issued (and amended) by the Financial Conduct Authority (FCA). This OEIC is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the FCA under the Financial Services and Markets Act 2000.

The Company was authorised on 1 August 2001 and was launched on 24 January 2002, following the conversion of a series of authorised unit trusts.

The Company's principal activity is to carry out business as an OEIC. The Company is structured as an umbrella company, and different funds may be established by the ACD from time to time with the agreement of the Depositary and approval from the FCA. The funds are operated separately and the assets of each fund are managed in accordance with the investment objective and policy applicable to that fund.

As at 31 May 2026 none of the funds held shares of the other funds within this OEIC.

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

Fund managers

The following fund managers are employed by M&G FA Limited which is an associate of M&G Securities Limited with the exception of M&G Index Tracker Fund where BlackRock Investment Management (UK) Limited is the appointed Sub-Investment Manager.

M&G Gilt & Fixed Interest Income Fund
Miles Tym

M&G Global High Yield Bond Fund
Stefan Isaacs, Luke Coha and Lu Yu

Please note that effective from 1 November 2025, Lu Yu was appointed as co-fund manager.

M&G Index-Linked Bond Fund
Miles Tym

M&G Index Tracker Fund
Index Equity Portfolio Management Team, BlackRock*

* Employees of BlackRock Investment Management (UK) Limited.

M&G Short Dated Corporate Bond Fund
Matthew Russell and Ben Lord

M&G UK Income Distribution Fund
Elina Symon

M&G UK Sustain Paris Aligned Fund
Rory Alexander

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)

Authorised Corporate Director's Report

Directors of the ACD

D Allen* (non executive director), M Arona, N J Brooks**, C Dobson*** (non executive director), S C Ellis (non executive director), K Fulker* (non executive director), P R Jelfs, M A Kwiatkowski****, M McGrade***** (non executive director), L J Mumford

* Appointed 1 June 2026.
** Resigned 30 June 2025.
*** Resigned 1 October 2025.
**** Appointed 4 December 2025.
***** Resigned 1 June 2026.

Investment manager

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

Registrar

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

Depositary

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

Independent auditor

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

Annual value assessment

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

Climate-related Financial Disclosures (TCFD)

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

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

Important information

Effective from 6 February 2026, M&G Investments has updated its Thermal Coal Investment Policy ('the Policy'). A summary of the update can be found at group.mandg.com/thermal-coal-investment-policychanges

Effective from 2 April 2026, the securities lending was introduced as an eligible activity for the funds specified in the prospectus. The securities lending transactions will be undertaken solely for the purpose of efficient portfolio management and to generate additional income for the relevant funds.

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

Investor information

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

Authorised Corporate Director's Report

Incorporation can also be inspected at our offices or at the office of the Depositary.

Customer services and administration for UK clients:

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

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

Telephone: 0800 390 390 (UK only)

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

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

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

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

Directors' statement

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

M&G Securities Limited
14 August 2026

Depositary's Responsibilities and Report

Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of M&G Investment Funds (2) ('the Company') for the year ended 31 May 2026

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cashflows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the AFM') are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Edinburgh
14 August 2026

NatWest Trustee and
Depositary Services Limited

Independent Auditor's Report

Independent Auditor's Report to the shareholders of M&G Investment Funds (2)

Opinion

We have audited the financial statements of M&G Investment Funds (2) ("the Company") comprising each of its sub-funds for the year ended 31 May 2026, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables for each of its sub-funds, and the Notes applicable to the Financial Statements of all sub-funds, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 May 2026, and of the net revenue and the net capital gains/(losses) on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Authorised Corporate Director's ("the ACD") use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

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

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

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

Independent Auditor's Report

We have nothing to report in this regard.

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the ACD

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

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), the Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.
- We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrator and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's opportunity to influence revenue and amounts available for distribution.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of journal entries, with a particular focus on manually posted entries and those reflecting large and unusual transactions. We also reviewed the reporting to the ACD with respect to the application of the documented policies and procedures and reviewed the financial statements to test compliance with the reporting requirements of the Company.
- Due to the regulated nature of the Company, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at frc.org.uk/auditorsresponsibilities
This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's shareholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Edinburgh
14 August 2026

Ernst & Young LLP
Statutory Auditor

Financial statements and notes

The financial statements for M&G Investment Funds (2) comprise the individual financial statements for each fund and the notes below.

Notes to the financial statements

1 Statement of compliance

The financial statements of M&G Investment Funds (2) have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017, except in relation to the separate disclosure in note 13.

2 Summary of significant accounting policies

a. Basis of preparation

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

The financial statements of M&G Investment Funds (2) are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

b. Functional and presentational currency

The functional and presentational currency of M&G Investment Funds (2) is UK sterling.

c. Exchange rates

Transactions in currencies other than each fund's functional currency are translated at the rate of exchange ruling on the date of the transaction and where applicable assets and liabilities are translated into the fund's functional currency at the rate of exchange ruling as at 12 noon on 29 May 2026 being the last business day of the accounting period.

d. Investments – recognition and valuation

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

At the end of the reporting period all investments have been measured at their fair value using the prices and the portfolio holdings determined at 12 noon on 29 May 2026, being the last valuation point of the accounting period, as this is not materially different from a valuation carried out at close of business on the balance sheet date.

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

- Equities and debt securities which are traded on an active market are included at the quoted price, which is normally the bid price, excluding any accrued interest in respect of bonds.

- Equities traded on the Alternative Investment Market (AIM), whose liquidity cannot be guaranteed, are included at their quoted bid price as this represents the most objective and appropriate method of valuation.
- Collective investment schemes operated by the ACD are included at either their cancellation price for dual priced funds or their single price for single priced funds.
- Collective investment schemes operated by another manager are included at either their bid price for dual priced funds or their single price for single priced funds.
- Other equities and debt securities which are unquoted or not actively traded on a quoted market are included at a value estimated by the ACD using an appropriate valuation technique, excluding any accrued interest in respect of bonds.
- Exchange traded futures and options are included at the cost of closing out the contract at the balance sheet date.
- Over the counter equity options, credit default swaps, interest rate swaps, asset swaps and inflation swaps are included at a value provided by Markit Valuations Limited, an independent credit derivative price provider. Their fair value excludes any accrued interest in respect of derivatives where the income is revenue in nature.
- Forward currency contracts, for share class hedging and investment, are included at a value determined by reference to current forward exchange rates for contracts with similar maturity profiles.

e. Recognition of income and expenses

- Dividends, including ordinary stock dividends, from equity investments are recognised when the security is quoted ex-dividend.
- Distributions from collective investment schemes are recognised when the scheme is priced ex-distribution.
- Interest on debt securities is recognised on an effective interest rate basis. Bank interest is recognised on an accruals basis.
- Underwriting commission is recognised when the issue takes place.
- Revenue from derivatives is recognised on an accruals basis.
- Securities lending revenue is recognised net of agents fees on an accruals basis.
- Fee rebates from investing in other collective investment schemes are recognised on an accruals basis.
- Expenses are recognised on an accruals basis.

f. Treatment of income and expenses

- Any increases or decreases in the fair value of investments and gains and losses realised on sales of investments are treated as capital and recognised in net capital gains/(losses).
- The value of any enhancement to a stock dividend is treated as capital.
- Ordinary equity dividends, including ordinary stock dividends are treated as revenue.
- Special dividends, share buy backs or additional share issues may be treated as revenue or capital depending on the facts of each particular case.
- Distributions from collective investment schemes are treated as revenue in nature, except for any element of equalisation, which represents the average amount of income included in the price paid for the collective investment scheme, which is treated as capital.

- Debt security interest comprises the coupon interest and the difference between the purchase price and the expected maturity price spread over its expected remaining life. This is treated as revenue with the difference adjusting the cost of the shares and treated as capital.
- Other interest income, such as bank interest is treated as revenue.
- Underwriting commission is treated as revenue, except where the fund is required to take up all or some of the shares underwritten, in which case a proportion of the commission received is deducted from the cost of the shares and treated as capital.
- The treatment of the income on derivative contracts depends upon the nature of the transaction. Both motive and circumstances are used to determine whether the returns should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital, and the circumstances support this, the returns are recognised in net capital gains; similarly where the motives and circumstances are to generate or protect revenue, and the circumstances support this, the returns are included within net revenue before taxation. Where positions generate total returns it will generally be appropriate to apportion such returns between capital and revenue to properly reflect the nature of the transaction.
- Expenses relating to the purchase and sale of investments are treated as capital; all other expenses are treated as revenue.
- Rebates of charges from holdings in collective investment schemes are treated as revenue or capital in accordance with the underlying scheme's distribution policy.

g. Operating charges

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

- **Annual charge:** Charge paid to M&G covering the annual cost of M&G managing and administering the fund and the costs of third parties providing services to the fund. For every £1 billion of a fund's net asset value, a discount of 0.02% will be applied to that fund's annual charge (up to a maximum of 0.12%).
- **Extraordinary legal and tax expenses:** Costs that specifically relate to legal or tax claims that are both exceptional and unforeseeable. Such expenses are uncommon, and would not be expected in most years. Although they result in a short-term cost to the fund, generally they can deliver longer term benefits for investors.
- **Ongoing charges from underlying funds:** Ongoing charges from underlying funds (excluding Investment Trust Companies and Real Estate Investment Trusts) will be rebated.

These charges do not include portfolio transaction costs or any entry and exit charges (also known as initial and redemption charges). The charging structures of share classes may differ, and therefore the operating charges may differ.

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

Financial statements and notes

h. Portfolio transaction costs

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

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

Investments are bought or sold by a fund when changes are made to the investment portfolio and in response to net flows of money into or out of the fund from investors buying and selling shares in the fund.

To protect existing investors, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

i. Tax

Dividends and similar income receivable are recognised at an amount that includes any withholding tax but excludes irrecoverable tax credits. Any withholding tax suffered is shown as part of the tax charge.

Tax is accounted for at the appropriate rate of corporation tax with relief for double taxation taken where appropriate. The tax accounting treatment follows the principal amounts involved.

Deferred tax is recognised in respect of temporary timing differences that have originated but not reversed by the balance sheet date. Deferred tax is measured on a non-discounted basis, at the average rate of tax expected to apply in the period in which it expects the deferred tax to be realised or settled. A deferred tax asset is only recognised to the extent that it is more likely than not that the asset will be recovered.

Marginal tax relief has not been taken into account in respect of expenses offset against capital.

j. Allocation of returns to share classes

The annual charge is directly attributable to individual share classes. All other returns are apportioned to each fund's share classes pro-rata to the value of the net assets of the relevant share class on the day that the income or expenses are recognised.

All available net revenue accounted for in accordance with the above policies and adjusted where relevant by any specific distribution policies set out in the notes to that fund's financial statements, is distributed to holders of Income shares or retained and reinvested for holders of Accumulation shares. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the fund.

3 Risk management policies

The ACD is responsible for establishing, implementing and maintaining an adequate and documented risk management policy for identifying, measuring and managing all risks to which funds are or might be exposed.

The Company's investment activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests; market risk, credit risk and liquidity risk.

These financial statements are designed to enable users to evaluate the nature and extent of those risks and how they are managed.

Financial statements and notes

The following risk management policies are applicable to the funds, with specific risk disclosures set out in the notes to the financial statements of each fund.

a. Market risk

Market risk is the risk of loss resulting from fluctuations in the market value of positions in a fund's portfolio attributable to changes in market variables, such as interest rates, exchange rates, equity and commodity prices or an issuer's creditworthiness.

In relation to market risk, processes are applied that take account of the investment objective and policy of each fund. All funds are subject to an investment oversight process in accordance with the type and nature of the fund. In addition all funds are monitored for compliance within regulatory limits.

In measuring and monitoring market risk, the global exposure of a fund may be calculated using a 'commitment' approach or 'Value at Risk' (VaR) approach.

b. Commitment approach

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

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

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

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

c. Value at Risk approach

The Value at Risk (VaR) approach is a methodology for estimating the maximum potential loss due to market risk based on historic market volatilities and correlations. More particularly, the VaR approach gives a broad indication of the maximum potential loss at a given confidence level (probability), over a specific time period under normal market conditions.

When VaR is used, it may be calculated using the Absolute VaR approach or the Relative VaR approach.

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

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

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

Fund	Global exposure approach
M&G Gilt & Fixed Interest Income Fund	Relative VaR
M&G Global High Yield Bond Fund	Relative VaR
M&G Index-Linked Bond Fund	Relative VaR
M&G Index Tracker Fund	Commitment
M&G Short Dated Corporate Bond Fund	Absolute VaR
M&G UK Income Distribution Fund	Commitment
M&G UK Sustain Paris Aligned Fund	Commitment

d. Liquidity risk

Liquidity risk is the risk that a fund's holdings cannot be sold, liquidated or closed out at limited cost in an adequately short time frame and that the ability of the scheme to comply at any time with its obligation to sell and redeem shares is thereby compromised.

The overall liquidity profile for each fund is reviewed and updated regularly. The liquidity profile takes into account investment, cashflow and market liquidity considerations.

Investment liquidity considerations include an assessment of asset class liquidity conditions, liquidity of underlying holdings, portfolio construction and concentration, the scale of individual stock ownership and the nature of the investment strategy.

Cashflow liquidity is managed in each fund on a daily basis using reports that include subscription and redemption information as well as the impact of trading, derivative lifecycle events and corporate action activity. In addition to the daily reporting, the fund managers are provided with reporting that highlights the impact of reasonably predictable events in the portfolio, including an allowance for the potential future exposures that might result from derivative exposures.

Market (or distribution-related) considerations include an assessment of asset demand, fund growth, client concentration and the persistency of the client base. Supplementary to this, market liquidity stress tests are carried out on a monthly basis for all funds.

Liquidity in funds is independently assessed and challenged through the internal governance process at M&G. Fund liquidity is modelled and compared against potential liability scenarios such as severe redemption or collateral calls and any funds with liquidity issues are flagged to the internal committee. Funds flagged to the internal committee are escalated and remedial action agreed. None of the funds have been escalated for remedial action.

e. Credit risk

For funds exposed to credit risk, the credit rating, yield and maturity of each interest bearing security is considered to determine if the yield fully reflects the risk. The capital value of interest-bearing securities within the funds will fall in the event of the default or perceived increased credit risk of an issuer.

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

Funds investing in derivatives are exposed to counterparty risk. This is the risk that the other party to the transaction fails to fulfil their obligations, either by failing to pay or failing to deliver securities. To minimise this risk, carefully selected, financially strong and well-established counterparties are selected following a thorough due diligence review and collateral is posted daily (in the form of cash or high-quality government bonds). Derivative positions are valued on a mark-

to-market basis (revalued to reflect prevailing market prices) daily and collateral moves from one counterparty to the other to reflect movements in the unrealised profit or loss. As a result, the maximum loss to the fund would be limited to that day's price movements in affected derivatives contracts.

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

f. Securities lending risk

M&G Investment Management Limited 'MAGIM' manages a programme of securities lending for the following funds:

M&G Gilt & Fixed Interest Income Fund

M&G Global High Yield Bond Fund

M&G Short Dated Corporate Bond Fund

M&G UK Income Distribution Fund

All funds that undertake securities lending activity must do so with approved counterparties under the relevant market standard GMSLA or GMRA. These master agreements contain standard provisions which lists specific choices that need to be made by the parties to operationalise the agreement and provides a record of supplemental terms and conditions. These documents also contain detail of the acceptable collateral and haircuts between each counterparty and the funds. Collateral is the main risk mitigation tool for securities lending activity which aims to reduce the impact of any counterparty default. Operationally, collateral is managed directly by MAGIM via specialist triparty agents (JPMorgan, HSBC (Crest), Bank of New York, Euroclear and Clearstream).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, euro or sterling bonds and equities. The value of the collateral held is greater than the value of securities on loan and is monitored as part of the efficient portfolio management process.

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For the purposes of these financial statements, the Prospectus dated 2 April 2026 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the FTSE Actuaries UK Conventional Gilts All Stocks Index over any five-year period.

Investment policy

At least 70% of the fund is invested, directly or through derivatives, in investment grade short, medium and long-dated gilts. These securities are issued or guaranteed by the UK government, and denominated in sterling.

Other investments may include transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

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

Investment approach

The fund is diversified across a range of UK government debt securities. The fund's investment approach is based on the principle that returns from government bonds are driven by a combination of macroeconomic factors such as expectations on interest rates, inflation and economic growth. As different factors dominate returns at different stages of the economic cycle, the manager applies a flexible investment approach, adjusting fund duration as deemed appropriate.

The fund manager seeks to take advantage of 'relative value' opportunities within the UK government bond market, which involves buying the bonds that offer the best value.

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

FTSE Actuaries UK Conventional Gilts All Stocks Index

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

The fund is actively managed.

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

For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 15.

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

Low risk — High risk

Typically lower rewards — Typically higher rewards

1	2	3	**4**	5	6	7

The above number:

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

Authorised Corporate Director's Report

Investment review

For the year ended 31 May 2026

Performance against objective

Between 1 June 2025 (the start of the review period) and 31 May 2026, the M&G Gilt & Fixed Interest Income Fund's Sterling Class 'A' and 'I' shares delivered a total return (the combination of income and growth of capital) of 2.9% and 3.2%, respectively. This compares with a return of 3.4% by its benchmark, the FTSE Actuaries UK Conventional Gilts All Stocks Index, over the same period.

Please note that the fund is priced at midday, whilst the benchmark is priced at end of day, which may result in significant pricing discrepancies from time to time.

Over five years, the fund's Sterling Class 'I' delivered a negative return but met its objective as the fund was ahead of the benchmark index, which returned -4.2% pa over this period. The fund's Sterling Class 'A' also delivered a negative return and was slightly behind the benchmark, therefore missing the objective to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the FTSE Actuaries UK Conventional Gilts All Stocks Index over any five-year period.

Performance review

UK government bonds (also known as gilts) delivered positive returns in the 12 months to the end of May 2026.

UK inflation remained above target through 2025 and into 2026, despite some easing. Geopolitical tensions in the Middle East pushed up energy, fuel and food prices, causing inflation to rise again. This led investors to become more cautious about interest rate cuts, and later possible hikes, weighing on gilt prices. Inflation is expected to be higher in the coming weeks and months.

Uncertainty over US tariffs initially caused market volatility early in the period, but optimism grew as expectations of US trade deals and interest rate cuts increased, resulting in a rally across asset classes and a rise in UK government bond prices in June 2025. In July, the US announced new trade agreements and passed significant tax legislation, which boosted market sentiment, although prices for UK gilts remained largely unchanged.

At its August meeting, the Bank of England (BoE) cut interest rates by a quarter point to 4%, but adopted a cautious 'wait and see' stance. In September, the bank held rates steady due to ongoing inflation concerns and an uncertain economic growth outlook, while the US Federal Reserve (Fed) cut its benchmark rate, boosting US Treasuries and improving sentiment for UK gilts.

In the UK, investors focused on the November Autumn Budget. Beforehand, markets were unsettled by concerns about public finances, but the budget itself was taken well, helped by extra room in the government's finances.

The BoE continued easing monetary policy, cutting rates to 3.75% by December, which initially supported gilt prices as investors expected further cuts. However, after strong performance in February 2026, the gilt market came under pressure from higher energy prices, elevated borrowing costs and fiscal concerns, before prices recovered somewhat as inflation worries briefly eased and sentiment improved.

Investment activities

Demand for long-term government bonds (bonds with a long time until maturity) has fallen, which continued to put pressure on this part of the market. Ongoing bond sales added to that pressure at first, but the Debt Management Office has since reduced sales of longer-term bonds and focused more on shorter-term ones, which has helped bring some stability for the time being.

While last year's budget provided some reassurance, political pressures have intensified in recent months, leading to uncertainty and keeping market sentiment cautious.

Index-linked government bonds performed well towards the end of 2025 and we took the opportunity to meaningfully reduce the position. (Index-linked bonds refer to bonds where the value of the loan and the

Authorised Corporate Director's Report

interest payments are adjusted in line with inflation over the life of the security.)

As yield differences between shorter- and longer-dated bonds remain attractive, we remain overweight (above index) in government bonds maturing in 10 to 20 years. In the spring, we moved a small long duration position from nominal gilts into inflation-linked government bonds, seeking to take advantage of what we see as better value there and to protect from any unwelcome developments in the Middle East. Duration is a measure of a bond's sensitivity to changes in interest rates – the longer a bond's duration the more sensitive it is to interest rate movements.

Our strategy remains focused on investment opportunities in areas of the market that offer better value. We are particularly focused on inflation-linked government bonds maturing in 10 years, versus their equivalent in conventional government bonds, given the prevailing macroeconomic backdrop, and we increased our exposure to this theme towards the end of the period under review.

Outlook

Market conditions over the past few months have been unsettled, largely due to rising geopolitical tension, especially in the Middle East. This has led to more volatility in government bond markets. Looking ahead, the outlook still points to weaker economic growth alongside inflation pressures that may take longer to ease.

Miles Tym
Fund manager

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

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

Portfolio statement

Investments

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income	**355,302**	**97.55**	**96.52**
	Sterling denominated bonds	**355,302**	**97.55**	**96.52**
	Corporate bonds	**3,029**	**0.83**	**0.79**
GBP3,064,463	Prs Finance PLC 1.75% 24/11/2026	3,029	0.83	
	Government bonds	**352,273**	**96.72**	**95.73**
GBP38,920,639	U.K. Gilts 0.5% 31/01/2029	35,376	9.71	
GBP4,874,756	U.K. Gilts 1% 31/01/2032	4,048	1.11	
GBP83,571,835	U.K. Gilts 1.25% 31/07/2051	35,231	9.67	
GBP63,136,289	U.K. Gilts 3.75% 29/01/2038	56,112	15.41	
GBP75,678,226	U.K. Gilts 4% 22/05/2029	75,114	20.62	
GBP1,436,265	U.K. Gilts 4.125% 22/07/2029	1,430	0.39	
GBP34,994,352	U.K. Gilts 4.125% 07/03/2031	34,650	9.51	
GBP54,160,173	U.K. Gilts 4.75% 22/10/2043	50,389	13.84	
GBP17,413,846	U.K. Gilts 5.25% 31/01/2041	17,486	4.80	
GBP11,344,425	U.K. Inflation-Linked Gilts 0.125% 22/11/2036	15,398	4.23	
GBP13,253,928	U.K. Inflation-Linked Gilts 0.125% 22/03/2039	14,673	4.03	
GBP11,538,289	U.K. Inflation-Linked Gilts 0.75% 22/11/2033	12,366	3.40	
Total portfolio		**355,302**	**97.55**	**96.52**
Net other assets/(liabilities)		**8,939**	**2.45**	**3.48**
Net assets attributable to shareholders		**364,241**	**100.00**	**100.00**

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

M&G Gilt & Fixed Interest Income Fund

Portfolio statement

Top ten portfolio transactions for the year to 31 May 2026

Largest purchases	£'000
U.K. Gilts 3.75% 29/01/2038	80,169
U.K. Gilts 4% 22/05/2029	75,925
U.K. Gilts 4.75% 22/10/2043	60,632
U.K. Gilts 1.25% 31/07/2051	53,604
U.K. Gilts 5.25% 31/01/2041	36,573
U.K. Inflation-Linked Gilts 0.125% 22/03/2039	35,399
U.K. Gilts 4.125% 07/03/2031	34,796
U.K. Gilts 4.125% 29/01/2027	30,925
U.K. Inflation-Linked Gilts 0.625% 22/03/2045	29,754
U.K. Inflation-Linked Gilts 1.75% 22/09/2038	21,232
Other purchases	100,035
Total purchases	**559,044**

Largest sales	£'000
U.K. Gilts 4.125% 29/01/2027	55,505
U.K. Gilts 4.125% 22/07/2029	51,905
U.K. Inflation-Linked Gilts 0.625% 22/03/2045	40,352
U.K. Gilts 3.75% 22/10/2053	32,484
U.K. Gilts 4.375% 31/07/2054	27,131
U.K. Gilts 1.25% 31/07/2051	26,270
U.K. Gilts 4.5% 07/06/2028	25,766
U.K. Gilts 3.75% 29/01/2038	22,670
U.K. Gilts 4.5% 07/03/2035	21,827
U.K. Inflation-Linked Gilts 1.25% 22/11/2054	21,498
Other sales	246,422
Total sales	**571,830**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year %[a]	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+2.9	+2.0	-4.2	-1.1
Class 'A' Accumulation	+2.9	+2.0	-4.2	-1.1
Class 'I' Income	+3.2	+2.3	-3.9	-0.8
Class 'I' Accumulation	+3.2	+2.3	-3.9	-0.8
Class 'PP' Income	+3.3	+2.4	n/a	n/a
Class 'PP' Accumulation	+3.3	+2.4	n/a	n/a
Benchmark	**+3.4**	**+2.6**	**-4.2**	**-0.7**

[a] Not annualised.

Specific share class performance

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

'Operating charges' and 'Direct transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current year figures.

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 9 December 1980.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	68.49	70.80	72.49
Return before operating charges*	2.38	1.22	1.92
Operating charges	(0.38)	(0.39)	(0.40)
Return after operating charges*	2.00	0.83	1.52
Distributions	(3.03)	(3.14)	(3.21)
Closing NAV	67.46	68.49	70.80
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	2.92	1.17	2.10
Other information			
Closing NAV (£'000)	25,242	24,058	24,034
Number of shares	37,415,023	35,129,044	33,948,507
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	71.07	74.42	76.59
Lowest share price (UK p)	66.58	68.40	69.57

Sterling Class 'A' Accumulation shares

The share class was launched on 9 December 1980.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	456.73	451.77	442.44
Return before operating charges*	15.94	7.49	11.80
Operating charges	(2.56)	(2.53)	(2.47)
Return after operating charges*	13.38	4.96	9.33
Distributions	(17.99)	(17.80)	(17.42)
Retained distributions	17.99	17.80	17.42
Closing NAV	470.11	456.73	451.77
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	2.93	1.10	2.11
Other information			
Closing NAV (£'000)	199,105	211,671	211,456
Number of shares	42,352,432	46,345,266	46,805,994
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	484.41	479.18	477.78
Lowest share price (UK p)	453.90	446.03	429.15

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	795.47	819.84	836.89
Return before operating charges*	27.78	14.06	22.12
Operating charges	(2.00)	(2.06)	(2.10)
Return after operating charges*	25.78	12.00	20.02
Distributions	(35.28)	(36.37)	(37.07)
Closing NAV	785.97	795.47	819.84
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	3.24	1.46	2.39
Other information			
Closing NAV (£'000)	35,262	28,394	24,481
Number of shares	4,486,400	3,569,465	2,986,032
Operating charges (%)	0.25	0.25	0.25
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	827.36	862.25	885.80
Lowest share price (UK p)	775.55	793.56	804.22

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	994.88	981.15	958.00
Return before operating charges*	34.77	16.23	25.59
Operating charges	(2.54)	(2.50)	(2.44)
Return after operating charges*	32.23	13.73	23.15
Distributions	(42.30)	(41.72)	(40.71)
Retained distributions	42.30	41.72	40.71
Closing NAV	1,027.11	994.88	981.15
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	3.24	1.40	2.42
Other information			
Closing NAV (£'000)	104,168	107,328	96,516
Number of shares	10,141,924	10,787,996	9,837,101
Operating charges (%)	0.25	0.25	0.25
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	1,057.55	1,041.60	1,036.30
Lowest share price (UK p)	989.49	970.49	930.33

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 21 April 2022.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	76.65	78.91	80.48
Return before operating charges*	2.68	1.36	2.12
Operating charges	(0.12)	(0.12)	(0.12)
Return after operating charges*	2.56	1.24	2.00
Distributions	(3.40)	(3.50)	(3.57)
Closing NAV	75.81	76.65	78.91
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	3.34	1.57	2.49
Other information			
Closing NAV (£'000)	358	375	16
Number of shares	472,008	489,380	20,010
Operating charges (%)	0.15	0.15	0.15
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	79.78	83.01	85.23
Lowest share price (UK p)	74.80	76.44	77.36

Sterling Class 'PP' Accumulation shares

The share class was launched on 21 April 2022.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	86.52	85.24	83.14
Return before operating charges*	3.02	1.41	2.23
Operating charges	(0.13)	(0.13)	(0.13)
Return after operating charges*	2.89	1.28	2.10
Distributions	(3.77)	(3.71)	(3.62)
Retained distributions	3.77	3.71	3.62
Closing NAV	89.41	86.52	85.24
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	3.34	1.50	2.53
Other information			
Closing NAV (£'000)	106	8,504	8,303
Number of shares	118,995	9,828,753	9,740,492
Operating charges (%)	0.15	0.15	0.15
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	92.04	90.52	89.99
Lowest share price (UK p)	86.07	84.36	80.77

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 May	Note	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Income					
Net capital gains/(losses)	3		(3,383)		(10,258)
Revenue	5	16,214		16,468	
Expenses	6	(1,586)		(1,637)	
Interest payable and similar charges		0		0	
Net revenue/(expense) before taxation		14,628		14,831	
Taxation	7	0		0	
Net revenue/(expense) after taxation			14,628		14,831
Total return before distributions			**11,245**		**4,573**
Distributions	8		(14,848)		(15,033)
Change in net assets attributable to shareholders from investment activities			**(3,603)**		**(10,460)**

Statement of change in net assets attributable to shareholders

for the year to 31 May	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Opening net assets attributable to shareholders		**380,330**		**364,806**
Amounts received on issue of shares	50,219		44,261	
Amounts paid on cancellation of shares	(74,825)		(31,116)	
		(24,606)		13,145
Dilution adjustments		11		5
Change in net assets attributable to shareholders from investment activities (see above)		(3,603)		(10,460)
Retained distributions on Accumulation shares		12,107		12,831
Unclaimed distributions		2		3
Closing net assets attributable to shareholders		**364,241**		**380,330**

Financial statements and notes

Financial statements

Balance sheet

as at 31 May	Note	2026 £'000	2025 £'000
Assets			
Fixed assets			
Investments[a]		355,302	367,106
Current assets			
Debtors	9	2,402	3,265
Cash and bank balances	10	107	602
Cash equivalents		7,239	10,039
Total assets		**365,050**	**381,012**
Liabilities			
Creditors			
Distribution payable		(691)	(599)
Other creditors	11	(118)	(83)
Total liabilities		**(809)**	**(682)**
Net assets attributable to shareholders		**364,241**	**380,330**

[a] Fair value of securities on loan is £35,175,000 (2025: £nil).

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 May	2026 £'000	2025 £'000
Non-derivative securities	(3,349)	(10,227)
Derivative contracts	(34)	(31)
Net capital gains/(losses)	**(3,383)**	**(10,258)**

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 May	2026 £'000	2025 £'000
a) Purchases		
Debt securities	**559,044**	**686,427**
b) Sales		
Debt securities	**571,830**	**668,312**
	%	**%**
c) Indirect portfolio transaction costs		
Average portfolio dealing spread as at the balance sheet date	0.03	0.05

5 Revenue

for the year to 31 May	2026 £'000	2025 £'000
Bank interest	2	2
Interest distributions	199	245
Interest on debt securities	16,011	16,218
Rebate of ongoing charges from underlying funds	2	3
Securities lending income	0	0
Total revenue	**16,214**	**16,468**

6 Expenses

for the year to 31 May	2026 £'000	2025 £'000
Payable to the ACD or associate		
Annual charge	1,586	1,637
Total expenses	**1,586**	**1,637**

Audit fees for the financial year ending 2026 were £14,000 (2025: £13,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 May	2026 £'000	2025 £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	0	0
Deferred tax (note 7c)	0	0
Total taxation	**0**	**0**
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	14,628	14,831
Corporation tax at 20%	2,926	2,966
Effects of:		
Interest distributions	(2,790)	(2,771)
Relief for indexation on UK gilts	(136)	(195)
Total tax charge (note 7a)	**0**	**0**
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	**0**	**0**

The fund has not recognised a deferred tax asset in the current financial year (2025: same).

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 May	2026		2025	
Interest distributions	**Inc £'000**	**Acc £'000**	**Inc £'000**	**Acc £'000**
First interim	602	3,024	573	3,184
Second interim	646	2,953	579	3,109
Third interim	683	3,064	578	3,225
Final	691	3,066	599	3,313
Total net distributions		14,729		15,160
Income deducted on cancellation of shares		385		156
Income received on issue of shares		(266)		(283)
Distributions		**14,848**		**15,033**
Net revenue/(expense) per statement of total return		14,628		14,831
Expenses offset against capital		220		202
Distributions		**14,848**		**15,033**

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9 Debtors

as at 31 May	2026 £'000	2025 £'000
Amounts receivable on issues of shares	212	12
Debt security interest receivable	2,174	3,229
Distributions receivable	16	24
Total debtors	**2,402**	**3,265**

10 Cash and bank balances

as at 31 May	2026 £'000	2025 £'000
Cash held as bank balances	107	602
Total cash and bank balances	**107**	**602**

11 Other creditors

as at 31 May	2026 £'000	2025 £'000
Amounts payable on cancellation of shares	41	2
Annual charge payable	77	81
Total other creditors	**118**	**83**

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2025: same).

13 Shares in issue

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

Share class	Opening 01.06.25	Movements Issued	Movements Cancelled	Movements Converted	Closing 31.05.26
Sterling					
Class 'A' Income	35,129,044	4,102,320	(1,816,341)	0	37,415,023
Class 'A' Accumulation	46,345,266	2,491,946	(6,484,780)	0	42,352,432
Class 'I' Income	3,569,465	1,344,922	(427,987)	0	4,486,400
Class 'I' Accumulation	10,787,996	2,478,100	(3,124,172)	0	10,141,924
Class 'PP' Income	489,380	0	(17,372)	0	472,008
Class 'PP' Accumulation	9,828,753	12,861	(9,722,619)	0	118,995

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

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14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	0.55
Class 'I'	0.25
Class 'PP'	0.15

15 Related parties

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

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

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

Amounts paid to M&G Investment Management Limited in respect of securities lending activities are disclosed in note 16.

At the balance sheet date, entities within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, held in aggregate 50.52% (2025: 51.58%) of the net asset value of the fund.

16 Securities lending transactions

The fund carried out securities lending transactions for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these transactions is shown in notes 5 and is net of agents fees which are payable to M&G Investment Management Limited.

Any applicable bank fees are deducted from the fund's net return and vary by jurisdiction. Please see the prospectus for further details. Additional information is also disclosed within 'Other regulatory disclosures'.

	31.05.26 £'000	31.05.25 £'000
Fair value of securities on loan at the balance sheet date	35,175	0

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	2026 £'000	2025 £'000
Fund gross return	0	0
Agents fees	0	0
Fund net return	**0**	**0**

The collateral held by asset type at the year end is stated below:

Asset class	31.05.26 £'000	31.05.25 £'000
Bonds	36,912	0
Total	**36,912**	**0**

The counterparties of the collateral held are Societe Generale.

17 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument
This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data
This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs
This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 May Basis of valuation	Assets 2026 £'000	Liabilities 2026 £'000	Assets 2025 £'000	Liabilities 2025 £'000
Level 1	352,273	0	364,108	0
Level 2	3,029	0	2,998	0
Level 3	0	0	0	0
	355,302	**0**	**367,106**	**0**

18 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 15.

19 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

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The VaR limit set during the financial year to 31 May 2026 was 200% (2025: 200%).

The lowest, highest and average utilisation of VaR with reference to the limit above are calculated during the financial years ended 31 May 2026 and 31 May 2025.

for the year to 31 May	2026 Utilisation of VaR 200%	2025 Utilisation of VaR 200%
Lowest	50.15	47.49
Highest	55.64	55.77
Average	52.61	50.56

20 Credit risk

The fund is exposed to credit risk both through the credit quality of the investments it holds. The table below shows the credit quality of the investments held in the portfolio.

as at 31 May	2026 £'000	2025 £'000
Investment grade securities	355,302	367,106
Total	**355,302**	**367,106**

The credit ratings are provided by S&P, followed by Moody's, and finally Fitch.

21 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 May 2026 and 31 May 2025 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 May	2026 £'000	2026 %	2025 £'000	2025 %
Lowest	0	0.00	0	0.00
Highest	0	0.00	0	0.00
Average	0	0.00	0	0.00

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22 Interest distribution tables

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

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.06.25	31.08.25	01.09.25	31.10.25
Second interim	01.09.25	30.11.25	01.12.25	31.01.26
Third interim	01.12.25	28.02.26	02.03.26	30.04.26
Final	01.03.26	31.05.26	01.06.26	31.07.26

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

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

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

Sterling Class 'A' Income shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.3222	0.4337	0.7559	0.8033
Second interim	0.3169	0.4282	0.7451	0.7760
Third interim	0.2818	0.4842	0.7660	0.7794
Final	0.3420	0.4235	0.7655	0.7773

Sterling Class 'A' Accumulation shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	2.1044	2.3018	4.4062	4.4858
Second interim	2.2285	2.1569	4.3854	4.3647
Third interim	1.4471	3.1201	4.5672	4.4529
Final	2.0811	2.5514	4.6325	4.4964

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Sterling Class 'I' Income shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	4.1419	4.6403	8.7822	9.3048
Second interim	4.9612	3.7033	8.6645	8.9969
Third interim	5.4178	3.4960	8.9138	9.0420
Final	4.6340	4.2813	8.9153	9.0261

Sterling Class 'I' Accumulation shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	6.6606	3.6924	10.3530	10.5001
Second interim	4.3110	6.0105	10.3215	10.2486
Third interim	5.3245	5.4188	10.7433	10.4334
Final	5.3224	5.5576	10.8800	10.5364

Sterling Class 'PP' Income shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.8463	0.0000	0.8463	0.8945
Second interim	0.8352	0.0000	0.8352	0.8664
Third interim	0.8594	0.0000	0.8594	0.8709
Final	0.8598	0.0000	0.8598	0.8696

Sterling Class 'PP' Accumulation shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.9222	0.0000	0.9222	0.9343
Second interim	0.9199	0.0000	0.9199	0.9126
Third interim	0.9574	0.0000	0.9574	0.9286
Final	0.0005	0.9684	0.9689	0.9378

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23 Events after the balance sheet date

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2026 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the ICE BofA Global High Yield Index (GBP Hedged) over any five-year period.

Investment policy

At least 80% of the fund is invested, directly or indirectly through derivatives, in below investment grade corporate debt securities. These securities can be issued by companies from anywhere in the world, including emerging markets.

Other investments may include:

- asset-backed securities; and
- other transferable securities, government bonds, 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.

The fund aims to hedge any non-sterling assets 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 below investment grade (high yield) debt securities from a variety of sectors and geographies. The fund manager focuses on the analysis of individual bond issues while remaining aware of macroeconomic developments. Emphasis is placed upon investigating the ability of a bond issuer to meet its interest payments, especially during unfavourable economic conditions.

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

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

Benchmark

ICE BofA Global High Yield Index (GBP Hedged)

The benchmark is a target which the fund seeks to outperform.

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

The fund is actively managed.

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

For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

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Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 15.

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



The above number:

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

Investment review

For the year ended 31 May 2026

Performance against objective

The M&G Global High Yield Bond Fund delivered a positive total return (the combination of income and capital growth) across all sterling share classes during the review period. Fund performance was below its benchmark, the ICE BofA Global High Yield Index (GBP hedged), which returned 7.5% over the same period.

Over five years, the fund has delivered a positive return across its share classes. However, the fund lagged its benchmark index, which returned 3.5% pa over this period. It therefore did not meet its objective of providing a higher total return, net of the ongoing charge figure, than that of the ICE BofA Global High Yield Index (GBP Hedged) 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 review period began with the high yield (HY) market posting positive returns in June, as investor sentiment improved following greater optimism around US trade deals after Trump's tariff announcements earlier in the year. Positive momentum persisted into July and August, driven by a tightening of credit spreads (which measure the difference between the yield of a corporate bond and a government bond of the same maturity), lower market interest rates, and a sustained risk-on sentiment. European markets performed well in July, aided by stronger bond performance and improved sentiment following a US-Europe trade deal, though it underperformed in August due to political uncertainty in France and slower new issuance.

September continued the positive trend, with US high yield bonds leading the way after the US Federal Reserve (Fed) cut interest rates and economic data stayed strong. In October, global HY bonds delivered small gains as market volatility increased. November was mixed: credit conditions worsened early in the month but improved later as expectations shifted towards more interest rate cuts.

Moving into the latter half of the review period, the Fed lowered interest rates again in December, bringing them to their lowest levels in three years. 2026 started with resilient global economic activity and the disinflationary trend on track. However, strikes on Iran by the US and Israel at the end of February softened the risk sentiment. As the conflict continued through March, the disruption to global oil and gas supplies caused by the closure of the Strait of Hormuz raised the prospect of higher inflation and, at the same time, a potential slowdown in economic growth – so-called stagflation. As a result of the uncertain outlook, major developed market central banks kept interest rates on hold. Bond markets fell as the rise in oil prices fed into higher inflation expectations and reduced the likelihood of near-term monetary policy easing.

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Risk sentiment improved in April as the Middle East conflict intermittently shifted towards de-escalation. However, the macroeconomic backdrop became more challenging as inflation concerns pushed sovereign yields higher and markets began to expect a higher-for-longer interest rates environment. May continued to see the macroeconomic backdrop dominated by oil, geopolitics and interest rates, and the market witnessed interest rates volatility. Overall, the global HY market ended the period under review with positive returns, helped by steady income and supportive market conditions, despite geopolitical tensions and economic challenges.

Against this backdrop, the fund delivered a positive return but lagged its benchmark. Our credit positioning was the key driver of underperformance, with both security selection and sector allocation detracting from returns. Security selection in the basic industry, capital goods and energy sectors weighed on performance. Real estate and utility also contributed negatively due to both security selection and an underweight to these sectors. However, our overweight to telecommunications and security selection in technology and electronics added value.

The fund's top absolute detractors over the review period included specialty fibres manufacturer ASP Unifrax (which we no longer hold) and packaging board producer Reno de Medici. Petroleos Mexicanos and telecom business Altice France were top absolute contributors.

Investment activities

Over the period, we kept fund duration (sensitivity to interest rate changes) slightly longer and spread duration (sensitivity to changes in credit spreads) slightly shorter relative to the benchmark.

During the period under review, the primary market saw significant activity. In June, we participated in new issues from media and broadcast company Arqiva, defence supplier Czechoslovak, retailer Sketchers' holding company Beach Acquisition and LNG site developer Venture Global. July continued the momentum driven largely by refinancing activity, we bought new USD issues from car maker Nissan, clothing company Levi Strauss, media company Univision Communications and bottled water company Olympus and in GBP, we bought health and beauty retailer Boots. August was quieter. Activity picked up again in September with chemical manufacturers INEOS, Olympus, electricity supplier Hawaiian Electric, auto components provider ZF North America, Viking Cruises and waste management business Clean Harbors. October was lean. November was active again with beverage packaging company Ardagh, auto parts supplier Schaeffler, Gatwick Airport, hygiene paper manufacturer WEPA, pharma business Genmab, supermarket operator Eroski and real estate business Vivion Investments. In December, we bought senior secured issues from steel producer Celsa and mass media business United Group.

2026 started with an active flow of new issues. In January, we bought cable connectivity business Belden, Raiffeisen Bank, energy business Azule Energy, sugar producer Tereos, industrial automation business Columbus McKinnon and device insurance services provider Asurion. February was also active and we bought copper miner First Quantum Minerals, satellite communications operator Eutelsat, automotive components supplier Cooper-Standard Automotive, real estate investment firm RHP Hotel Properties, and radio streaming business Sirius XM. In March, we bought new issues from energy exploration and production business SM Energy, OAK-Eagle AcquireCo (parent of Electronic Arts), telecom and media company Rogers Communications and television broadcaster Nexstar Media. During April, we bought new issues from data centres operator Core Scientific, cloud infrastructure provider CoreWeave, semiconductor company Edged Compute and data centre developer SE Cosmos. In May, we bought media streaming business Directv, telecom company Veon and petroleum refiners PBF.

In the secondary market, during the first half of the review period, purchases included video game publisher Ubisoft. We topped up our existing positions in Altice France, grocery retailer Ocado, SoftBank and entertainment company Paramount, and exited Kohl's,

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Royal Caribbean, Sappi Papier, Star Parent, Edison International, Heathrow Airport, and International Design Group. We also made a relative value switch in oil and gas company YPF.

During the latter half of the period under review, we added software business UKG, Venture Global and United Group. We exited Neopharmed Gentili, KB Home and ASP Unifrax, and extended maturity in cable operator DISH network.

Outlook

We expect HY markets to trade within a fairly narrow range but with ongoing volatility, as macro and geopolitical factors continue to dominate over company-specific drivers. Interest rate uncertainty, oil-driven inflation dynamics and ongoing geopolitical developments, particularly in the Middle East, are likely to keep dispersion elevated, with resilient BB- and B-rated credits outperforming more challenged CCC issuers amid an ongoing disconnect between valuations and underlying business strength.

The key downside risk remains a renewed escalation in the Middle East, which could again disrupt energy supply, push oil prices higher and reinforce inflationary pressures. This would likely delay the path to monetary easing, weigh on global growth and result in further headline-driven volatility across rates and credit markets.

In this environment, careful analysis prior to investing in HY credits remains crucial to ensure credit spread appropriately compensates for the risks undertaken.

Disciplined stock selection, a quality bias and flexibility to add risk opportunistically during periods of dislocation remain central themes for us.

Stefan Isaacs, Luke Coha and Lu Yu
Co-fund managers

Employees of M&G FA Limited which is an associate of M&G Securities Limited. Please note that effective from 1 November 2025, Lu Yu was appointed as co-fund manager.

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

Portfolio statement

Investments

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities	**929**	**0.17**	**0.10**
155,654	ADLER Group SA	22	0.00	
653,137	ADLER Group SA (voting rights)	0	0.00	
25,069	Casino Guichard Perrachon SA	5	0.00	
2,506,948	Casino Guichard Perrachon SA Warrants 27/04/2029	1	0.00	
680,748	Codere SA[a]	0	0.00	
59,506	Altice France Lux 3	901	0.17	
	Fixed income	**526,601**	**95.91**	**89.18**
	Euro denominated bonds	**154,609**	**28.13**	**24.58**
	Corporate bonds	**154,609**	**28.13**	**24.58**
EUR1,000,000	888 Acquisitions Ltd. FRN 7.704% 15/07/2028	846	0.15	
EUR1,400,000	ABN AMRO Bank NV Var 4.75% Perpetual	1,220	0.22	
EUR884,000	Albion Financing 1 SARL/Aggreko Holdings, Inc. 5.375% 21/05/2030	785	0.14	
EUR656,000	Alexandrite Monnet U.K. Holdco PLC 6.875% 31/05/2031	571	0.10	
EUR3,408	Altice France Holding SA 0% Perpetual (contingent value right)	0	0.00	
EUR1,192,074	Altice France SA 4.75% 15/10/2030	1,002	0.18	
EUR2,301,068	Altice France SA 5.375% 15/04/2032	1,937	0.35	
EUR1,127,000	ams-OSRAM AG 7.25% 31/05/2032	993	0.18	
EUR2,425,000	ams-OSRAM AG 10.5% 30/03/2029	2,221	0.40	
EUR1,000,000	Ardagh Metal Packaging Finance USA LLC/Ardagh Metal Packaging Finance PLC 3% 01/09/2029	822	0.15	
EUR2,007,000	Avantor Funding, Inc. 3.875% 15/07/2028	1,734	0.32	
EUR1,859,000	Avis Budget Finance PLC 7% 28/02/2029	1,621	0.30	
EUR1,802,000	Banijay Entertainment SAS 7% 01/05/2029	1,609	0.29	
EUR1,739,000	Banijay Gaming SAS 5.125% 10/12/2031	1,523	0.28	
EUR2,579,000	Bank of Ireland Group PLC Var 6.125% Perpetual	2,297	0.42	
EUR1,164,000	Beach Acquisition Bidco LLC 5.25% 15/07/2032	1,013	0.18	
EUR800,000	Belden, Inc. 3.375% 15/07/2031	669	0.12	
EUR738,000	Belden, Inc. 3.875% 15/03/2028	638	0.12	
EUR1,642,000	Belden, Inc. 4.25% 01/02/2033	1,402	0.26	
EUR944,000	Bellis Acquisition Co. PLC 8% 01/07/2031	787	0.14	
EUR2,429,000	Benteler International Austria GmbH 7.25% 15/06/2031	2,235	0.41	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Euro denominated bonds (continued)			
	Corporate bonds (continued)			
EUR2,491,000	Boels Topholding BV 5.75% 15/05/2030	2,196	0.40	
EUR3,297,000	British Telecommunications PLC Var 5.125% 03/10/2054	2,950	0.54	
EUR1,100,000	Cellnex Finance Co. SA 2% 15/02/2033	851	0.16	
EUR1,504,000	Celsa Opco SA 8.25% 15/12/2030	1,372	0.25	
EUR1,000,000	Cheplapharm Arzneimittel GmbH 6.75% 15/02/2032	875	0.16	
EUR1,374,000	Cirsa Finance International SARL 6.5% 15/03/2029	1,232	0.22	
EUR800,000	Commerzbank AG Var 6.625% Perpetual	728	0.13	
EUR1,155,000	ContourGlobal Power Holdings SA 5% 28/02/2030	1,010	0.18	
EUR2,083,000	CPI Property Group SA Var 4.875% Perpetual	1,741	0.32	
EUR1,534,000	Currenta Group Holdings SARL 5.5% 15/05/2030	1,345	0.25	
EUR301,000	Currenta Group Holdings SARL FRN 6.283% 15/05/2032	263	0.05	
EUR3,052,000	Czechoslovak Group AS 5.25% 10/01/2031	2,714	0.49	
EUR1,375,000	Dynamo Newco II GmbH 6.25% 15/10/2031	1,051	0.19	
EUR1,166,000	Eastern European Electric Co. BV 6.5% 15/05/2030	1,047	0.19	
EUR3,100,000	Eramet SA 6.5% 30/11/2029	2,621	0.48	
EUR1,988,000	Eroski S Coop 5.75% 15/05/2031	1,782	0.32	
EUR2,000,000	Eurofins Scientific SE Var 5.75% Perpetual	1,804	0.33	
EUR2,588,000	Eutelsat Communications SACA 6.25% 15/03/2033	2,330	0.42	
EUR1,977,000	Fibercop SpA 4.75% 30/06/2030	1,739	0.32	
EUR3,118,000	Fibercop SpA 5.375% 15/04/2031	2,775	0.51	
EUR340,000	Fibercop SpA 7.875% 31/07/2028	317	0.06	
EUR400,000	FIS Fabbrica Italiana Sintetici SpA 5.25% 05/02/2031	347	0.06	
EUR1,010,000	Forvia SE 5.625% 15/06/2030	901	0.16	
EUR1,575,000	Grifols SA 3.875% 15/10/2028	1,354	0.25	
EUR1,932,923	Grifols SA 7.5% 01/05/2030	1,743	0.32	
EUR4,303,000	Gruenenthal GmbH 4.125% 15/05/2028	3,723	0.68	
EUR3,761,784	Hellas Telecom III 0% 01/01/2049[b]	0	0.00	
EUR3,361,000	Herens Midco SARL 5.25% 15/05/2029	1,808	0.33	
EUR840,102	IHO Verwaltungs GmbH 5.625% 15/05/2031	748	0.14	
EUR501,000	Iliad Holding SAS 5.375% 15/04/2030	444	0.08	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Euro denominated bonds (continued)			
	Corporate bonds (continued)			
EUR745,000	Iliad Holding SAS 6.875% 15/04/2031	681	0.12	
EUR700,000	iliad SA 4.25% 15/12/2029	613	0.11	
EUR1,800,000	iliad SA 4.25% 09/01/2032	1,554	0.28	
EUR1,300,000	iliad SA 5.375% 15/02/2029	1,166	0.21	
EUR2,272,000	INEOS Finance PLC 7.25% 31/03/2031	1,931	0.35	
EUR1,721,000	Intesa Sanpaolo SpA Var 9.125% Perpetual	1,695	0.31	
EUR592,893	Intrum Investments & Financing AB 8% 11/09/2027	516	0.09	
EUR2,700,000	IPD 3 BV 5.5% 15/06/2031	2,270	0.41	
EUR1,080,000	Italmatch Chemicals SpA 6.25% 05/02/2031	945	0.17	
EUR50,000	Lehman Brothers Holdings, Inc. 0% 26/09/2040[b]	0	0.00	
EUR1,211,000	Levi Strauss & Co. 4% 15/08/2030	1,048	0.19	
EUR1,283,038	LHMC Finco 2 SARL 8.625% 15/05/2030	1,153	0.21	
EUR1,278,000	Lottomatica Group SpA 4.875% 31/01/2031	1,124	0.21	
EUR1,560,000	Luna 2 5SARL 5.5% 01/07/2032	1,355	0.25	
EUR1,000,000	Mahle GmbH 2.375% 14/05/2028	841	0.15	
EUR600,000	mBank SA Var 4.7784% 25/09/2035	529	0.10	
EUR778,000	Molins Finance SA 5.5% 15/06/2033	691	0.13	
EUR1,200,000	Monitchem HoldCo 3 SA 8.75% 01/05/2028	1,058	0.19	
EUR1,533,000	MPT Operating Partnership LP/MPT Finance Corp. 7% 15/02/2032	1,337	0.24	
EUR431,000	OAK-Eagle AcquireCo, Inc. 6.25% 01/07/2033	389	0.07	
EUR1,950,000	Odido Group Holding BV 5.5% 15/01/2030	1,685	0.31	
EUR300,000	Opmobility 4.2955% 05/02/2031	262	0.05	
EUR1,800,000	Opmobility 4.875% 13/03/2029	1,593	0.29	
EUR4,900,000	Orange SA Var 3.875% Perpetual	4,152	0.76	
EUR1,656,000	Petroleos Mexicanos 4.75% 26/02/2029	1,447	0.26	
EUR2,644,000	Progroup AG 5.375% 15/04/2031	2,309	0.42	
EUR658,000	Prysmian SpA Var 5.25% Perpetual	589	0.11	
EUR1,200,000	Raiffeisen Bank International AG Var 6.2% Perpetual	1,041	0.19	
EUR1,409,000	RAY Financing LLC 6.5% 15/07/2031	1,229	0.22	
EUR3,410,000	Reno de Medici SpA Var 7.15% 15/04/2029	715	0.13	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Euro denominated bonds (continued)			
	Corporate bonds (continued)			
EUR1,600,000	Repsol Europe Finance SARL Var 4.5% Perpetual	1,394	0.25	
EUR2,359,000	Rexel SA 2.125% 15/12/2028	1,977	0.36	
EUR556,000	Samhallsbyggnadsbolaget I Norden Holding AB 1.125% 26/09/2029	398	0.07	
EUR300,000	Samhallsbyggnadsbolaget I Norden Holding AB 2.375% 04/08/2026	259	0.05	
EUR2,100,000	Schaeffler AG 4.5% 12/05/2032	1,793	0.33	
EUR1,100,000	Schaeffler AG 5.375% 01/04/2031	985	0.18	
EUR3,000,000	SoftBank Group Corp. 5.25% 10/10/2029	2,598	0.47	
EUR1,890,000	SoftBank Group Corp. 5.375% 08/01/2029	1,660	0.30	
EUR2,325,000	SSE PLC Var 4% Perpetual	2,001	0.36	
EUR1,589,000	Stellantis NV Var 6.25% Perpetual	1,366	0.25	
EUR2,750,000	Summer BC Holdco B SARL FRN 6.533% 15/02/2030	2,073	0.38	
EUR3,084,218	Summer BidCo BV 8.875% 31/01/2031	2,737	0.50	
EUR1,002,000	TDC Brands AS 8% 30/04/2031	869	0.16	
EUR2,000,000	Telefonica Europe BV Var 5.7522% Perpetual	1,821	0.33	
EUR1,480,000	Tereos Finance Groupe I SA 5.75% 30/04/2031	1,226	0.22	
EUR1,424,000	Tereos Finance Groupe I SA 8.125% 30/04/2032	1,250	0.23	
EUR2,595,000	Teva Pharmaceutical Finance Netherlands II BV 1.875% 31/03/2027	2,213	0.40	
EUR1,732,000	Teva Pharmaceutical Finance Netherlands II BV 4.125% 01/06/2031	1,502	0.27	
EUR4,236,300	Titanium 2l Bondco SARL 6.25% 14/01/2031	535	0.10	
EUR1,163,000	Trivium Packaging Finance BV 6.625% 15/07/2030	1,045	0.19	
EUR2,700,000	Ubisoft Entertainment SA 2.375% 15/11/2028 (Ubisoft Entertainment SA)	2,263	0.41	
EUR3,527,000	UniCredit SpA Var 3.875% Perpetual	3,047	0.56	
EUR1,900,000	United Group BV 6.375% 14/05/2033	1,666	0.30	
EUR1,817,000	Var Energi ASA Var 7.862% 15/11/2083	1,709	0.31	
EUR1,714,894	Verisure Midholding AB 5.25% 15/02/2029	1,492	0.27	
EUR2,793,000	Vivion Investments SARL 5.625% 08/06/2030	2,289	0.42	
EUR2,098,000	Vodafone Group PLC Var 4.125% 12/09/2055	1,785	0.33	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Euro denominated bonds (continued)			
	Corporate bonds (continued)			
EUR1,893,000	WEPA Hygieneprodukte GmbH 4.5% 30/11/2032	1,598	0.29	
EUR699,000	WEPA Hygieneprodukte GmbH 5.625% 15/01/2031	621	0.11	
EUR1,363,000	WMG Acquisition Corp. 2.75% 15/07/2028	1,164	0.21	
EUR1,400,000	Worldline SA 0.875% 30/06/2027	1,158	0.21	
EUR500,000	ZF Europe Finance BV 7% 12/06/2030	461	0.08	
	Sterling denominated bonds	**24,369**	**4.46**	**4.60**
	Corporate bonds	**24,369**	**4.46**	**4.60**
GBP2,161,000	Arqiva Broadcast Finance PLC 8.625% 01/07/2030	1,786	0.33	
GBP1,706,000	Aston Martin Capital Holdings Ltd. 10.375% 31/03/2029	1,407	0.26	
GBP2,244,000	Barclays PLC Var 8.5% Perpetual	2,351	0.43	
GBP1,013,000	Boots Group Finco LP 7.375% 31/08/2032	1,038	0.19	
GBP1,083,600	Boparan Finance PLC 9.375% 07/11/2029	1,143	0.21	
GBP1,138,000	CD&R Firefly Bidco PLC 8.625% 30/04/2029	1,170	0.21	
GBP1,600,000	Cidron Aida Finco SARL 9.125% 27/10/2031	1,536	0.28	
GBP2,600,000	Edge Finco PLC 8.125% 15/08/2031	2,673	0.49	
GBP3,000,000	Gatwick Airport Finance PLC 6% 21/11/2030	2,942	0.54	
GBP2,152,000	House of Fraser Funding PLC 0% 30/12/2050[a]	0	0.00	
GBP1,400,000	Ocado Group PLC 11% 15/06/2030	1,456	0.26	
GBP2,809,000	Pinewood Finco PLC 3.625% 15/11/2027	2,736	0.50	
GBP2,408,000	Premier Foods Finance PLC 3.5% 15/10/2026	2,391	0.44	
GBP395,992	Thames Water Super Senior Issuer PLC 9.75% 10/10/2027	429	0.08	
GBP1,397,000	TVL Finance PLC 10.25% 28/04/2028	1,311	0.24	
	US dollar denominated bonds	**347,623**	**63.32**	**60.00**
	Corporate bonds	**347,623**	**63.32**	**59.35**
USD1,524,000	1011778 BC ULC/New Red Finance, Inc. 3.875% 15/01/2028	1,116	0.20	
USD3,975,000	1261229 BC Ltd. 10% 15/04/2032	3,036	0.55	
USD4,200,000	Adapthealth LLC 5.125% 01/03/2030	3,030	0.55	
USD2,634,000	ADT Security Corp. 4.125% 01/08/2029	1,883	0.34	
USD3,867,000	AES Corp. Var 7.6% 15/01/2055	2,928	0.53	
USD1,858,000	Albertsons Cos., Inc./Safeway, Inc./New Albertsons LP/Albertsons LLC 3.5% 15/03/2029	1,320	0.24	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD2,376,000	Albertsons Cos., Inc./Safeway, Inc./New Albertsons LP/Albertsons LLC 5.75% 31/03/2034	1,702	0.31	
USD2,472,000	Allied Universal Holdco LLC 7.875% 15/02/2031	1,921	0.35	
USD2,104,000	Allwyn Entertainment Financing U.K. PLC 7.875% 30/04/2029	1,614	0.29	
USD815,171	Altice France Lux 3/Altice Holdings 1 10% 15/01/2033	593	0.11	
USD2,380,000	American Axle & Manufacturing, Inc. 7.75% 15/10/2033	1,776	0.32	
USD3,904,000	Antero Midstream Partners LP/Antero Midstream Finance Corp. 5.75% 15/01/2028	2,908	0.53	
USD2,893,000	Ardagh Metal Packaging Finance USA LLC/Ardagh Metal Packaging Finance PLC 4% 01/09/2029	2,040	0.37	
USD2,646,000	Ascent Resources Utica Holdings LLC/ARU Finance Corp. 5.875% 30/06/2029	1,966	0.36	
USD2,165,000	Ashton Woods USA LLC/Ashton Woods Finance Co. 4.625% 01/08/2029	1,545	0.28	
USD2,488,000	Asurion LLC/Asurion Co-Issuer, Inc. 8% 31/12/2032	1,931	0.35	
USD2,700,000	Asurion LLC/Asurion Co-Issuer, Inc. 8.375% 01/02/2034	1,953	0.36	
USD2,750,000	Azule Energy Finance PLC 8.25% 22/01/2031	2,088	0.38	
USD526,000	Bath & Body Works, Inc. 5.25% 01/02/2028	393	0.07	
USD1,288,000	Bath & Body Works, Inc. 6.75% 01/07/2036	944	0.17	
USD301,000	Bausch Health Cos., Inc. 4.875% 01/06/2028	207	0.04	
USD2,083,000	Blue Racer Midstream LLC/Blue Racer Finance Corp. 7% 15/07/2029	1,598	0.29	
USD2,628,000	Blue Racer Midstream LLC/Blue Racer Finance Corp. 7.25% 15/07/2032	2,035	0.37	
USD2,278,000	C&W Senior Finance Ltd. 9% 15/01/2033	1,725	0.31	
USD633,000	Caesars Entertainment, Inc. 6.5% 15/02/2032	456	0.08	
USD1,138,000	Caesars Entertainment, Inc. 7% 15/02/2030	857	0.16	
USD3,202,000	Calderys Financing LLC 11.25% 01/06/2028	2,469	0.45	
USD2,675,000	Canpack SA/Canpack U.S. LLC 3.875% 15/11/2029	1,881	0.34	
USD4,330,000	Carnival Corp. Ltd. 4% 01/08/2028	3,159	0.58	
USD4,273,000	CCO Holdings LLC/CCO Holdings Capital Corp. 4.25% 01/02/2031	2,872	0.52	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD987,000	CCO Holdings LLC/CCO Holdings Capital Corp. 4.5% 15/08/2030	683	0.12	
USD1,201,000	CCO Holdings LLC/CCO Holdings Capital Corp. 4.5% 01/05/2032	782	0.14	
USD5,000,000	CCO Holdings LLC/CCO Holdings Capital Corp. 4.75% 01/02/2032	3,313	0.60	
USD1,470,000	Celanese U.S. Holdings LLC 6.75% 15/04/2033	1,125	0.21	
USD1,378,000	Cemex SAB de CV Var 7.2% Perpetual	1,053	0.19	
USD3,360,000	CHS/Community Health Systems, Inc. 4.75% 15/02/2031	2,299	0.42	
USD534,000	CHS/Community Health Systems, Inc. 5.25% 15/05/2030	373	0.07	
USD882,000	CHS/Community Health Systems, Inc. 6.875% 15/04/2029	647	0.12	
USD631,000	Cipher Compute LLC 7.125% 15/11/2030	490	0.09	
USD3,060,000	CITGO Petroleum Corp. 8.375% 15/01/2029	2,347	0.43	
USD922,000	Clarios Global LP/Clarios U.S. Finance Co. 6.75% 15/02/2030	710	0.13	
USD3,718,000	Clean Harbors, Inc. 5.75% 15/10/2033	2,785	0.51	
USD2,300,000	Cloud Software Group, Inc. 9% 30/09/2029	1,687	0.31	
USD520,000	CNX Midstream Partners LP 4.75% 15/04/2030	373	0.07	
USD2,798,000	CNX Resources Corp. 7.25% 01/03/2032	2,151	0.39	
USD3,187,000	CNX Resources Corp. 7.375% 15/01/2031	2,437	0.44	
USD3,156,000	Columbus McKinnon Corp. 7.125% 01/02/2033	2,366	0.43	
USD2,534,000	Comstock Resources, Inc. 6.75% 01/03/2029	1,854	0.34	
USD2,500,000	Consolidated Energy Finance SA 5.625% 15/10/2028	1,803	0.33	
USD2,237,000	Continental Resources, Inc. 5.75% 15/01/2031	1,700	0.31	
USD2,000,000	Cooper-Standard Automotive, Inc. 9.25% 01/03/2031	1,513	0.28	
USD714,000	Core Scientific Finance I LLC 7.75% 15/05/2031	541	0.10	
USD1,166,000	CoreWeave, Inc. 9.75% 01/10/2031	892	0.16	
USD4,351,000	Coty, Inc./HFC Prestige Products, Inc./HFC Prestige International U.S. LLC 6.625% 15/07/2030	3,255	0.59	
USD2,500,000	Crescent Energy Finance LLC 7.875% 15/04/2032	1,919	0.35	
USD2,560,000	Crowdstrike Holdings, Inc. 3% 15/02/2029	1,813	0.33	
USD2,899,000	Crown Americas LLC 5.875% 01/06/2033	2,165	0.39	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD2,382,000	Crown Americas LLC/Crown Americas Capital Corp. V 4.25% 30/09/2026	1,767	0.32	
USD4,558,000	CSC Holdings LLC 4.125% 01/12/2030	1,952	0.35	
USD2,091,000	CSC Holdings LLC 5.75% 15/01/2030	429	0.08	
USD500,000	CSC Holdings LLC 11.75% 31/01/2029	234	0.04	
USD833,000	CVR Energy, Inc. 7.5% 15/02/2031	626	0.11	
USD5,801,000	Darling Ingredients, Inc. 6% 15/06/2030	4,369	0.80	
USD1,695,000	Dcli Bidco LLC 7.75% 15/11/2029	1,298	0.24	
USD3,905,000	DCP Midstream Operating LP 3.25% 15/02/2032	2,654	0.48	
USD1,669,000	DCP Midstream Operating LP 5.6% 01/04/2044	1,186	0.22	
USD998,000	Directv Financing LLC/Directv Financing Co-Obligor, Inc. 9.25% 01/06/2032	760	0.14	
USD4,430,000	Directv Financing LLC/Directv Financing Co-Obligor, Inc. 10% 15/02/2031	3,439	0.63	
USD1,900,000	Discovery Global Holdings, Inc. 5.05% 15/03/2042	1,033	0.19	
USD800,000	DISH DBS Corp. 5.125% 01/06/2029	537	0.10	
USD3,008,000	DISH Network Corp. 11.75% 15/11/2027	2,309	0.42	
USD3,917,000	Domtar Corp. 6.75% 01/10/2028	2,163	0.39	
USD3,372,095	EchoStar Corp. 6.75% 30/11/2030	2,568	0.47	
USD4,511,000	Ecopetrol SA 4.625% 02/11/2031	3,017	0.55	
USD1,890,000	Ecopetrol SA 6.875% 29/04/2030	1,412	0.26	
USD1,573,000	Ecopetrol SA 8.375% 19/01/2036	1,201	0.22	
USD995,000	Ecopetrol SA 8.875% 13/01/2033	783	0.14	
USD835,000	Edged Compute LLC 7.5% 30/04/2031	622	0.11	
USD2,796,000	Electricite de France SA Var 9.125% Perpetual	2,414	0.44	
USD1,862,000	Encore Capital Group, Inc. 6.625% 15/04/2031	1,396	0.25	
USD795,000	EnQuest PLC 9.875% 30/04/2031	608	0.11	
USD2,407,000	EquipmentShare.com, Inc. 9% 15/05/2028	1,861	0.34	
USD1,443,000	Fair Isaac Corp. 6.25% 15/09/2034	1,062	0.19	
USD1,280,000	First Quantum Minerals Ltd. 6.375% 15/02/2036	940	0.17	
USD577,000	First Quantum Minerals Ltd. 7.25% 15/02/2034	440	0.08	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD300,000	First Quantum Minerals Ltd. 8% 01/03/2033	234	0.04	
USD800,000	FMC Corp. 5.65% 18/05/2033	535	0.10	
USD5,368,000	FMC Corp. 8% 01/06/2031	4,170	0.76	
USD3,527,000	Ford Motor Co. 6.1% 19/08/2032	2,684	0.49	
USD1,254,000	Genmab AS/Genmab Finance LLC 7.25% 15/12/2033	971	0.18	
USD2,154,000	Goat Holdco LLC 6.75% 01/02/2032	1,628	0.30	
USD1,914,000	Goodyear Tire & Rubber Co. 6.625% 15/07/2030	1,389	0.25	
USD2,610,000	Gray Media, Inc. 9.625% 15/07/2032	1,913	0.35	
USD1,333,000	Hawaiian Electric Co., Inc. 6% 01/10/2033	984	0.18	
USD1,327,000	Herc Holdings, Inc. 7.25% 15/06/2033	1,030	0.19	
USD3,578,000	Howard Midstream Energy Partners LLC 6.625% 15/01/2034	2,691	0.49	
USD2,347,000	IHS Holding Ltd. 7.875% 29/05/2030	1,799	0.33	
USD2,284,000	IQVIA, Inc. 6.25% 01/06/2032	1,735	0.32	
USD1,931,000	IQVIA, Inc. 6.5% 15/05/2030	1,470	0.27	
USD4,075,000	Iron Mountain, Inc. 7% 15/02/2029	3,101	0.57	
USD2,524,000	Jazz Securities DAC 4.375% 15/01/2029	1,845	0.34	
USD711,674	K2016470219 South Africa Ltd. 0% 31/12/2049[b]	0	0.00	
USD122,000	Level 3 Financing, Inc. 7.5% 15/02/2037	93	0.02	
USD3,967,890	Level 3 Financing, Inc. 8.5% 15/01/2036	3,193	0.58	
USD1,377,000	Levi Strauss & Co. 3.5% 01/03/2031	944	0.17	
USD3,750,000	LifePoint Health, Inc. 7% 01/05/2034	2,716	0.49	
USD2,826,000	LPL Holdings, Inc. 4% 15/03/2029	2,048	0.37	
USD6,520,000	Magnera Corp. 4.75% 15/11/2029	4,529	0.82	
USD683,000	Matador Resources Co. 6.5% 15/04/2032	515	0.09	
USD1,796,000	Medline Borrower LP 3.875% 01/04/2029	1,301	0.24	
USD2,591,000	Methanex U.S. Operations, Inc. 6.25% 15/03/2032	1,980	0.36	
USD2,042,000	MGM China Holdings Ltd. 4.75% 01/02/2027	1,513	0.28	
USD803,000	MGM China Holdings Ltd. 6.25% 15/05/2033	599	0.11	
USD276,000	MGM China Holdings Ltd. 7.125% 26/06/2031	215	0.04	
USD2,682,000	Millicom International Cellular SA 4.5% 27/04/2031	1,862	0.34	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD2,023,000	Millicom International Cellular SA (non-public offering) 4.5% 27/04/2031	1,405	0.26	
USD4,000,000	Millrose Properties, Inc. 6.25% 15/09/2032	2,989	0.54	
USD5,399,000	Mohegan Tribal Gaming Authority/MS Digital Entertainment Holdings LLC 8.25% 15/04/2030	4,184	0.76	
USD1,198,000	Navoi Mining & Metallurgical Combinat 6.7% 17/10/2028	915	0.17	
USD2,959,000	NCL Corp. Ltd. 6.75% 01/02/2032	2,174	0.40	
USD2,120,000	NCR Voyix Corp. 5% 01/10/2028	1,552	0.28	
USD2,000,000	Neptune Bidco U.S., Inc. 9.5% 15/02/2033	1,521	0.28	
USD3,700,000	Nexstar Media, Inc. 6.5% 15/09/2033	2,773	0.51	
USD2,597,000	NGPL PipeCo LLC 4.875% 15/08/2027	1,939	0.35	
USD1,543,000	Nissan Motor Co. Ltd. 7.5% 17/07/2030	1,187	0.22	
USD1,519,000	OAK-Eagle AcquireCo, Inc. 8.75% 01/07/2034	1,190	0.22	
USD1,895,000	OCP SA 6.1% 30/04/2030	1,441	0.26	
USD957,000	OCP SA Var 6.7405% Perpetual	707	0.13	
USD383,000	OCP SA Var 7.3682% Perpetual	283	0.05	
USD800,000	Olympus Water U.S. Holding Corp. 6.75% 01/08/2032	581	0.11	
USD2,300,000	Olympus Water U.S. Holding Corp. 7.25% 15/02/2033	1,691	0.31	
USD1,921,000	OneMain Finance Corp. 6.125% 15/05/2030	1,423	0.26	
USD2,000,000	Organon & Co./Organon Foreign Debt Co-Issuer BV 5.125% 30/04/2031	1,477	0.27	
USD2,400,000	Owens-Brockway Glass Container, Inc. 7.25% 15/05/2031	1,749	0.32	
USD2,000,000	Paramount Global Var 6.25% 28/02/2057	1,187	0.22	
USD1,543,000	Paramount Global Var 6.375% 30/03/2062	951	0.17	
USD2,600,000	PBF Holding Co. LLC/PBF Finance Corp. 7.25% 01/06/2034	1,931	0.35	
USD6,416,000	Petroleos Mexicanos 6.625% 15/06/2035	4,578	0.83	
USD5,830,000	Petroleos Mexicanos 6.7% 16/02/2032	4,361	0.79	
USD2,161,000	Post Holdings, Inc. 6.25% 15/02/2032	1,632	0.30	
USD2,361,000	PRA Health Sciences, Inc. 2.875% 15/07/2026	1,754	0.32	
USD2,198,000	Prestige Brands, Inc. 3.75% 01/04/2031	1,498	0.27	
USD3,546,000	Puma International Financing SA 7.75% 25/04/2029	2,712	0.49	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD1,017,000	Quikrete Holdings, Inc. 6.375% 01/03/2032	770	0.14	
USD1,675,000	QXO Building Products, Inc. 6.75% 30/04/2032	1,270	0.23	
USD2,358,000	Rakuten Group, Inc. 9.75% 15/04/2029	1,917	0.35	
USD2,885,000	Raven Acquisition Holdings LLC 6.875% 15/11/2031	2,107	0.38	
USD2,651,000	Rede D'or Finance SARL 4.95% 17/01/2028	1,953	0.36	
USD2,000,000	RHP Hotel Properties LP/RHP Finance Corp. 5.75% 15/03/2034	1,474	0.27	
USD1,000,000	Rivers Enterprise Borrower LLC 6.25% 15/10/2030	752	0.14	
USD1,157,000	Rivers Enterprise Borrower LLC/Rivers Enterprise Finance Corp. 6.625% 01/02/2033	871	0.16	
USD2,293,000	Rocket Cos., Inc. 6.125% 01/08/2030	1,735	0.32	
USD1,800,000	Rogers Communications, Inc. Var 6.875% 31/07/2056	1,358	0.25	
USD993,000	Rogers Communications, Inc. Var 7% 15/04/2055	754	0.14	
USD2,708,000	Sable International Finance Ltd. 7.125% 15/10/2032	1,992	0.36	
USD2,907,000	Scientific Games Holdings LP/Scientific Games U.S. FinCo, Inc. 6.625% 01/03/2030	1,875	0.34	
USD1,000,000	SE Cosmos LLC 8.875% 01/05/2031	775	0.14	
USD1,590,000	Simmons Foods, Inc./Simmons Prepared Foods, Inc./Simmons Pet Food, Inc./Simmons Feed 4.625% 01/03/2029	1,142	0.21	
USD509,000	Sinclair Television Group, Inc. 8.125% 15/02/2033	388	0.07	
USD1,667,000	Sirius XM Radio LLC 5% 01/08/2027	1,237	0.23	
USD2,000,000	Sirius XM Radio LLC 5.875% 15/04/2032	1,470	0.27	
USD2,563,000	SM Energy Co. 6.625% 15/04/2034	1,906	0.35	
USD7,500,000	Societe Generale SA Var 7.125% Perpetual	5,542	1.01	
USD1,000,000	SoftBank Group Corp. 5.125% 19/09/2027	739	0.14	
USD1,600,000	SoftBank Group Corp. 8.25% 22/10/2031	1,233	0.22	
USD1,481,000	Solstice Advanced Materials, Inc. 5.625% 30/09/2033	1,090	0.20	
USD5,176,000	Stagwell Global LLC 5.625% 15/08/2029	3,739	0.68	
USD3,741,000	Stora Enso OYJ 7.25% 15/04/2036	2,993	0.55	
USD4,149,000	Studio City Finance Ltd. 6.5% 15/01/2028	3,081	0.56	
USD646,000	Studio City Finance Ltd. (non-public offering) 6.5% 15/01/2028	480	0.09	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD3,000,000	SV RNO Property Owner 1 LLC 5.875% 01/03/2031	2,203	0.40	
USD2,570,000	Tenet Healthcare Corp. 4.625% 15/06/2028	1,898	0.35	
USD1,542,000	Tenet Healthcare Corp. 6.125% 15/06/2030	1,158	0.21	
USD911,000	Teva Pharmaceutical Finance Netherlands III BV 3.15% 01/10/2026	673	0.12	
USD1,160,000	Teva Pharmaceutical Finance Netherlands III BV 6.75% 01/03/2028	886	0.16	
USD487,000	TK Elevator U.S. Newco, Inc. 5.25% 15/07/2027	363	0.07	
USD3,981,000	Transocean International Ltd. 8.25% 15/05/2029	3,071	0.56	
USD2,410,000	U.S. Foods, Inc. 6.875% 15/09/2028	1,839	0.34	
USD3,000,000	UKG, Inc. 6.875% 01/02/2031	2,193	0.40	
USD2,612,000	United Rentals North America, Inc. 6.125% 15/03/2034	1,994	0.36	
USD2,500,000	Uniti Group LP/Uniti Group Finance 2019, Inc./CSL Capital LLC 6.5% 15/02/2029	1,842	0.33	
USD138,000	Univision Communications, Inc. 8.875% 15/04/2033	102	0.02	
USD2,053,000	Univision Communications, Inc. 9.375% 01/08/2032	1,562	0.28	
USD3,019,000	USA Compression Partners LP/USA Compression Finance Corp. 6.25% 01/10/2033	2,253	0.41	
USD2,500,000	Venture Global LNG, Inc. 8.375% 01/06/2031	1,939	0.35	
USD4,504,000	Venture Global Plaquemines LNG LLC 6.5% 15/01/2034	3,509	0.64	
USD3,800,000	Veon Midco BV 7.45% 01/06/2033	2,833	0.52	
USD904,000	Viking Cruises Ltd. 5.875% 15/10/2033	672	0.12	
USD2,504,000	Viking Ocean Cruises Ship VII Ltd. 5.625% 15/02/2029	1,863	0.34	
USD2,168,000	Vodafone Group PLC Var 7% 04/04/2079	1,671	0.30	
USD2,400,000	VZ Secured Financing BV 5% 15/01/2032	1,550	0.28	
USD1,898,000	Wayfair LLC 7.25% 31/10/2029	1,451	0.26	
USD2,360,000	WE Soda Investments Holding PLC 9.375% 14/02/2031	1,709	0.31	
USD2,758,000	Wilsonart LLC 11% 15/08/2032	1,572	0.29	
USD1,427,000	Windstream Services LLC/Windstream Escrow Finance Corp. 8.25% 01/10/2031	1,123	0.20	
USD3,430,691	WOM Chile Holdco SpA 5% 01/04/2032 (WOM Chile Holdco SpA)	2,289	0.42	
USD2,901,913	WOM Mobile SA 11% 01/04/2031	2,213	0.40	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD3,474,000	Wrangler Holdco Corp. 6.625% 01/04/2032	2,654	0.48	
USD1,500,000	WULF Compute LLC 7.75% 15/10/2030	1,177	0.21	
USD2,500,000	Wynn Macau Ltd. 6.75% 15/02/2034	1,864	0.34	
USD1,542,686	YPF SA 8.25% 17/01/2034	1,193	0.22	
USD3,000,000	YPF SA 8.75% 11/09/2031	2,357	0.43	
USD1,767,000	Yum! Brands, Inc. 4.625% 31/01/2032	1,261	0.23	
USD2,984,000	Yum! Brands, Inc. 5.375% 01/04/2032	2,218	0.40	
USD3,000,000	ZF North America Capital, Inc. 7.5% 24/03/2031	2,251	0.41	
	Government bonds	**0**	**0.00**	**0.65**
	Derivatives	**384**	**0.07**	**1.05**
	Forwards	**32**	**0.01**	**1.02**
	Bought USD5,888,506 for GBP4,399,569 Settlement 17/06/2026	(11)	0.00	
	Sold EUR181,249,044 for GBP157,934,074 Settlement 17/06/2026	546	0.10	
	Sold USD233,878,552 for GBP173,216,683 Settlement 17/06/2026	(1,096)	(0.20)	
	Sold USD242,662,795 for GBP181,464,926 Settlement 22/07/2026	593	0.11	
	Futures	**352**	**0.06**	**0.03**
820	CBOT 5 Year U.S. Treasury Notes Futures Sep 2026	248	0.04	
(151)	CBOT 10 Year U.S. Treasury Notes Futures Sep 2026	(120)	(0.02)	
(175)	Eurex 5 Year Euro BOBL Futures Jun 2026	257	0.05	
(19)	Long Gilt Futures Sep 2026	(33)	(0.01)	
Total portfolio		**527,914**	**96.15**	**90.33**
Net other assets/(liabilities)		**21,120**	**3.85**	**9.67**
Net assets attributable to shareholders		**549,034**	**100.00**	**100.00**

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

[a] Suspended.

[b] Defaulted bond.

M&G Global High Yield Bond Fund

Portfolio statement

Top ten portfolio transactions for the year to 31 May 2026

Largest purchases	£'000
Societe Generale SA Var 7.125% Perpetual	5,578
888 Acquisitions Ltd. 8% 30/09/2031	5,148
Orange SA Var 3.875% Perpetual	4,742
Clean Harbors, Inc. 5.75% 15/10/2033	4,294
FMC Corp. 8% 01/06/2031	4,098
888 Acquisitions Ltd. FRN 7.704% 15/07/2028	3,927
Wynn Macau Ltd. 6.75% 15/02/2034	3,758
CCO Holdings LLC/CCO Holdings Capital Corp. 4.75% 01/02/2032	3,462
UniCredit SpA Var 3.875% Perpetual	3,363
Venture Global Plaquemines LNG LLC 6.5% 15/01/2034	3,354
Other purchases	206,880
Total purchases	**248,604**

Largest sales	£'000
888 Acquisitions Ltd. 7.558% 15/07/2027	6,181
Petroleos Mexicanos 6.5% 13/03/2027	4,837
U.S. Treasury Notes 3.25% 30/06/2027	4,464
888 Acquisitions Ltd. 8% 30/09/2031	4,404
Eroski S Coop 10.625% 30/04/2029	3,763
Frontier Communications Holdings LLC 6.75% 01/05/2029	3,586
Odido Holding BV 3.75% 15/01/2029	3,550
UniCredit SpA Var 7.5% Perpetual	3,367
Discovery Global Holdings, Inc. 4.279% 15/03/2032	3,337
888 Acquisitions Ltd. FRN 7.704% 15/07/2028	3,263
Other sales	282,904
Total sales	**323,656**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year %[a]	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+5.1	+7.1	+2.3	+3.4
Class 'A' Accumulation	+5.1	+7.1	+2.3	+3.4
Class 'I' Income	+5.6	+7.6	+2.7	+3.9
Class 'I' Accumulation	+5.6	+7.6	+2.7	+3.9
Class 'PP' Income	+5.7	+7.7	+2.8	n/a
Class 'PP' Accumulation	+5.7	+7.7	+2.8	n/a
Class 'R' Income	+5.3	+7.3	+2.4	+3.6
Class 'R' Accumulation	+5.3	+7.3	+2.4	+3.6
Benchmark	**+7.5**	**+9.4**	**+3.5**	**+4.7**

[a] Not annualised.

Specific share class performance

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

'Operating charges' and 'Direct transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current year figures.

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 1 October 2002.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	40.33	39.77	38.80
Return before operating charges*	2.45	3.50	3.82
Operating charges	(0.40)	(0.40)	(0.39)
Return after operating charges*	2.05	3.10	3.43
Distributions	(2.59)	(2.54)	(2.46)
Closing NAV	39.79	40.33	39.77
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	5.08	7.79	8.84
Other information			
Closing NAV (£'000)	219,881	236,477	250,697
Number of shares	552,611,962	586,316,613	630,360,940
Operating charges (%)	1.00	0.98	0.98
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	41.13	41.56	40.48
Lowest share price (UK p)	39.54	39.49	37.67

Sterling Class 'A' Accumulation shares

The share class was launched on 1 October 2002.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	155.32	143.95	131.97
Return before operating charges*	9.60	12.85	13.33
Operating charges	(1.60)	(1.48)	(1.35)
Return after operating charges*	8.00	11.37	11.98
Distributions	(8.65)	(7.96)	(7.24)
Retained distributions	8.65	7.96	7.24
Closing NAV	163.32	155.32	143.95
*after direct transaction cost of	0.01	0.00	0.00
Performance			
Return after charges (%)	5.15	7.90	9.08
Other information			
Closing NAV (£'000)	148,527	177,309	274,449
Number of shares	90,941,474	114,157,129	190,659,167
Operating charges (%)	1.00	0.98	0.98
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	163.84	156.08	144.53
Lowest share price (UK p)	155.36	144.28	130.80

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	888.41	872.54	847.75
Return before operating charges*	53.96	76.80	83.58
Operating charges	(5.34)	(5.19)	(5.01)
Return after operating charges*	48.62	71.61	78.57
Distributions	(57.06)	(55.74)	(53.78)
Closing NAV	879.97	888.41	872.54
*after direct transaction cost of	0.03	0.02	0.02
Performance			
Return after charges (%)	5.47	8.21	9.27
Other information			
Closing NAV (£'000)	74,774	78,179	81,976
Number of shares	8,497,275	8,799,890	9,395,146
Operating charges (%)	0.60	0.58	0.58
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	907.23	912.94	887.28
Lowest share price (UK p)	873.79	869.46	824.52

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	1,683.85	1,554.36	1,419.22
Return before operating charges*	104.23	138.99	143.76
Operating charges	(10.40)	(9.50)	(8.62)
Return after operating charges*	93.83	129.49	135.14
Distributions	(100.92)	(92.62)	(84.00)
Retained distributions	100.92	92.62	84.00
Closing NAV	1,777.68	1,683.85	1,554.36
*after direct transaction cost of	0.06	0.04	0.03
Performance			
Return after charges (%)	5.57	8.33	9.52
Other information			
Closing NAV (£'000)	74,703	80,114	80,541
Number of shares	4,202,298	4,757,776	5,181,606
Operating charges (%)	0.60	0.58	0.58
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	1,783.31	1,690.53	1,559.75
Lowest share price (UK p)	1,684.33	1,557.95	1,408.94

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	85.30	83.69	81.23
Return before operating charges*	5.18	7.37	8.02
Operating charges	(0.43)	(0.41)	(0.40)
Return after operating charges*	4.75	6.96	7.62
Distributions	(5.48)	(5.35)	(5.16)
Closing NAV	84.57	85.30	83.69
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	5.57	8.32	9.38
Other information			
Closing NAV (£'000)	961	1,060	930
Number of shares	1,135,795	1,242,857	1,111,296
Operating charges (%)	0.50	0.48	0.48
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	87.13	87.59	85.08
Lowest share price (UK p)	83.96	83.46	79.04

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	119.90	110.57	100.86
Return before operating charges*	7.40	9.89	10.22
Operating charges	(0.59)	(0.56)	(0.51)
Return after operating charges*	6.81	9.33	9.71
Distributions	(7.33)	(6.72)	(6.08)
Retained distributions	7.33	6.72	6.08
Closing NAV	126.71	119.90	110.57
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	5.68	8.44	9.63
Other information			
Closing NAV (£'000)	330	66,102	562,412
Number of shares	260,277	55,129,340	508,657,242
Operating charges (%)	0.50	0.48	0.48
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	127.11	120.34	110.94
Lowest share price (UK p)	119.94	110.82	100.16

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	86.70	85.37	83.15
Return before operating charges*	5.27	7.51	8.19
Operating charges	(0.74)	(0.73)	(0.70)
Return after operating charges*	4.53	6.78	7.49
Distributions	(5.56)	(5.45)	(5.27)
Closing NAV	85.67	86.70	85.37
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	5.22	7.94	9.01
Other information			
Closing NAV (£'000)	14,314	15,486	15,973
Number of shares	16,708,770	17,860,559	18,710,627
Operating charges (%)	0.85	0.83	0.83
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	88.47	89.25	86.86
Lowest share price (UK p)	85.10	84.88	80.79

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	162.39	150.28	137.55
Return before operating charges*	10.05	13.42	13.93
Operating charges	(1.42)	(1.31)	(1.20)
Return after operating charges*	8.63	12.11	12.73
Distributions	(9.30)	(8.55)	(7.77)
Retained distributions	9.30	8.55	7.77
Closing NAV	171.02	162.39	150.28
*after direct transaction cost of	0.01	0.00	0.00
Performance			
Return after charges (%)	5.31	8.06	9.25
Other information			
Closing NAV (£'000)	15,544	15,812	15,123
Number of shares	9,089,405	9,736,607	10,062,982
Operating charges (%)	0.85	0.83	0.83
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	171.56	163.13	150.85
Lowest share price (UK p)	162.44	150.62	136.43

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 May	Note	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Income					
Net capital gains/(losses)	3		(1,274)		21,050
Revenue	5	36,626		62,897	
Expenses	6	(5,008)		(7,368)	
Interest payable and similar charges		(3)		(24)	
Net revenue/(expense) before taxation		31,615		55,505	
Taxation	7	(7)		(21)	
Net revenue/(expense) after taxation			31,608		55,484
Total return before distributions			**30,334**		**76,534**
Distributions	8		(34,512)		(58,532)
Change in net assets attributable to shareholders from investment activities			**(4,178)**		**18,002**

Statement of change in net assets attributable to shareholders

for the year to 31 May	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Opening net assets attributable to shareholders		**670,539**		**1,282,101**
Amounts received on issue of shares	19,410		30,900	
Amounts paid on cancellation of shares	(150,759)		(699,028)	
		(131,349)		(668,128)
Dilution adjustments		320		2,619
Change in net assets attributable to shareholders from investment activities (see above)		(4,178)		18,002
Retained distributions on Accumulation shares		13,682		35,920
Unclaimed distributions		20		25
Closing net assets attributable to shareholders		**549,034**		**670,539**

Financial statements and notes

Financial statements

Balance sheet

as at 31 May	Note	2026 £'000	2025 £'000
Assets			
Fixed assets			
Investments[a]		529,174	606,303
Current assets			
Debtors	9	11,528	13,492
Cash and bank balances	10	8,679	9,384
Cash equivalents		15,993	54,338
Total assets		**565,374**	**683,517**
Liabilities			
Investment liabilities		(1,260)	(575)
Creditors			
Bank overdrafts		(1,606)	(1,768)
Overdrawn positions at futures clearing houses and collateral manager		(55)	0
Distribution payable		(1,664)	(1,544)
Other creditors	11	(11,755)	(9,091)
Total liabilities		**(16,340)**	**(12,978)**
Net assets attributable to shareholders		**549,034**	**670,539**

[a] Fair value of securities on loan is £7,584,000 (2025: £nil).

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Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 May	2026 £'000	2025 £'000
Non-derivative securities	2,733	(14,927)
Derivative contracts	(4,669)	35,014
Currency gains/(losses)	662	963
Net capital gains/(losses)	**(1,274)**	**21,050**

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 May	2026 £'000		2025 £'000	
a) Purchases				
Equities	**0**		**2,330**	
Debt securities	**248,571**		**320,736**	
Other transaction types				
Corporate actions	33		0	
Total purchases after transaction costs	**248,604**		**323,066**	
b) Sales				
Equities	**61**		**0**	
Debt securities	**298,626**		**881,113**	
Other transaction types				
Corporate actions	24,969		22,184	
Total sales	**323,656**		**903,297**	
	2026 £'000	**% of average NAV**	**2025 £'000**	**% of average NAV**
c) Direct portfolio transaction costs				
Commissions paid				
Derivatives	9	0.00	12	0.00
Taxes and other fees paid				
Derivatives	10	0.00	13	0.00
Total direct portfolio transaction costs	**19**	**0.00**	**25**	**0.00**
		%		**%**
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.66		0.75

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5 Revenue

for the year to 31 May	2026 £'000	2025 £'000
Bank interest	123	329
Derivative revenue	134	265
Dividends from equity investments: taxable	23	83
Interest distributions	1,067	1,872
Interest on debt securities	35,269	60,329
Rebate of ongoing charges from underlying funds	10	19
Securities lending income	0	0
Total revenue	**36,626**	**62,897**

6 Expenses

for the year to 31 May	2026 £'000	2025 £'000
Payable to the ACD or associate		
Annual charge	5,008	7,368
Total expenses	**5,008**	**7,368**

Audit fees for the financial year ending 2026 were £14,000 (2025: £14,000) (including VAT), which are covered by the annual charge.

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7 Taxation

for the year to 31 May	2026 £'000	2025 £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	7	21
Deferred tax (note 7c)	0	0
Total taxation	**7**	**21**
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	31,615	55,505
Corporation tax at 20%	6,323	11,101
Effects of:		
Interest distributions	(6,323)	(11,101)
Withholding tax	7	21
Total tax charge (note 7a)	**7**	**21**
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	**0**	**0**

The fund has not recognised a deferred tax asset in the current financial year (2025: same).

Financial statements and notes

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 May	2026		2025	
Interest distributions	Inc £'000	Acc £'000	Inc £'000	Acc £'000
First interim	1,829	1,493	1,630	2,910
Second interim	1,975	1,268	2,047	3,650
Third interim	1,627	1,020	1,747	3,041
Fourth interim	1,510	925	1,673	2,906
Fifth interim	2,119	1,385	2,054	3,712
Sixth interim	1,477	936	1,829	3,300
Seventh interim	1,742	1,115	1,882	3,238
Eighth interim	1,680	1,088	1,984	3,465
Ninth interim	1,615	1,056	1,747	3,054
Tenth interim	1,880	1,238	1,831	3,211
Eleventh interim	1,606	1,045	1,600	2,075
Final	1,664	1,113	1,544	1,358
Total net distributions		34,406		57,488
Income deducted on cancellation of shares		177		1,143
Income received on issue of shares		(71)		(99)
Distributions		**34,512**		**58,532**
Net revenue/(expense) per statement of total return		31,608		55,484
Expenses offset against capital		2,904		3,048
Distributions		**34,512**		**58,532**

9 Debtors

as at 31 May	2026 £'000	2025 £'000
Amounts receivable on issues of shares	680	922
Currency deals outstanding	2,298	3,168
Debt security interest receivable	8,456	9,232
Distributions receivable	51	169
Rebate of ongoing charges from underlying funds	0	1
Withholding tax recoverable	43	0
Total debtors	**11,528**	**13,492**

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10 Cash and bank balances

as at 31 May	2026 £'000	2025 £'000
Amounts held at futures clearing houses and collateral manager	4,659	4,530
Cash held as bank balances	4,020	4,854
Total cash and bank balances	**8,679**	**9,384**

11 Other creditors

as at 31 May	2026 £'000	2025 £'000
Amounts payable on cancellation of shares	1,318	317
Annual charge payable	240	276
Currency deals outstanding	2,299	3,168
Purchases awaiting settlement	7,898	5,330
Total other creditors	**11,755**	**9,091**

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2025: same).

13 Shares in issue

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

Share class	Opening 01.06.25	Movements Issued	Movements Cancelled	Movements Converted	Closing 31.05.26
Sterling					
Class 'A' Income	586,316,613	15,216,869	(48,921,520)	0	552,611,962
Class 'A' Accumulation	114,157,129	3,546,646	(26,762,301)	0	90,941,474
Class 'I' Income	8,799,890	398,818	(701,433)	0	8,497,275
Class 'I' Accumulation	4,757,776	142,014	(697,492)	0	4,202,298
Class 'PP' Income	1,242,857	5,809	(112,871)	0	1,135,795
Class 'PP' Accumulation	55,129,340	1,803	(54,870,866)	0	260,277
Class 'R' Income	17,860,559	747,627	(1,899,416)	0	16,708,770
Class 'R' Accumulation	9,736,607	520,072	(1,167,274)	0	9,089,405

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

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14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.00
Class 'I'	0.60
Class 'PP'	0.50
Class 'R'	0.85

15 Related parties

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

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

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

Amounts paid to M&G Investment Management Limited in respect of securities lending activities are disclosed in note 16.

At the balance sheet date, entities within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, held in aggregate 24.14% (2025: 33.67%) of the net asset value of the fund.

16 Securities lending transactions

The fund carried out securities lending transactions for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these transactions is shown in notes 5 and is net of agents fees which are payable to M&G Investment Management Limited.

Any applicable bank fees are deducted from the fund's net return and vary by jurisdiction. Please see the prospectus for further details. Additional information is also disclosed within 'Other regulatory disclosures'.

	31.05.26 £'000	31.05.25 £'000
Fair value of securities on loan at the balance sheet date	7,584	0

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	2026 £'000	2025 £'000
Fund gross return	0	0
Agents fees	0	0
Fund net return	**0**	**0**

The collateral held by asset type at the year end is stated below:

Asset class	31.05.26 £'000	31.05.25 £'000
Bonds	8,428	0
Total	**8,428**	**0**

The counterparties of the collateral held are Deutsche Bank and Morgan Stanley.

17 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument
This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data
This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs
This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 May Basis of valuation	Assets 2026 £'000	Liabilities 2026 £'000	Assets 2025 £'000	Liabilities 2025 £'000
Level 1	532	(153)	5,283	(32)
Level 2	527,741	(1,107)	601,020	(543)
Level 3	901	0	0	0
	529,174	**(1,260)**	**606,303**	**(575)**

Level 3 asset comprises of Altice France Lux 3, which is listed on TISE as a specialist company and, as such, shares are not actively traded.

18 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 15.

19 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

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The VaR limit set during the financial year to 31 May 2026 was 200% (2025: 200%).

The lowest, highest and average utilisation of VaR with reference to the limit above are calculated during the financial years ended 31 May 2026 and 31 May 2025.

for the year to 31 May	2026 Utilisation of VaR 200%	2025 Utilisation of VaR 200%
Lowest	45.11	45.90
Highest	53.05	53.07
Average	48.76	49.32

20 Credit risk

The fund is exposed to credit risk both through the credit quality of the investments it holds and through the derivative positions with counterparties. The table below shows the credit quality of the investments held in the portfolio.

as at 31 May	2026 £'000	2025 £'000
Investment grade securities	58,281	73,352
Below investment grade securities	465,522	523,447
Unrated securities	2,798	1,203
Other investments	1,313	7,726
Total	**527,914**	**605,728**

The credit ratings are provided by S&P, followed by Moody's, and finally Fitch.

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The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 May 2026	Forwards £'000	Futures £'000
Bank of America Merrill Lynch	0	352
Citigroup	584	0
Goldman Sachs	546	0
HSBC	9	0
State Street Bank	(11)	0
UBS	(1,096)	0
Total	**32**	**352**

At the balance sheet date cash collateral of £2,470,000 (2025: £1,832,000) and stock collateral of £nil (2025: £5,056,000) was held by the fund in respect of forward currency contracts.

as at 31 May 2025	Forwards £'000	Futures £'000
Bank of America Merrill Lynch	0	165
Barclays Bank	124	0
Goldman Sachs	1,588	0
HSBC	399	0
JPMorgan	4,676	0
Merrill Lynch	1	0
National Australia Bank	(4)	0
State Street Bank	64	0
Total	**6,848**	**165**

21 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 May 2026 and 31 May 2025 are disclosed in the table below. Leverage has been calculated

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using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 May	2026 £'000	2026 %	2025 £'000	2025 %
Lowest	606,240	110.15	818,243	99.26
Highest	1,570,349	255.91	2,784,441	277.11
Average	729,307	127.40	1,228,964	123.87

22 Interest distribution tables

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

Monthly distribution periods

	Start	End	Xd	Payment
First interim	01.06.25	30.06.25	01.07.25	31.07.25
Second interim	01.07.25	31.07.25	01.08.25	31.08.25
Third interim	01.08.25	31.08.25	01.09.25	30.09.25
Fourth interim	01.09.25	30.09.25	01.10.25	31.10.25
Fifth interim	01.10.25	31.10.25	03.11.25	30.11.25
Sixth interim	01.11.25	30.11.25	01.12.25	31.12.25
Seventh interim	01.12.25	31.12.25	02.01.26	31.01.26
Eighth interim	01.01.26	31.01.26	02.02.26	28.02.26
Ninth interim	01.02.26	28.02.26	02.03.26	31.03.26
Tenth interim	01.03.26	31.03.26	01.04.26	30.04.26
Eleventh interim	01.04.26	30.04.26	01.05.26	31.05.26
Final	01.05.26	31.05.26	01.06.26	30.06.26

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

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

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

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Sterling Class 'A' Income shares

Interest distributions for the year to 31 May	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.0263	0.1975	0.2238	0.1864
Second interim	0.0176	0.2247	0.2423	0.2360
Third interim	0.0232	0.1767	0.1999	0.1999
Fourth interim	0.0200	0.1664	0.1864	0.1950
Fifth interim	0.0313	0.2312	0.2625	0.2407
Sixth interim	0.0180	0.1659	0.1839	0.2152
Seventh interim	0.0207	0.1972	0.2179	0.2220
Eighth interim	0.0120	0.1987	0.2107	0.2349
Ninth interim	0.0152	0.1883	0.2035	0.2074
Tenth interim	0.0339	0.2037	0.2376	0.2186
Eleventh interim	0.0474	0.1558	0.2032	0.1914
Final	0.0136	0.2001	0.2137	0.1881

Sterling Class 'A' Accumulation shares

Interest distributions for the year to 31 May	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.4233	0.3076	0.7309	0.5665
Second interim	0.2265	0.5800	0.8065	0.7328
Third interim	0.4292	0.2210	0.6502	0.6109
Fourth interim	0.3682	0.2206	0.5888	0.5900
Fifth interim	0.3113	0.5842	0.8955	0.7620
Sixth interim	0.2253	0.3792	0.6045	0.6804
Seventh interim	0.2620	0.4580	0.7200	0.6966
Eighth interim	0.1128	0.5952	0.7080	0.7538
Ninth interim	0.1223	0.5699	0.6922	0.6660
Tenth interim	0.5850	0.2326	0.8176	0.6996
Eleventh interim	0.2186	0.4732	0.6918	0.6069
Final	0.3825	0.3602	0.7427	0.5962

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Sterling Class 'I' Income shares

Interest distributions for the year to 31 May	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	2025 UK p
First interim	2.7207	2.2077	4.9284	4.0928
Second interim	2.8777	2.4628	5.3405	5.1721
Third interim	1.6390	2.7700	4.4090	4.3891
Fourth interim	2.1060	2.0061	4.1121	4.2824
Fifth interim	2.7543	3.0354	5.7897	5.2906
Sixth interim	2.1639	1.8949	4.0588	4.7301
Seventh interim	3.0823	1.7272	4.8095	4.8809
Eighth interim	2.4636	2.1862	4.6498	5.1675
Ninth interim	2.6317	1.8652	4.4969	4.5628
Tenth interim	2.4326	2.8242	5.2568	4.8095
Eleventh interim	2.6716	1.8147	4.4863	4.2140
Final	2.3852	2.3391	4.7243	4.1433

Sterling Class 'I' Accumulation shares

Interest distributions for the year to 31 May	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	2025 UK p
First interim	4.2542	4.2478	8.5020	6.5919
Second interim	4.6269	4.7040	9.3309	8.4198
Third interim	4.8625	2.7423	7.6048	7.1316
Fourth interim	3.2625	3.7395	7.0020	6.9356
Fifth interim	3.5784	6.7367	10.3151	8.8013
Sixth interim	2.4937	4.6059	7.0996	7.8844
Seventh interim	4.1631	4.2924	8.4555	8.1199
Eighth interim	2.4956	5.7787	8.2743	8.7259
Ninth interim	3.5435	4.5279	8.0714	7.7273
Tenth interim	3.2681	6.2394	9.5075	8.1493
Eleventh interim	4.5120	3.5947	8.1067	7.1213
Final	4.2261	4.4201	8.6462	7.0143

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Sterling Class 'PP' Income shares

Interest distributions for the year to 31 May	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	2025 UK p
First interim	0.4732	0.0000	0.4732	0.3921
Second interim	0.5128	0.0000	0.5128	0.4964
Third interim	0.4234	0.0000	0.4234	0.4210
Fourth interim	0.3647	0.0302	0.3949	0.4108
Fifth interim	0.5561	0.0000	0.5561	0.5076
Sixth interim	0.3898	0.0000	0.3898	0.4540
Seventh interim	0.4620	0.0000	0.4620	0.4684
Eighth interim	0.2385	0.2083	0.4468	0.4960
Ninth interim	0.4320	0.0000	0.4320	0.4379
Tenth interim	0.5048	0.0000	0.5048	0.4617
Eleventh interim	0.4315	0.0000	0.4315	0.4046
Final	0.2218	0.2322	0.4540	0.3977

Sterling Class 'PP' Accumulation shares

Interest distributions for the year to 31 May	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	2025 UK p
First interim	0.4335	0.1823	0.6158	0.4729
Second interim	0.4844	0.1912	0.6756	0.6213
Third interim	0.4333	0.1180	0.5513	0.5168
Fourth interim	0.3522	0.1574	0.5096	0.5034
Fifth interim	0.5916	0.1676	0.7592	0.6362
Sixth interim	0.3506	0.1647	0.5153	0.5705
Seventh interim	0.4278	0.1859	0.6137	0.5883
Eighth interim	0.4108	0.1891	0.5999	0.6312
Ninth interim	0.3878	0.1971	0.5849	0.5592
Tenth interim	0.4424	0.2460	0.6884	0.5903
Eleventh interim	0.4030	0.1851	0.5881	0.5168
Final	0.4089	0.2174	0.6263	0.5095

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Sterling Class 'R' Income shares

Interest distributions for the year to 31 May	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	2025 UK p
First interim	0.2049	0.2761	0.4810	0.4013
Second interim	0.2561	0.2649	0.5210	0.5052
Third interim	0.1420	0.2880	0.4300	0.4292
Fourth interim	0.1820	0.2190	0.4010	0.4186
Fifth interim	0.3908	0.1738	0.5646	0.5171
Sixth interim	0.2223	0.1733	0.3956	0.4624
Seventh interim	0.3467	0.1221	0.4688	0.4769
Eighth interim	0.2396	0.2136	0.4532	0.5048
Ninth interim	0.1435	0.2944	0.4379	0.4456
Tenth interim	0.1431	0.3685	0.5116	0.4696
Eleventh interim	0.2435	0.1938	0.4373	0.4114
Final	0.0927	0.3673	0.4600	0.4044

Sterling Class 'R' Accumulation shares

Interest distributions for the year to 31 May	Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	2025 UK p
First interim	0.5879	0.1972	0.7851	0.6082
Second interim	0.6372	0.2272	0.8644	0.7799
Third interim	0.1213	0.5786	0.6999	0.6572
Fourth interim	0.1188	0.5191	0.6379	0.6365
Fifth interim	0.1937	0.7646	0.9583	0.8163
Sixth interim	0.3856	0.2662	0.6518	0.7297
Seventh interim	0.5260	0.2503	0.7763	0.7488
Eighth interim	0.4242	0.3377	0.7619	0.8083
Ninth interim	0.0845	0.6597	0.7442	0.7148
Tenth interim	0.1941	0.6840	0.8781	0.7519
Eleventh interim	0.5504	0.1948	0.7452	0.6541
Final	0.3039	0.4941	0.7980	0.6433

23 Events after the balance sheet date

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2026 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the FTSE Actuaries UK Index-Linked Gilts All Stocks Index over any five-year period.

Investment policy

At least 70% of the fund is invested, directly or indirectly, in inflation-linked debt securities issued or guaranteed by the UK government, and denominated in sterling.

The fund's indirect exposure to inflation-linked debt securities is achieved by investing through a combination of instruments. These include the combination of government bonds or corporate bonds with credit derivatives, such as credit default swaps.

Other investment may include:

- debt securities issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies or corporate debt instruments denominated in any currency; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

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

Investment approach

The fund is diversified across a range of inflation-linked debt securities from a variety of sectors. The fund's investment approach is based on the principle that returns from bond markets are driven by a combination of macroeconomic factors such as expectations on interest rates, inflation and economic growth. As different factors dominate returns at different stages of the economic cycle, the manager applies a flexible investment approach, adjusting the portfolio's duration as deemed appropriate.

The fund manager seeks to take advantage of 'relative value' opportunities within the inflation-linked bond market, which involves buying the inflation-linked bonds that offer the best value.

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

FTSE Actuaries UK Index-Linked Gilts All Stocks Index

The benchmark is a target which the fund seeks to outperform.

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

The fund is actively managed.

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

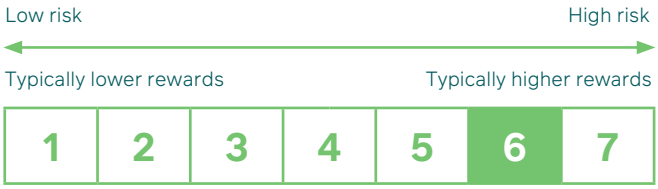
For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

Authorised Corporate Director's Report

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 15.

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



The above number:

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

Investment review

For the year ended 31 May 2026

Performance against objective

Between 1 June 2025 (the start of the review period) and 31 May 2026, the M&G Index-Linked Bond Fund's Sterling Class 'A' and 'I' shares delivered a total return (the combination of income and growth of capital) of 5.9% and 6.3%, respectively. This compares with the return of 5.6% from the fund's benchmark, the FTSE Actuaries UK Index-Linked Gilts All Stocks Index, over the same period.

Please note that the fund is priced at midday, whilst the benchmark is priced at end of day, which may result in significant pricing discrepancies from time to time.

Over five years, the fund's Sterling Class 'A' shares returned -7.4% pa and the Class 'I' shares returned -7.2% pa, while the benchmark returned -7.6% pa over this period. The fund, therefore, achieved its objective of providing a higher total return (the combination of growth and income), net of the ongoing charge figure, than that of the benchmark over any five-year period, across all its share classes.

Performance review

UK government bonds (also known as gilts) and index-linked government bonds delivered positive returns in the 12 months to the end of May 2026. Index-linked bonds refer to bonds where the value of the loan and the interest payments are adjusted in line with inflation over the life of the security.

UK inflation remained above target through 2025 and into 2026, despite some easing. Geopolitical tensions in the Middle East pushed up energy, fuel and food prices, causing inflation to rise again. This led investors to become more cautious about interest rate cuts, and later possible hikes, weighing on prices for gilts and index-linked gilts. Inflation is expected to be higher in the coming weeks and months.

Uncertainty over US tariffs initially caused market volatility early in the period, but optimism grew as expectations of US trade deals and interest rate cuts increased, resulting in a rally across asset classes and a rise in UK gilt and index-linked government bond prices in June 2025. In July, the US announced new trade agreements and passed significant tax legislation, which boosted market sentiment, although prices for UK government bonds and index-linked gilts remained largely unchanged.

At its August meeting, the Bank of England (BoE) cut interest rates by a quarter point to 4%, but adopted a cautious 'wait and see' stance. In September, the bank held rates steady due to ongoing inflation concerns and an uncertain economic growth outlook, while the US Federal Reserve (Fed) cut its benchmark rate, boosting US Treasuries and improving sentiment for UK gilts and index-linked government bonds.

In the UK, investors focused on the November Autumn Budget. Beforehand, markets were unsettled by concerns about public finances, but the budget itself was taken well, helped by extra room in the government's finances.

Authorised Corporate Director's Report

The BoE continued cutting rates, taking them to 3.75% by December, which initially supported markets. However, after strong bond performance in February, gilt and index-linked markets came under pressure from higher energy prices, elevated borrowing costs and fiscal concerns. Later, prices recovered somewhat as inflation worries eased and sentiment improved.

Investment activities

Traditional sponsorship for long-dated gilts (bonds with a long time until maturity) has weakened, creating challenges in this part of the curve. Heavy issuance in spring 2025 added pressure, leading to underperformance in longer maturities. In response, the Debt Management Office reduced and cancelled long-dated supply while prioritising shorter maturities. These measures helped restore confidence and provided a firmer footing for the market. There was also speculation that index-linked issuance could be reduced in the near term, further supporting stability.

While last year's budget provided some reassurance, political pressures have intensified in recent months, leading to uncertainty and keeping market sentiment cautious.

An above-index position in 30-year index-linked gilts was beneficial towards the end of 2025 and we took the opportunity to reduce the allocation and crystalise some profits.

Our previous above-index exposure in 15–20 year index-linked gilts has been shifted marginally shorter, into bonds maturing in the 10–15 year range. The yield differential between shorter- and longer-dated bonds remains wide, particularly between two and ten years, and we believe this positioning should provide an income advantage and support returns over time.

Our exposure to longer-dated bonds remains concentrated, with a focus on the 2050 and 2056 maturities relative to surrounding issues.

Outlook

Market conditions over the past few months have been unsettled, largely due to rising geopolitical tension, especially in the Middle East. This has led to more volatility in government bond markets and index-linked gilts. Looking ahead, the outlook still points to weaker economic growth alongside inflation pressures that may take longer to ease.

Miles Tym
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.

M&G Index-Linked Bond Fund

Portfolio statement

Investments

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income	**71,122**	**99.52**	**99.01**
	Sterling denominated bonds	**71,122**	**99.52**	**99.01**
	Corporate bonds	**0**	**0.00**	**2.37**
	Government bonds	**71,122**	**99.52**	**96.64**
GBP2,795,495	U.K. Inflation-Linked Gilts 0.125% 10/08/2028	4,138	5.79	
GBP5,480,260	U.K. Inflation-Linked Gilts 0.125% 10/08/2031	7,455	10.43	
GBP14,262,029	U.K. Inflation-Linked Gilts 0.125% 22/03/2039	15,789	22.09	
GBP1,074,522	U.K. Inflation-Linked Gilts 0.125% 22/03/2044	1,275	1.79	
GBP3,305,504	U.K. Inflation-Linked Gilts 0.125% 22/03/2046	3,503	4.90	
GBP6,070,006	U.K. Inflation-Linked Gilts 0.125% 22/11/2056	5,071	7.10	
GBP9,369,933	U.K. Inflation-Linked Gilts 0.5% 22/03/2050	12,186	17.05	
GBP1,228,708	U.K. Inflation-Linked Gilts 0.625% 22/03/2045	1,052	1.47	
GBP5,306,704	U.K. Inflation-Linked Gilts 1.125% 22/11/2037	10,145	14.20	
GBP10,199,430	U.K. Inflation-Linked Gilts 1.75% 22/09/2038	10,508	14.70	
Total portfolio		**71,122**	**99.52**	**99.01**
Net other assets/(liabilities)		**344**	**0.48**	**0.99**
Net assets attributable to shareholders		**71,466**	**100.00**	**100.00**

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

M&G Index-Linked Bond Fund

Portfolio statement

Top ten portfolio transactions for the year to 31 May 2026

Largest purchases	£'000
U.K. Inflation-Linked Gilts 1.125% 22/11/2037	14,358
U.K. Inflation-Linked Gilts 0.5% 22/03/2050	14,181
U.K. Inflation-Linked Gilts 1.75% 22/09/2038	10,269
U.K. Inflation-Linked Gilts 0.125% 10/08/2031	7,428
U.K. Gilts 4.125% 29/01/2027	5,901
U.K. Inflation-Linked Gilts 0.125% 22/11/2056	4,926
U.K. Inflation-Linked Gilts 0.125% 22/03/2039	4,653
U.K. Inflation-Linked Gilts 0.125% 10/08/2028	4,486
U.K. Inflation-Linked Gilts 1.25% 22/11/2027	4,376
U.K. Inflation-Linked Gilts 0.125% 22/03/2046	2,420
Other purchases	3,934
Total purchases	**76,932**

Largest sales	£'000
U.K. Inflation-Linked Gilts 0.625% 22/03/2045	21,289
U.K. Inflation-Linked Gilts 1.25% 22/11/2054	14,666
U.K. Inflation-Linked Gilts 1.25% 22/11/2027	14,396
U.K. Inflation-Linked Gilts 0.125% 10/08/2048	6,281
U.K. Gilts 4.125% 29/01/2027	5,876
U.K. Inflation-Linked Gilts 1.125% 22/11/2037	4,307
U.K. Inflation-Linked Gilts 0.125% 10/08/2028	4,001
U.K. Inflation-Linked Gilts 1.125% 22/09/2035	2,943
Network Rail Infrastructure Finance PLC Inflation-Linked 1.9618% 01/12/2025	1,773
U.K. Inflation-Linked Gilts 0.5% 22/03/2050	1,727
Other sales	5,712
Total sales	**82,971**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year %[a]	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+5.9	-0.3	-7.4	-1.0
Class 'A' Accumulation	+5.9	-0.3	-7.4	-1.0
Class 'I' Income	+6.3	+0.0	-7.2	-0.7
Class 'I' Accumulation	+6.3	+0.0	-7.2	-0.7
Class 'PP' Income	+6.4	+0.1	n/a	n/a
Class 'PP' Accumulation	+6.4	+0.1	n/a	n/a
Benchmark	**+5.6**	**+0.1**	**-7.6**	**-0.7**

[a] Not annualised.

Specific share class performance

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

'Operating charges' and 'Direct transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current year figures.

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 4 October 1999.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	99.55	108.95	107.92
Return before operating charges*	6.50	(7.63)	2.14
Operating charges	(0.57)	(0.59)	(0.60)
Return after operating charges*	5.93	(8.22)	1.54
Distributions	(1.81)	(1.18)	(0.51)
Closing NAV	103.67	99.55	108.95
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	5.96	(7.54)	1.43
Other information			
Closing NAV (£'000)	3,364	3,678	4,469
Number of shares	3,244,800	3,694,180	4,101,657
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	108.57	115.08	117.10
Lowest share price (UK p)	97.86	98.61	101.85

Sterling Class 'A' Accumulation shares

The share class was launched on 4 October 1999.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	116.22	125.76	123.97
Return before operating charges*	7.59	(8.86)	2.48
Operating charges	(0.66)	(0.68)	(0.69)
Return after operating charges*	6.93	(9.54)	1.79
Distributions	(1.45)	(0.69)	0.00
Retained distributions	1.45	0.69	0.00
Closing NAV	123.15	116.22	125.76
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	5.96	(7.59)	1.44
Other information			
Closing NAV (£'000)	7,273	8,387	11,346
Number of shares	5,906,141	7,216,730	9,021,932
Operating charges (%)	0.55	0.55	0.55
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	127.86	132.82	134.64
Lowest share price (UK p)	114.25	114.30	117.00

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	1,085.76	1,184.76	1,169.95
Return before operating charges*	70.89	(83.19)	23.36
Operating charges	(2.81)	(2.92)	(2.97)
Return after operating charges*	68.08	(86.11)	20.39
Distributions	(19.83)	(12.89)	(5.58)
Closing NAV	1,134.01	1,085.76	1,184.76
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	6.27	(7.27)	1.74
Other information			
Closing NAV (£'000)	12,732	11,716	13,513
Number of shares	1,122,773	1,079,063	1,140,577
Operating charges (%)	0.25	0.25	0.25
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	1,186.93	1,252.44	1,271.69
Lowest share price (UK p)	1,068.19	1,075.44	1,105.45

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	1,104.80	1,191.92	1,171.48
Return before operating charges*	72.27	(84.18)	23.42
Operating charges	(2.87)	(2.94)	(2.98)
Return after operating charges*	69.40	(87.12)	20.44
Distributions	(17.37)	(10.06)	(2.61)
Retained distributions	17.37	10.06	2.61
Closing NAV	1,174.20	1,104.80	1,191.92
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	6.28	(7.31)	1.74
Other information			
Closing NAV (£'000)	47,679	49,557	60,537
Number of shares	4,060,567	4,485,652	5,078,979
Operating charges (%)	0.25	0.25	0.25
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	1,218.25	1,259.93	1,274.48
Lowest share price (UK p)	1,086.90	1,086.52	1,106.90

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 21 April 2022.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	65.60	71.51	70.56
Return before operating charges*	4.28	(5.02)	1.40
Operating charges	(0.10)	(0.11)	(0.11)
Return after operating charges*	4.18	(5.13)	1.29
Distributions	(1.20)	(0.78)	(0.34)
Closing NAV	68.58	65.60	71.51
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	6.37	(7.17)	1.83
Other information			
Closing NAV (£'000)	118	113	65
Number of shares	171,619	171,619	90,930
Operating charges (%)	0.15	0.15	0.15
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	71.81	75.62	76.73
Lowest share price (UK p)	64.56	64.98	66.69

Sterling Class 'PP' Accumulation shares

The share class was launched on 21 April 2022.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	66.68	71.86	70.56
Return before operating charges*	4.36	(5.07)	1.41
Operating charges	(0.10)	(0.11)	(0.11)
Return after operating charges*	4.26	(5.18)	1.30
Distributions	(1.00)	(0.68)	(0.23)
Retained distributions	1.00	0.68	0.23
Closing NAV	70.94	66.68	71.86
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	6.39	(7.21)	1.84
Other information			
Closing NAV (£'000)	300	526	3,530
Number of shares	422,589	789,718	4,912,352
Operating charges (%)	0.15	0.15	0.15
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	73.58	75.99	76.81
Lowest share price (UK p)	65.61	65.57	66.70

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 May	Note	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Income					
Net capital gains/(losses)	3		1,518		(10,352)
Revenue	5	3,061		4,408	
Expenses	6	(212)		(258)	
Interest payable and similar charges		0		0	
Net revenue/(expense) before taxation		2,849		4,150	
Taxation	7	0		0	
Net revenue/(expense) after taxation			2,849		4,150
Total return before distributions			**4,367**		**(6,202)**
Distributions	8		(1,100)		(750)
Change in net assets attributable to shareholders from investment activities			**3,267**		**(6,952)**

Statement of change in net assets attributable to shareholders

for the year to 31 May	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Opening net assets attributable to shareholders		**73,977**		**93,460**
Amounts received on issue of shares	8,526		5,831	
Amounts paid on cancellation of shares	(15,112)		(18,894)	
		(6,586)		(13,063)
Dilution adjustments		0		2
Change in net assets attributable to shareholders from investment activities (see above)		3,267		(6,952)
Retained distributions on Accumulation shares		808		530
Closing net assets attributable to shareholders		**71,466**		**73,977**

Financial statements and notes

Financial statements

Balance sheet

as at 31 May	Note	2026 £'000	2025 £'000
Assets			
Fixed assets			
Investments		71,122	73,245
Current assets			
Debtors	9	313	83
Cash and bank balances	10	183	112
Cash equivalents		112	722
Total assets		**71,730**	**74,162**
Liabilities			
Creditors			
Distribution payable		(142)	(111)
Other creditors	11	(122)	(74)
Total liabilities		**(264)**	**(185)**
Net assets attributable to shareholders		**71,466**	**73,977**

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

To contribute to the preservation of the share value in real terms, the amount available for distribution has been calculated to disregard the change in the Retail Prices Index during the accounting period in respect of interest from index-linked gilt-edged securities.

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

3 Net capital gains/(losses)

for the year to 31 May	2026 £'000	2025 £'000
Non-derivative securities	1,549	(10,323)
Derivative contracts	(31)	(29)
Net capital gains/(losses)	**1,518**	**(10,352)**

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 May	2026 £'000	2025 £'000
a) Purchases		
Debt securities	**76,932**	**199,482**
b) Sales		
Debt securities	**82,971**	**212,588**
	%	**%**
c) Indirect portfolio transaction costs		
Average portfolio dealing spread as at the balance sheet date	0.08	0.13

5 Revenue

for the year to 31 May	2026 £'000	2025 £'000
Bank interest	0	1
Interest distributions	28	100
Interest on debt securities	3,033	4,306
Rebate of ongoing charges from underlying funds	0	1
Total revenue	**3,061**	**4,408**

6 Expenses

for the year to 31 May	2026 £'000	2025 £'000
Payable to the ACD or associate		
Annual charge	212	258
Total expenses	**212**	**258**

Audit fees for the financial year ending 2026 were £15,000 (2025: £15,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 May	2026 £'000	2025 £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	0	0
Deferred tax (note 7c)	0	0
Total taxation	**0**	**0**
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	2,849	4,150
Corporation tax at 20%	570	830
Effects of:		
Relief for indexation on UK gilts	(360)	(691)
Current year expenses utilised	(210)	(139)
Total tax charge (note 7a)	**0**	**0**
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	**0**	**0**

The fund has not recognised a deferred tax asset of £9,316,000 (2025: £9,526,000) arising as a result of having excess management expenses and interest distributions. We do not expect this asset to be utilised in the foreseeable future.

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 May	2026		2025	
Interest distributions	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Interim	132	418	74	203
Final	142	390	111	327
Total net distributions		1,082		715
Income deducted on cancellation of shares		60		46
Income received on issue of shares		(42)		(11)
Distributions		**1,100**		**750**
Net revenue/(expense) per statement of total return		2,849		4,150
Expenses offset against capital		49		55
Effective yield adjustment not distributed		(1,799)		(3,455)
Income deficit transferred to capital		1		0
Distributions		**1,100**		**750**

Financial statements and notes

9 Debtors

as at 31 May	2026 £'000	2025 £'000
Amounts receivable on issues of shares	248	6
Debt security interest receivable	65	76
Distributions receivable	0	1
Total debtors	**313**	**83**

10 Cash and bank balances

as at 31 May	2026 £'000	2025 £'000
Cash held as bank balances	183	112
Total cash and bank balances	**183**	**112**

11 Other creditors

as at 31 May	2026 £'000	2025 £'000
Amounts payable on cancellation of shares	0	63
Annual charge payable	10	11
Purchases awaiting settlement	112	0
Total other creditors	**122**	**74**

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2025: same).

13 Shares in issue

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

Share class	Opening 01.06.25	Issued	Movements Cancelled	Converted	Closing 31.05.26
Sterling					
Class 'A' Income	3,694,180	165,109	(614,489)	0	3,244,800
Class 'A' Accumulation	7,216,730	154,737	(1,465,326)	0	5,906,141
Class 'I' Income	1,079,063	236,418	(192,708)	0	1,122,773
Class 'I' Accumulation	4,485,652	476,958	(902,043)	0	4,060,567
Class 'PP' Income	171,619	0	0	0	171,619
Class 'PP' Accumulation	789,718	22,147	(389,276)	0	422,589

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

Financial statements and notes

14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	0.55
Class 'I'	0.25
Class 'PP'	0.15

15 Related parties

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

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

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

At the balance sheet date, entities within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, held in aggregate 1.59% (2025: 1.81%) of the net asset value of the fund.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Financial statements and notes

Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 May Basis of valuation	Assets 2026 £'000	Liabilities 2026 £'000	Assets 2025 £'000	Liabilities 2025 £'000
Level 1	71,122	0	71,494	0
Level 2	0	0	1,751	0
Level 3	0	0	0	0
	71,122	**0**	**73,245**	**0**

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 15.

18 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

The VaR limit set during the financial year to 31 May 2026 was 200% (2025: 200%).

The lowest, highest and average utilisation of VaR with reference to the limit above are calculated during the financial years ended 31 May 2026 and 31 May 2025.

for the year to 31 May	2026 Utilisation of VaR 200%	2025 Utilisation of VaR 200%
Lowest	50.00	48.67
Highest	56.69	55.28
Average	52.62	50.79

19 Credit risk

The fund is exposed to credit risk both through the credit quality of the investments it holds. The table below shows the credit quality of the investments held in the portfolio.

as at 31 May	2026 £'000	2025 £'000
Investment grade securities	71,122	73,245
Total	**71,122**	**73,245**

The credit ratings are provided by S&P, followed by Moody's, and finally Fitch.

20 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

Financial statements and notes

Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 May 2026 and 31 May 2025 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 May	2026 £'000	2026 %	2025 £'000	2025 %
Lowest	0	0.00	0	0.00
Highest	0	0.00	0	0.00
Average	0	0.00	0	0.00

21 Interest distribution tables

This fund pays semi-annual interest distributions and the following table sets out the distribution periods.

Semi-annual distribution periods

	Start	End	Xd	Payment
Interim	01.06.25	30.11.25	01.12.25	31.01.26
Final	01.12.25	31.05.26	01.06.26	31.07.26

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

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

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

Sterling Class 'A' Income shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.4578	0.4553	0.9131	0.4711
Final	0.4901	0.4048	0.8949	0.7127

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Sterling Class 'A' Accumulation shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.3673	0.3885	0.7558	0.1909
Final	0.3222	0.3760	0.6982	0.4971

Sterling Class 'I' Income shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	4.6769	5.1561	9.8330	5.1270
Final	4.8787	5.1205	9.9992	7.7676

Sterling Class 'I' Accumulation shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	2.9642	5.8032	8.7674	3.6368
Final	3.7832	4.8232	8.6064	6.4267

Sterling Class 'PP' Income shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.5509	0.0000	0.5509	0.3096
Final	0.6519	0.0000	0.6519	0.4691

Sterling Class 'PP' Accumulation shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.2063	0.7950	1.0013	0.2560
Final	0.0000	0.0000	0.0000	0.4218

22 Events after the balance sheet date

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2026 has been used.

Investment objective

The fund aims to track the performance of the FTSE All-Share Index, gross of the ongoing charge figure (OCF). The return received by shareholders will be reduced by the effects of charges.

Investment policy

The fund aims to be invested in the constituents of the Index. The fund typically invests directly.

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

The fund may hold other transferable securities and other financial instruments where these are held as a consequence of having invested in an Index constituent. The fund can invest in securities joining or likely to join the index.

The fund may use derivatives for efficient portfolio management and hedging only.

Investment approach

The fund is designed to track the FTSE All-Share Index. The Index represents the performance of small, medium and large companies listed on the London Stock Exchange's main market.

The fund uses a full-replication method to track the Index and seeks to replicate as closely as possible the constituents of the Index by holding all the securities comprising the Index in similar proportions to their weightings in the Index.

It may not be possible or practicable to purchase each and every constituent of the Index in accordance with the weightings of the Index, or doing so may be detrimental to investors (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the Index, or in circumstances where a security in the Index becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions that apply to the sub-fund but not to the Index).

There are many factors which do not affect the Index, but do impact on the fund's performance, such as transaction costs, expenses and illiquidity of any security. Cash flows, including income and distributions, into and out of the fund may also have an impact on performance as the fund rebalances, due to the dealing spreads and broker commission incurred. In addition, the Index constituents are not fixed, it rebalances quarterly, and it may take time for the fund to reflect any changes.

The tracking method (combining the full-replication technique and the use of derivatives when required for short term efficient portfolio management purposes) does not introduce any counterparty risk.

The ex-ante tracking error between the performance of the fund (gross of OCF) and that of the Index is anticipated to be up to 0.3% per annum under normal circumstances.

Benchmark

FTSE All-Share Index

The fund is passively managed. The Index is used as a target benchmark as the fund aims to track the returns of the Index gross of the ongoing charge figure.

Although the fund's holdings will be predominantly or entirely comprised of benchmark constituents, the weights held in the fund may deviate from the weights of the benchmark's constituents.

For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

Authorised Corporate Director's Report

Additional Information

Index Information: The FTSE All-Share Index (the 'Index') is a float-adjusted, market capitalisation weighted index comprising the performance of the FTSE 100, FTSE 250 and FTSE Small Cap Indices. The Index currently covers approximately 600 constituents.

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 15.

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

Low risk — High risk

Typically lower rewards — Typically higher rewards

1	2	3	4	**5**	6	7

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 changed from 6 to 5 on 28 July 2025.

Investment review

For the year ended 31 May 2026

Performance against objective

The fund is an index-tracking strategy that aims to replicate the index as closely as possible.

Between the period of 1 June 2025 to the 31 May 2026, the fund returned +21.6% and the FTSE All-Share Index returned +21.6%. The ex-ante tracking error of the fund was 2bps as at 29 May 2026.

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

Over the period, the fund has performed in line with its benchmark, the FTSE ALL-Share Index.

Over the 12-month period ending 31 May 2026, UK equities experienced a strong uptick. The FTSE All-Share Index advanced by 21.6% during the period.

Gains were broad-based across sectors and industries. Materials and Energy names posted the highest returns over the period, supported by the geopolitical backdrop.

Rising prices for gold, precious and industrial metals used in the construction of datacentres and electrical grid, contributed to the rally of Metal & Mining stocks.

On the other hand, the escalation of the conflict in the Middle East and the subsequent jump in oil price, led to the outperformance of Energy stocks Shell Plc and BP Plc in the first quarter of 2026.

Financials, particularly banks, also outperformed, supported by consistent earnings growth over the period.

The Bank of England cut the policy rate twice over the year, lowering it to 3.75%.

Investment activities

The fund is an index-tracking strategy that invests in securities comprising the FTSE All-Share Index. Over the period, the fund traded periodically to align the portfolio with its objective to track the benchmark.

As at the 31 May 2026, the largest sector within the portfolio and index was Financials.

Authorised Corporate Director's Report

Outlook

The fund will continue to invest in securities in line with the benchmark index (FTSE All-Share Index).

Index Equity Portfolio Management Team, BlackRock

Fund manager

Employees of BlackRock Investment Management (UK) Limited.

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

Portfolio statement

Investments

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities	**683,649**	**99.96**	**99.52**
	Automobiles and parts	**28**	**0.00**	**0.04**
59,040	Aston Martin Lagonda Global Holdings PLC	28	0.00	
	Banks	**110,497**	**16.16**	**12.80**
3,350,570	Barclays PLC	15,381	2.25	
36,934	Close Brothers Group PLC	173	0.03	
4,134,678	HSBC Holdings PLC	57,555	8.42	
136,857	Investec PLC	899	0.13	
8,118	Lion Finance Group PLC	906	0.13	
14,248,757	Lloyds Banking Group PLC	14,512	2.12	
73,937	Metro Bank Holdings PLC	125	0.02	
1,919,792	NatWest Group PLC	11,415	1.67	
43,857	Paragon Banking Group PLC	338	0.05	
4,568	Secure Trust Bank PLC	60	0.01	
22,405	Shawbrook Group PLC	72	0.01	
433,755	Standard Chartered PLC	8,571	1.25	
10,722	TBC Bank Group PLC	490	0.07	
	Basic resources	**53,689**	**7.85**	**4.98**
256,283	Anglo American PLC	10,308	1.51	
81,216	Antofagasta PLC	3,428	0.50	
25,128	Atalaya Mining Copper SA	221	0.03	
37,229	Capital Ltd.	45	0.01	
48,874	Ecora Royalties PLC	70	0.01	
48,365	Endeavour Mining PLC	2,185	0.32	
123,608	Evraz PLC[a]	0	0.00	
69,550	Ferrexpo PLC	20	0.00	
44,392	Fresnillo PLC	1,446	0.21	
2,530,413	Glencore PLC	14,507	2.12	
19,536	Hill & Smith PLC	540	0.08	
75,176	Hochschild Mining PLC	451	0.07	
16,668	Kenmare Resources PLC	36	0.00	
480,004	Pan African Resources PLC	660	0.10	
248,925	Rio Tinto PLC	19,772	2.89	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Chemicals	**2,460**	**0.36**	**0.38**
33,770	Croda International PLC	1,031	0.15	
141,601	Elementis PLC	219	0.03	
37,955	Johnson Matthey PLC	814	0.12	
4,496	RHI Magnesita NV	133	0.02	
34,076	Synthomer PLC	37	0.00	
14,173	Treatt PLC	43	0.01	
20,481	Victrex PLC	134	0.02	
11,569	Zotefoams PLC	49	0.01	
	Construction and materials	**3,204**	**0.47**	**0.49**
116,808	Balfour Beatty PLC	926	0.14	
66,790	Breedon Group PLC	192	0.03	
53,992	Costain Group PLC	104	0.02	
25,191	Eurocell PLC	27	0.00	
51,353	Forterra PLC	73	0.01	
24,525	Galliford Try Holdings PLC	128	0.02	
58,379	Genuit Group PLC	155	0.02	
92,204	Ibstock PLC	97	0.01	
16,290	Keller Group PLC	378	0.06	
99,014	Kier Group PLC	206	0.03	
57,421	Marshalls PLC	82	0.01	
10,461	Morgan Sindall Group PLC	476	0.07	
21,284	Norcros PLC	61	0.01	
69,710	Severfield PLC	19	0.00	
45,482	Volution Group PLC	280	0.04	
	Consumer products and services	**16,964**	**2.48**	**3.20**
324,227	Barratt Redrow PLC	856	0.13	
26,679	Bellway PLC	515	0.08	
22,041	Berkeley Group Holdings PLC	758	0.11	
85,815	Burberry Group PLC	1,034	0.15	
408,577	Compass Group PLC	9,832	1.44	
59,663	Crest Nicholson Holdings PLC	43	0.01	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Consumer products and services (continued)			
116,558	Dr. Martens PLC	86	0.01	
7,967	Games Workshop Group PLC	1,577	0.23	
18,991	Headlam Group PLC	8	0.00	
57,662	Me Group International PLC	86	0.01	
10,012	MJ Gleeson PLC	25	0.00	
73,981	Persimmon PLC	828	0.12	
27,309	RM PLC	29	0.00	
853,687	Taylor Wimpey PLC	689	0.10	
74,771	Vistry Group PLC	208	0.03	
54,387	Watches of Switzerland Group PLC	390	0.06	
	Energy	**63,948**	**9.35**	**8.45**
22,205	Ashtead Technology Holdings PLC	98	0.01	
3,775,763	BP PLC	19,438	2.84	
16,506	Capricorn Energy PLC	53	0.01	
39,947	Ceres Power Holdings PLC	345	0.05	
30,514	Energean PLC	240	0.03	
317,966	EnQuest PLC	59	0.01	
144,179	Gulf Marine Services PLC	29	0.00	
149,874	Harbour Energy PLC	395	0.06	
26,620	Hunting PLC	125	0.02	
50,845	Ithaca Energy PLC	114	0.02	
74,304	Petrofac Ltd.[a]	0	0.00	
57,774	Pharos Energy PLC	15	0.00	
1,370,390	Shell PLC	42,996	6.29	
259,884	Tullow Oil PLC	41	0.01	
	Financial services	**68,909**	**10.07**	**11.40**
238,268	3i Group PLC	5,523	0.81	
156,573	3i Infrastructure PLC	582	0.09	
34,217	Aberdeen Asian Income Fund Ltd.	113	0.02	
13,252	Aberdeen Equity Income Trust PLC	56	0.01	
429,177	Aberdeen Group PLC	1,068	0.16	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Financial services (continued)			
12,063	Aberdeen New India Investment Trust PLC	82	0.01	
11,163	Aberdeen U.K. Smaller Companies Growth Trust PLC	57	0.01	
38,396	Aberforth Geared Value & Income Trust PLC	32	0.00	
18,090	Aberforth Smaller Companies Trust PLC	295	0.04	
33,205	abrdn Asia Focus PLC	147	0.02	
70,421	abrdn Diversified Income & Growth PLC[a]	9	0.00	
78,115	AJ Bell PLC	466	0.07	
88,830	Alliance Witan PLC	1,174	0.17	
84,193	Allianz Technology Trust PLC	615	0.09	
8,145	Artemis U.K. Future Leaders PLC	29	0.00	
110,447	Ashmore Group PLC	229	0.03	
33,002	Ashoka India Equity Investment Trust PLC	79	0.01	
23,328	Aurora U.K. Alpha PLC	56	0.01	
90,619	Avi Global Trust PLC	242	0.04	
55,580	AVI Japan Opportunity Trust PLC	93	0.01	
16,577	Baillie Gifford China Growth Trust PLC	52	0.01	
86,525	Baillie Gifford European Growth Trust PLC	90	0.01	
18,573	Baillie Gifford Japan Trust PLC	185	0.03	
61,050	Baillie Gifford Shin Nippon PLC	98	0.01	
32,722	Baillie Gifford U.K. Growth Trust PLC	69	0.01	
61,762	Baillie Gifford U.S. Growth Trust PLC	212	0.03	
236,534	Bankers Investment Trust PLC	355	0.05	
76,494	BH Macro Ltd.	327	0.05	
253,048	BioPharma Credit PLC	181	0.03	
5,336	Biotech Growth Trust PLC	70	0.01	
19,109	Blackrock American Income Trust PLC	50	0.01	
31,072	BlackRock Energy & Resources Income Trust PLC	61	0.01	
40,533	BlackRock Frontiers Investment Trust PLC	78	0.01	
19,786	BlackRock Greater Europe Investment Trust PLC	117	0.02	
8,716	BlackRock Smaller Cos Trust PLC	116	0.02	
15,490	BlackRock Throgmorton Trust PLC	85	0.01	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Financial services (continued)			
45,781	BlackRock World Mining Trust PLC	463	0.07	
146,427	Bluefield Solar Income Fund Ltd.	115	0.02	
127,178	Bridgepoint Group PLC	342	0.05	
3,732	Brooks Macdonald Group PLC	51	0.01	
2,368	Brown Advisory U.S. Smaller Companies PLC	34	0.00	
7,890	Brunner Investment Trust PLC	120	0.02	
22,361	Cab Payments Holdings PLC	18	0.00	
76,730	Caledonia Investments PLC	281	0.04	
3,822	Capital Gearing Trust PLC	198	0.03	
32,524	CC Japan Income & Growth Trust PLC	88	0.01	
127,813	Chrysalis Investments Ltd.	104	0.02	
123,357	City of London Investment Trust PLC	697	0.10	
25,535	CMC Markets PLC	93	0.01	
7,879	CQS Natural Resources Growth & Income PLC	29	0.00	
127,372	CQS New City High Yield Fund Ltd.	65	0.01	
17,577	CT Private Equity Trust PLC	83	0.01	
22,404	CT U.K. Capital & Income Investment Trust PLC	77	0.01	
31,455	CVC Income & Growth Ltd.	36	0.01	
130,835	Digital 9 Infrastructure PLC	6	0.00	
42,157	Diverse Income Trust PLC	49	0.01	
27,331	Dunedin Income Growth Investment Trust PLC	83	0.01	
27,820	Ecofin Global Utilities & Infrastructure Trust PLC	77	0.01	
33,333	Edinburgh Investment Trust PLC	267	0.04	
78,224	Edinburgh Worldwide Investment Trust PLC	221	0.03	
9,351	European Opportunities Trust PLC	89	0.01	
91,025	European Smaller Companies	223	0.03	
455,000	F&C Investment Trust PLC	1,551	0.23	
16,301	Fidelity Asian Values PLC	97	0.01	
80,496	Fidelity China Special Situations PLC	226	0.03	
5,945	Fidelity Emerging Markets Ltd.	88	0.01	
122,154	Fidelity European Trust PLC	517	0.08	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Financial services (continued)			
68,678	Fidelity Special Values PLC	297	0.04	
25,874	Finsbury Growth & Income Trust PLC	194	0.03	
134,173	Foresight Environmental Infrastructure Ltd.	110	0.02	
19,164	Foresight Group Holdings Ltd.	84	0.01	
141,367	Foresight Solar Fund Ltd.	95	0.01	
24,491	Funding Circle Holdings PLC	36	0.01	
41,626	GCP Asset-Backed Income Fund Ltd.	25	0.00	
217,999	GCP Infrastructure Investments Ltd.	165	0.02	
1,647	Global Opportunities Trust PLC	6	0.00	
96,649	Global Smaller Companies Trust PLC	184	0.03	
110,027	Gore Street Energy Storage Fund PLC	58	0.01	
514,810	Greencoat U.K. Wind PLC	520	0.08	
17,513	HarbourVest Global Private Equity Ltd.	601	0.09	
44,242	Henderson Far East Income Ltd.	120	0.02	
41,511	Henderson High Income Trust PLC	83	0.01	
13,771	Henderson Smaller Companies Investment Trust PLC	127	0.02	
10,914	Herald Investment Trust PLC	353	0.05	
99,794	HgCapital Trust PLC	357	0.05	
468,838	Hicl Infrastructure PLC	627	0.09	
14,483	ICG Enterprise Trust PLC	196	0.03	
68,662	ICG PLC	1,292	0.19	
77,031	IG Group Holdings PLC	1,379	0.20	
21,304	India Capital Growth Fund Ltd.	33	0.00	
57,340	IntegraFin Holdings PLC	193	0.03	
8,496	International Biotechnology Trust PLC	84	0.01	
42,432	International Personal Finance PLC	105	0.02	
445,552	International Public Partnerships Ltd.	603	0.09	
46,288	INVESCO Asia Dragon Trust PLC	228	0.03	
49,586	Invesco Bond Income Plus Ltd.	85	0.01	
25,365	Invesco Global Equity Income Trust PLC	103	0.02	
220,093	IP Group PLC	151	0.02	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Financial services (continued)			
41,906	JPMorgan American Investment Trust PLC	513	0.07	
17,825	JPMorgan Asia Growth & Income PLC	108	0.02	
19,626	JPMorgan China Growth & Income	55	0.01	
14,200	JPMorgan Claverhouse Investment Trust PLC	128	0.02	
54,740	JPMorgan Emerging Markets Dividend Income PLC	113	0.02	
226,295	JPMorgan Emerging Markets Growth & Income PLC	389	0.06	
24,128	JPMorgan European Discovery Trust PLC	159	0.02	
92,996	JPMorgan European Growth & Income PLC	137	0.02	
7,172	JPMorgan Global Core Real Assets Ltd. Fund	5	0.00	
127,764	JPMorgan Global Growth & Income PLC	767	0.11	
10,803	JPMorgan India Growth & Income PLC	91	0.01	
38,347	JPMorgan Japanese Investment Trust PLC	308	0.04	
33,237	JPMorgan U.K. Small CAP Growth & Income PLC	109	0.02	
15,295	JPMorgan U.S. Smaller Cos Investment Trust PLC	65	0.01	
37,483	JTC PLC	493	0.07	
106,841	Jupiter Fund Management PLC	173	0.03	
29,552	Law Debenture Corp. PLC	363	0.05	
4,100	Lindsell Train Investment Trust PLC	23	0.00	
13,768	Liontrust Asset Management PLC	42	0.01	
4,177	London Investment Group PLC	18	0.00	
116,974	London Stock Exchange Group PLC	10,497	1.53	
43,121	Lowland Investment Company PLC	74	0.01	
36,238	M&G Credit Income Investment Trust PLC[b]	32	0.00	
505,329	M&G PLC[b]	1,579	0.23	
6,893	Majedie Investments PLC	22	0.00	
279,570	Man Group PLC	764	0.11	
4,313	Manchester & London Investment	47	0.01	
161,467	Mercantile Investment Trust PLC	435	0.06	
36,115	Merchants Trust PLC	230	0.03	
5,569	Mid Wynd International Investment Trust PLC	41	0.01	
21,422	Mobius Investment Trust PLC	36	0.01	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Financial services (continued)			
33,207	Molten Ventures PLC	196	0.03	
39,940	Monks Investment Trust PLC	658	0.10	
37,284	Montanaro European Smaller Cos Trust PLC	70	0.01	
23,653	Montanaro U.K. Smaller Companies Investment Trust PLC	26	0.00	
22,502	Murray Income Trust PLC	212	0.03	
139,497	Murray International Trust PLC	508	0.07	
10,564	NB Private Equity Partners Ltd.	151	0.02	
126,363	NextEnergy Solar Fund Ltd.	57	0.01	
62,671	Ninety One PLC	141	0.02	
45,532	Nippon Active Value Fund PLC	105	0.02	
30,724	North American Income Trust PLC	124	0.02	
21,770	North Atlantic Smaller Cos Investment Trust PLC	84	0.01	
34,216	Oakley Capital Investments Ltd.	174	0.03	
126,729	Octopus Renewables Infrastructure Trust PLC	77	0.01	
21,857	Odyssean Investment Trust PLC	45	0.01	
2,062	Oryx International Growth Fund Ltd.	26	0.00	
86,373	OSB Group PLC	448	0.07	
29,616	Pacific Assets Trust PLC	123	0.02	
18,854	Pacific Horizon Investment Trust PLC	219	0.03	
114,226	Pantheon Infrastructure PLC	131	0.02	
96,692	Pantheon International PLC	392	0.06	
14,265	Partners Group Private Equity Ltd.	112	0.02	
12,882	Patria Private Equity Trust PLC	78	0.01	
28,950	Pensionbee Group PLC	40	0.01	
31,051	Pershing Square Holdings Ltd.	1,280	0.19	
70,790	Personal Assets Trust PLC	387	0.06	
16,180	Plus500 Ltd.	716	0.10	
40,491	Polar Capital Global Financials Trust PLC	91	0.01	
24,706	Polar Capital Global Healthcare Trust PLC	103	0.02	
263,609	Polar Capital Technology Trust PLC	1,877	0.27	
8,339	Pollen Street Group Ltd.	71	0.01	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Financial services (continued)			
41,504	PureTech Health PLC	58	0.01	
306,730	Quilter PLC	590	0.09	
13,586	Rathbones Group PLC	267	0.04	
55,294	Real Estate Credit Investments Ltd.	64	0.01	
585,720	Renewables Infrastructure Group Ltd.	429	0.06	
1,209	Rights & Issues Investment Trust PLC	27	0.00	
27,161	RIT Capital Partners PLC	622	0.09	
1,281	Riverstone Energy Ltd.	7	0.00	
11,356	Rockwood Strategic PLC	36	0.01	
63,584	RTW Biotech Opportunities Ltd.	103	0.02	
76,979	Ruffer Investment Co. Ltd. Preference Shares	235	0.03	
243,545	Schiehallion Fund Ltd.	407	0.06	
23,198	Schroder Asian Total Return Investment Co. PLC	164	0.02	
32,721	Schroder AsiaPacific Fund PLC	278	0.04	
18,810	Schroder Income Growth Fund PLC	68	0.01	
32,320	Schroder Japan Trust PLC	123	0.02	
47,796	Schroder Oriental Income Fund Ltd.	211	0.03	
7,670	Schroder U.K. Mid Cap Fund PLC	56	0.01	
193,141	Schroders Capital Global Innovation Trust	30	0.00	
174,715	Schroders PLC	1,017	0.15	
42,129	Scottish American Investment Co. PLC	233	0.03	
260,516	Scottish Mortgage Investment Trust PLC	3,965	0.58	
28,940	Scottish Oriental Smaller Companies Trust PLC	79	0.01	
204,309	Sdcl Efficiency Income Trust PLC	90	0.01	
368,235	Sequoia Economic Infrastructure Income Fund Ltd.	295	0.04	
28,964	Seraphim Space Investment Trust PLC	75	0.01	
123,096	St. James's Place PLC	1,478	0.22	
11,673	Strategic Equity Capital PLC	43	0.01	
23,088	STS Global Income & Growth Trust PLC	53	0.01	
111,755	Syncona Ltd.	113	0.02	
71,585	Temple Bar Investment Trust PLC	285	0.04	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Financial services (continued)			
222,908	Templeton Emerging Markets Investment Trust PLC	740	0.11	
171,724	TP ICAP Group PLC	526	0.08	
75,556	TR Property Investment Trust PLC - Ordinary Shares	242	0.04	
196,315	TwentyFour Income Fund Ltd.	213	0.03	
58,970	TwentyFour Select Monthly Income Fund Ltd.	50	0.01	
42,646	Utilico Emerging Markets Trust PLC	121	0.02	
60,515	Vanquis Banking Group PLC	66	0.01	
101,826	Vh Global Energy Infrastructure PLC	75	0.01	
28,516	Vietnam Enterprise Investments Ltd.	222	0.03	
7,498	Vietnam Holding Ltd.	26	0.00	
30,760	VinaCapital Vietnam Opportunity Fund Ltd.	140	0.02	
96,528	Worldwide Healthcare Trust PLC	344	0.05	
41,806	XPS Pensions Group PLC	130	0.02	
	Food, beverage and tobacco	**45,728**	**6.69**	**6.85**
4,261	AEP Plantations PLC[a]	76	0.01	
21,575	AG Barr PLC	131	0.02	
29,701	Applied Nutrition PLC	72	0.01	
68,867	Associated British Foods PLC	1,252	0.18	
506,840	British American Tobacco PLC	23,365	3.42	
79,168	C&C Group PLC	80	0.01	
50,691	Coca-Cola Europacific Partners PLC	3,488	0.51	
47,972	Coca-Cola HBC AG	2,082	0.30	
12,693	Cranswick PLC	698	0.10	
536,138	Diageo PLC	8,404	1.23	
150,471	Greencore Group PLC	312	0.05	
34,806	Greencore Group PLC (contingent value right)	0	0.00	
20,047	Hilton Food Group PLC	104	0.02	
178,856	Imperial Brands PLC	4,913	0.72	
151,815	Premier Foods PLC	306	0.05	
9,522	Princes Group PLC	30	0.00	
82,396	Tate & Lyle PLC	415	0.06	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Health care	**80,544**	**11.78**	**10.91**
360,924	AstraZeneca PLC	50,140	7.33	
467,978	Convatec Group PLC	951	0.14	
16,832	CVS Group PLC	212	0.03	
15,281	Genus PLC	363	0.05	
962,140	GSK PLC	18,310	2.68	
2,144,526	Haleon PLC	7,321	1.07	
35,230	Hikma Pharmaceuticals PLC	521	0.08	
19,068	NMC Health PLC[a]	0	0.00	
20,924	OXB	134	0.02	
103,977	Oxford Nanopore Technologies PLC	149	0.02	
205,332	Smith & Nephew PLC	2,294	0.34	
67,572	Spire Healthcare Group PLC	149	0.02	
	Industrial goods and services	**80,199**	**11.73**	**12.17**
6,821	Avon Technologies PLC	118	0.02	
119,805	Babcock International Group PLC	1,312	0.19	
723,953	BAE Systems PLC	14,667	2.14	
39,421	Bodycote PLC	323	0.05	
77,006	Bunzl PLC	1,820	0.27	
26,917	Capita PLC	108	0.02	
63,406	Chemring Group PLC	350	0.05	
6,787	Clarkson PLC	320	0.05	
450,422	Coats Group PLC	365	0.05	
20,520	DCC PLC	1,206	0.18	
32,063	Diploma PLC	2,232	0.33	
21,441	DiscoverIE Group PLC	163	0.02	
4,280	Elixirr International PLC	31	0.00	
61,828	Essentra PLC	55	0.01	
221,333	Experian PLC	5,671	0.83	
23,194	FDM Group Holdings PLC	27	0.00	
122,042	Firstgroup PLC	210	0.03	
559	Goodwin PLC	84	0.01	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Industrial goods and services (continued)			
41,652	Grafton Group PLC CDI	349	0.05	
90,107	Halma PLC	4,240	0.62	
361,064	Hays PLC	121	0.02	
58,154	IMI PLC	1,619	0.24	
36,714	Intertek Group PLC	1,975	0.29	
9,975	James Fisher & Sons PLC	50	0.01	
94,165	Johnson Service Group PLC	145	0.02	
20,984	Luceco PLC	56	0.01	
36,887	Macfarlane Group PLC	24	0.00	
18,734	Mears Group PLC	78	0.01	
299,532	Melrose Industries PLC	1,423	0.21	
292,892	Mitie Group PLC	524	0.08	
103,216	Mondi PLC	790	0.12	
57,112	Morgan Advanced Materials PLC	131	0.02	
13,214	Oxford Instruments PLC	425	0.06	
73,749	Pagegroup PLC	92	0.01	
10,445	PayPoint PLC	60	0.01	
9,183	Porvair PLC	79	0.01	
107,993	QinetiQ Group PLC	545	0.08	
8,415	Renishaw PLC	446	0.07	
600,975	Rentokil Initial PLC	2,718	0.40	
16,755	Robert Walters PLC	14	0.00	
2,042,169	Rolls-Royce Holdings PLC	27,251	3.98	
200,622	Rotork PLC	620	0.09	
114,389	RS Group PLC	762	0.11	
98,821	Senior PLC	284	0.04	
230,575	Serco Group PLC	626	0.09	
75,785	Smiths Group PLC	1,878	0.27	
58,248	Smiths News PLC	39	0.01	
134,162	Speedy Hire PLC	27	0.00	
17,705	Spirax Group PLC	1,239	0.18	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Industrial goods and services (continued)			
30,455	SThree PLC	51	0.01	
21,710	Taylor Maritime Ltd.	12	0.00	
49,798	Travis Perkins PLC	274	0.04	
45,241	Vesuvius PLC	209	0.03	
34,058	WAG Payment Solutions PLC	38	0.01	
62,154	Weir Group PLC	1,533	0.22	
23,739	Xaar PLC	30	0.00	
6,058	XP Power Ltd.	118	0.02	
51,369	Zigup PLC	242	0.04	
	Insurance	**21,916**	**3.20**	**3.40**
60,197	Admiral Group PLC	2,012	0.30	
728,491	Aviva PLC	4,559	0.67	
139,923	Beazley PLC	1,792	0.26	
48,768	Chesnara PLC	157	0.02	
78,898	Hiscox Ltd.	1,392	0.20	
55,160	Lancashire Holdings Ltd.	338	0.05	
1,344,873	Legal & General Group PLC	3,619	0.53	
609,977	Prudential PLC	6,573	0.96	
54,622	Sabre Insurance Group PLC	84	0.01	
178,488	Standard Life PLC	1,390	0.20	
	Media	**6,146**	**0.90**	**1.19**
6,509	4imprint Group PLC	241	0.03	
18,840	Bloomsbury Publishing PLC	124	0.02	
22,363	Future PLC	75	0.01	
310,547	Informa PLC	2,534	0.37	
869,806	ITV PLC	723	0.11	
153,198	Pearson PLC	1,680	0.25	
60,376	Reach PLC	33	0.00	
260,104	WPP PLC	736	0.11	
	Personal care, drug and grocery stores	**39,819**	**5.82**	**7.69**
11,808	Beauty Tech Group PLC	39	0.00	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Personal care, drug and grocery stores (continued)			
22,988	Greggs PLC	402	0.06	
408,208	J Sainsbury PLC	1,232	0.18	
489,078	Marks & Spencer Group PLC	1,763	0.26	
41,920	McBride PLC	69	0.01	
141,991	Ocado Group PLC	329	0.05	
55,594	PZ Cussons PLC	48	0.01	
157,607	Reckitt Benckiser Group PLC	7,381	1.08	
1,496,671	Tesco PLC	6,519	0.95	
140,874	THG PLC	47	0.01	
516,437	Unilever PLC	21,990	3.21	
	Real estate	**13,183**	**1.93**	**2.42**
90,765	abrdn European Logistics Income PLC	17	0.00	
38,188	AEW U.K. REIT PLC	40	0.01	
42,545	Big Yellow Group PLC	362	0.05	
238,626	British Land Co. PLC	971	0.14	
52,662	CLS Holdings PLC	26	0.00	
102,236	Custodian Property Income REIT PLC	88	0.01	
27,123	Derwent London PLC	486	0.07	
47,277	Foxtons Group PLC	22	0.00	
161,760	Grainger PLC	257	0.04	
92,706	Great Portland Estates PLC	291	0.04	
121,490	Hammerson PLC	421	0.06	
46,504	Harworth Group PLC	57	0.01	
30,125	Helical PLC	56	0.01	
11,167	Henry Boot PLC	18	0.00	
179,123	International Workplace Group PLC	341	0.05	
179,204	Land Securities Group PLC	1,151	0.17	
530,648	LondonMetric Property PLC	1,015	0.15	
24,615	LSL Property Services PLC	53	0.01	
94,449	NewRiver REIT PLC	74	0.01	
25,308	Phoenix Spree Deutschland Ltd.	44	0.01	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Real estate (continued)			
132,308	Picton Property Income Ltd.	97	0.01	
609,427	Primary Health Properties PLC	580	0.09	
26,755	Regional REIT Ltd.	24	0.00	
58,826	Residential Secure Income PLC	31	0.01	
186,006	Rightmove PLC	781	0.12	
51,122	Safestore Holdings PLC	332	0.05	
30,014	Savills PLC	252	0.04	
120,865	Schroder Real Estate Investment Trust Ltd.	58	0.01	
322,174	Segro PLC	2,331	0.34	
357,756	Shaftesbury Capital PLC	493	0.07	
360,677	Sirius Real Estate Ltd.	360	0.05	
85,816	Social Housing Reit PLC	62	0.01	
272,945	Supermarket Income REIT PLC	230	0.03	
145,721	Target Healthcare REIT PLC	159	0.02	
588,582	Tritax Big Box REIT PLC	896	0.13	
111,833	UNITE Group PLC	580	0.09	
1,279	Value & Indexed Property Income Trust PLC	2	0.00	
35,429	Workspace Group PLC	125	0.02	
	Retail	**9,107**	**1.33**	**1.66**
67,406	AO World PLC	63	0.01	
16,255	ASOS PLC	45	0.01	
239,210	B&M European Value Retail PLC	414	0.06	
85,545	Card Factory PLC	58	0.01	
239,662	Currys PLC	358	0.05	
53,038	DFS Furniture PLC	65	0.01	
30,117	Dunelm Group PLC	235	0.03	
24,778	Frasers Group PLC	191	0.03	
55,839	Halfords Group PLC	96	0.01	
127,066	Howden Joinery Group PLC	985	0.14	
76,887	Inchcape PLC	653	0.10	
568,890	JD Sports Fashion PLC	484	0.07	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Retail (continued)			
416,554	Kingfisher PLC	1,212	0.18	
66,269	Moonpig Group PLC	144	0.02	
17,349	Motorpoint group PLC	22	0.00	
27,586	Next PLC	3,658	0.54	
101,224	Pets at Home Group PLC	190	0.03	
5,282	Unbound Group PLC[a]	0	0.00	
30,491	WH Smith PLC	153	0.02	
45,505	Wickes Group PLC	81	0.01	
	Technology	**16,034**	**2.34**	**4.27**
33,790	Alfa Financial Software Holdings PLC	53	0.01	
10,560	Aptitude Software Group PLC	24	0.00	
23,514	Auction Technology Group PLC	100	0.01	
203,939	Autotrader Group PLC	911	0.13	
107,329	Baltic Classifieds Group PLC	195	0.03	
56,090	Bytes Technology Group PLC	205	0.03	
13,290	Computacenter PLC	587	0.09	
48,486	GB Group PLC	113	0.02	
18,584	Kainos Group PLC	158	0.02	
109,273	MONY Group PLC	194	0.03	
67,864	NCC Group PLC	96	0.01	
12,322	Pinewood Technologies Group PLC	33	0.00	
13,731	Raspberry Pi Holdings PLC	114	0.02	
437,999	RELX PLC	10,586	1.55	
228,797	Sage Group PLC	1,911	0.28	
29,300	Softcat PLC	501	0.07	
86,638	Trustpilot Group PLC	204	0.03	
41,480	TT Electronics PLC	49	0.01	
	Telecommunications	**9,001**	**1.32**	**1.23**
160,626	Airtel Africa PLC	558	0.08	
1,348,970	BT Group PLC	2,833	0.42	
23,430	Gamma Communications PLC	226	0.03	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Telecommunications (continued)			
207,068	Helios Towers PLC	488	0.07	
4,391,340	Vodafone Group PLC	4,896	0.72	
	Travel and leisure	**12,029**	**1.76**	**2.02**
76,640	Domino's Pizza Group PLC	145	0.02	
151,332	easyJet PLC	610	0.09	
141,620	Entain PLC	758	0.11	
108,027	Evoke PLC	41	0.01	
5,457	Fuller Smith & Turner PLC	37	0.00	
40,189	Gym Group PLC	78	0.01	
38,708	Hollywood Bowl Group PLC	119	0.02	
24,879	Hostelworld Group PLC	27	0.00	
34,505	InterContinental Hotels Group PLC	4,091	0.60	
812,801	International Consolidated Airlines Group SA	3,525	0.52	
18,716	J D Wetherspoon PLC	119	0.02	
145,563	Marston's PLC	71	0.01	
60,338	Mitchells & Butlers PLC	143	0.02	
123,973	Mobico Group PLC	29	0.00	
38,150	On the Beach Group PLC	57	0.01	
54,070	Playtech PLC	190	0.03	
4,784	PPHE Hotel Group Ltd.	95	0.01	
42,564	Rank Group PLC	43	0.01	
23,187	Saga PLC	137	0.02	
192,306	SSP Group PLC	327	0.05	
95,396	Trainline PLC	214	0.03	
41,001	Whitbread PLC	975	0.14	
18,531	Wizz Air Holdings PLC	198	0.03	
	Utilities	**30,244**	**4.42**	**3.97**
1,118,114	Centrica PLC	2,113	0.31	
82,629	Drax Group PLC	661	0.10	
26,593	Metlen Energy & Metals PLC	968	0.14	
1,192,272	National Grid PLC	14,563	2.13	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Utilities (continued)			
109,653	Pennon Group PLC	571	0.08	
63,289	Severn Trent PLC	1,895	0.28	
290,314	SSE PLC	6,895	1.01	
16,594	Telecom Plus PLC	170	0.02	
178,909	United Utilities Group PLC	2,408	0.35	
	Derivatives	**60**	**0.01**	**0.06**
	Futures	**60**	**0.01**	**0.06**
68	FTSE 100 Index Futures Jun 2026	60	0.01	
Total portfolio		**683,709**	**99.97**	**99.58**
Net other assets/(liabilities)		**207**	**0.03**	**0.42**
Net assets attributable to shareholders		**683,916**	**100.00**	**100.00**

All securities are on an official stock exchange listing except where referenced.
The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.
[a] Suspended/delisted.
[b] Related party.

Portfolio statement

Top ten portfolio transactions for the year to 31 May 2026

Largest purchases	£'000
British American Tobacco PLC	2,447
AstraZeneca PLC	2,090
HSBC Holdings PLC	1,369
NatWest Group PLC	1,261
Metlen Energy & Metals PLC	1,165
Unilever PLC	963
Shell PLC	959
Rolls-Royce Holdings PLC	958
SSE PLC	839
3i Group PLC	814
Other purchases	17,240
Total purchases	**30,105**

Largest sales	£'000
Ashtead Group PLC	5,488
Shell PLC	2,610
HSBC Holdings PLC	1,947
Magnum Ice Cream Co. NV	1,280
Glencore PLC	1,159
Unilever PLC	1,090
AstraZeneca PLC	1,027
Spectris Ltd.	962
Valterra Platinum Ltd.	807
Direct Line Insurance Group PLC	688
Other sales	23,128
Total sales	**40,186**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year %[a]	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+21.5	+14.5	+10.4	+8.5
Class 'A' Accumulation	+21.6	+14.5	+10.4	+8.5
Class 'C' Income	+22.1	+15.0	+10.9	+9.0
Class 'I' Income	+22.0	+14.9	n/a	n/a
Class 'I' Accumulation	+22.0	+14.9	+10.8	n/a
Class 'R' Income	+21.7	+14.6	n/a	n/a
Class 'R' Accumulation	+21.7	+14.6	n/a	n/a
Benchmark	**+21.6**	**+15.4**	**+10.8**	**+8.9**

[a] Not annualised.

Specific share class performance

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

'Operating charges' and 'Direct transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current year figures.

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 27 February 1998.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	85.35	81.22	74.04
Return before operating charges*	18.70	7.58	10.60
Operating charges	(0.42)	(0.37)	(0.42)
Return after operating charges*	18.28	7.21	10.18
Distributions	(3.15)	(3.08)	(3.00)
Closing NAV	100.48	85.35	81.22
*after direct transaction cost of	0.02	0.02	0.03
Performance			
Return after charges (%)	21.42	8.88	13.75
Other information			
Closing NAV (£'000)	308,468	276,883	270,626
Number of shares	307,001,776	324,417,633	333,184,962
Operating charges (%)	0.45	0.45	0.55
Direct transaction costs (%)	0.02	0.02	0.03
Prices			
Highest share price (UK p)	104.96	87.10	84.25
Lowest share price (UK p)	85.36	75.64	72.16

Sterling Class 'A' Accumulation shares

The share class was launched on 27 February 1998.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	198.63	182.26	159.86
Return before operating charges*	43.82	17.20	23.31
Operating charges	(0.99)	(0.83)	(0.91)
Return after operating charges*	42.83	16.37	22.40
Distributions	(6.39)	(6.15)	(5.79)
Retained distributions	6.39	6.15	5.79
Closing NAV	241.46	198.63	182.26
*after direct transaction cost of	0.05	0.04	0.07
Performance			
Return after charges (%)	21.56	8.98	14.01
Other information			
Closing NAV (£'000)	108,953	92,260	104,151
Number of shares	45,123,458	46,447,123	57,145,352
Operating charges (%)	0.45	0.45	0.55
Direct transaction costs (%)	0.02	0.02	0.03
Prices			
Highest share price (UK p)	247.84	198.79	185.59
Lowest share price (UK p)	198.66	172.64	155.82

Financial highlights

Sterling Class 'C' Income shares

Sterling Class 'C' shares are not generally available to all investors.

The share class was launched on 16 February 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	88.77	84.10	76.31
Return before operating charges*	19.49	7.87	10.97
Operating charges	0.00	0.00	(0.08)
Return after operating charges*	19.49	7.87	10.89
Distributions	(3.28)	(3.20)	(3.10)
Closing NAV	104.98	88.77	84.10
*after direct transaction cost of	0.02	0.02	0.03
Performance			
Return after charges (%)	21.96	9.36	14.27
Other information			
Closing NAV (£'000)	46,548	42,065	43,303
Number of shares	44,339,862	47,386,044	51,489,509
Operating charges (%)	0.00	0.00	0.10
Direct transaction costs (%)	0.02	0.02	0.03
Prices			
Highest share price (UK p)	109.54	90.58	87.22
Lowest share price (UK p)	88.78	78.62	74.45

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 4 May 2023.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	112.33	106.53	96.75
Return before operating charges*	24.65	9.96	13.89
Operating charges	(0.12)	(0.11)	(0.20)
Return after operating charges*	24.53	9.85	13.69
Distributions	(4.15)	(4.05)	(3.91)
Closing NAV	132.71	112.33	106.53
*after direct transaction cost of	0.03	0.02	0.04
Performance			
Return after charges (%)	21.84	9.25	14.15
Other information			
Closing NAV (£'000)	24,248	13,960	12,592
Number of shares	18,271,109	12,427,650	11,820,695
Operating charges (%)	0.10	0.10	0.20
Direct transaction costs (%)	0.02	0.02	0.03
Prices			
Highest share price (UK p)	138.52	114.62	110.49
Lowest share price (UK p)	112.35	99.49	94.37

Sterling Class 'I' Accumulation shares

The share class was launched on 6 December 2019.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	143.63	131.34	114.80
Return before operating charges*	31.74	12.42	16.78
Operating charges	(0.16)	(0.13)	(0.24)
Return after operating charges*	31.58	12.29	16.54
Distributions	(5.19)	(4.90)	(4.58)
Retained distributions	5.19	4.90	4.58
Closing NAV	175.21	143.63	131.34
*after direct transaction cost of	0.04	0.03	0.05
Performance			
Return after charges (%)	21.99	9.36	14.41
Other information			
Closing NAV (£'000)	114,936	87,410	76,277
Number of shares	65,599,486	60,855,919	58,075,324
Operating charges (%)	0.10	0.10	0.20
Direct transaction costs (%)	0.02	0.02	0.03
Prices			
Highest share price (UK p)	179.69	143.75	133.73
Lowest share price (UK p)	143.66	124.77	111.98

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 21 April 2022.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	111.06	105.59	96.14
Return before operating charges*	24.35	9.85	13.78
Operating charges	(0.43)	(0.37)	(0.44)
Return after operating charges*	23.92	9.48	13.34
Distributions	(4.10)	(4.01)	(3.89)
Closing NAV	130.88	111.06	105.59
*after direct transaction cost of	0.03	0.02	0.04
Performance			
Return after charges (%)	21.54	8.98	13.88
Other information			
Closing NAV (£'000)	8,656	9,299	8,262
Number of shares	6,613,684	8,372,944	7,825,139
Operating charges (%)	0.35	0.35	0.45
Direct transaction costs (%)	0.02	0.02	0.03
Prices			
Highest share price (UK p)	136.69	113.33	109.52
Lowest share price (UK p)	111.07	98.41	93.73

Sterling Class 'R' Accumulation shares

The share class was launched on 21 April 2022.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	124.84	114.43	100.27
Return before operating charges*	27.54	10.82	14.63
Operating charges	(0.48)	(0.41)	(0.47)
Return after operating charges*	27.06	10.41	14.16
Distributions	(4.16)	(3.98)	(3.74)
Retained distributions	4.16	3.98	3.74
Closing NAV	151.90	124.84	114.43
*after direct transaction cost of	0.03	0.03	0.04
Performance			
Return after charges (%)	21.68	9.10	14.12
Other information			
Closing NAV (£'000)	72,107	69,271	69,457
Number of shares	47,470,214	55,489,946	60,698,297
Operating charges (%)	0.35	0.35	0.45
Direct transaction costs (%)	0.02	0.02	0.03
Prices			
Highest share price (UK p)	155.88	124.93	116.52
Lowest share price (UK p)	124.85	108.48	97.75

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Statement of total return

for the year to 31 May	Note	2026		2025	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		106,602		30,770
Revenue	5	21,548		21,600	
Expenses	6	(2,206)		(2,012)	
Interest payable and similar charges		0		0	
Net revenue/(expense) before taxation		19,342		19,588	
Taxation	7	(26)		(14)	
Net revenue/(expense) after taxation			19,316		19,574
Total return before distributions			**125,918**		**50,344**
Distributions	8		(20,717)		(20,830)
Change in net assets attributable to shareholders from investment activities			**105,201**		**29,514**

Statement of change in net assets attributable to shareholders

for the year to 31 May	2026		2025	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**591,148**		**584,668**
Amounts received on issue of shares	40,840		31,089	
Amounts paid on cancellation of shares	(61,600)		(62,369)	
		(20,760)		(31,280)
Dilution adjustments		32		45
Change in net assets attributable to shareholders from investment activities (see above)		105,201		29,514
Retained distributions on Accumulation shares		8,293		8,199
Unclaimed distributions		2		2
Closing net assets attributable to shareholders		**683,916**		**591,148**

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Balance sheet

as at 31 May	Note	2026 £'000	2025 £'000
Assets			
Fixed assets			
Investments		683,709	588,672
Current assets			
Debtors	9	4,269	4,382
Cash and bank balances	10	965	866
Cash equivalents		2,686	4,491
Total assets		**691,629**	**598,411**
Liabilities			
Creditors			
Distribution payable		(6,880)	(6,728)
Other creditors	11	(833)	(535)
Total liabilities		**(7,713)**	**(7,263)**
Net assets attributable to shareholders		**683,916**	**591,148**

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 May	2026 £'000	2025 £'000
Non-derivative securities	106,173	30,553
Derivative contracts	426	179
Currency gains/(losses)	3	38
Net capital gains/(losses)	**106,602**	**30,770**

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 May	2026 £'000	% of transaction	2025 £'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	28,339		27,166	
Commissions	5	0.02	5	0.02
Taxes and other fees	131	0.46	104	0.38
Equities after transaction costs	**28,475**		**27,275**	
Collective investment schemes				
Collective investment schemes before transaction costs	1,624		797	
Commissions	1	0.06	1	0.07
Taxes and other fees	5	0.30	3	0.38
Collective investment schemes after transaction costs	**1,630**		**801**	
Total purchases after transaction costs	**30,105**		**28,076**	
b) Sales				
Equities				
Equities before transaction costs	36,335		49,066	
Commissions	(6)	0.02	(8)	0.02
Taxes and other fees	(1)	0.00	(1)	0.00
Equities after transaction costs	**36,328**		**49,057**	
Collective investment schemes				
Collective investment schemes before transaction costs	3,404		4,046	
Commissions	(2)	0.06	(2)	0.05
Collective investment schemes after transaction costs	**3,402**		**4,044**	
Other transaction types				
Corporate actions	456		806	
Total sales after transaction costs	**40,186**		**53,907**	

Financial statements and notes

	2026 £'000	% of average NAV	2025 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	11	0.00	13	0.00
Collective investment schemes	3	0.00	3	0.00
Derivatives	2	0.00	2	0.00
Total commissions paid	**16**	**0.00**	**18**	**0.00**
Taxes and other fees paid				
Equities	132	0.02	105	0.02
Collective investment schemes	5	0.00	3	0.00
Total taxes and other fees paid	**137**	**0.02**	**108**	**0.02**
Total direct portfolio transaction costs	**153**	**0.02**	**126**	**0.02**
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.08		0.09

5 Revenue

for the year to 31 May	2026 £'000	2025 £'000
Bank interest	3	6
Derivative revenue	11	10
Distributions from collective investment schemes: non-taxable	33	36
Distributions from collective investment schemes: taxable	251	233
Dividends from equity investments: non-taxable	20,618	20,668
Dividends from equity investments: taxable	19	15
Property distribution: non-taxable	119	120
Property distribution: taxable	494	512
Total revenue	**21,548**	**21,600**

6 Expenses

for the year to 31 May	2026 £'000	2025 £'000
Payable to the ACD or associate		
Annual charge	2,206	2,012
Total expenses	**2,206**	**2,012**

Audit fees for the financial year ending 2026 were £12,000 (2025: £12,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 May	2026 £'000	2025 £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	26	14
Deferred tax (note 7c)	0	0
Total taxation	**26**	**14**
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	19,342	19,588
Corporation tax at 20%	3,868	3,918
Effects of:		
Revenue: non-taxable	(4,154)	(4,165)
Current year expenses not utilised	277	247
Withholding tax	26	14
Prior year adjustment to expenses not utilised	9	0
Total tax charge (note 7a)	**26**	**14**
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	**0**	**0**

The fund has not recognised a deferred tax asset of £7,062,000 (2025: £6,785,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 May	2026		2025	
Ordinary distributions	Inc £'000	Acc £'000	Inc £'000	Acc £'000
Interim	5,360	3,547	5,702	3,758
Final	6,880	4,746	6,728	4,441
Total net distributions		20,533		20,629
Income deducted on cancellation of shares		446		454
Income received on issue of shares		(262)		(253)
Distributions		**20,717**		**20,830**
Net revenue/(expense) per statement of total return		19,316		19,574
Expenses offset against capital		1,401		1,256
Distributions		**20,717**		**20,830**

Financial statements and notes

9 Debtors

as at 31 May	2026 £'000	2025 £'000
Amounts receivable on issues of shares	98	198
Distributions receivable	6	8
Dividends receivable	3,766	3,553
Sales awaiting settlement	364	582
Withholding tax recoverable	35	41
Total debtors	**4,269**	**4,382**

10 Cash and bank balances

as at 31 May	2026 £'000	2025 £'000
Amounts held at futures clearing houses and collateral manager	355	357
Cash held as bank balances	610	509
Total cash and bank balances	**965**	**866**

11 Other creditors

as at 31 May	2026 £'000	2025 £'000
Amounts payable on cancellation of shares	720	434
Annual charge payable	113	101
Total other creditors	**833**	**535**

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2025: same).

Financial statements and notes

13 Shares in issue

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

Share class	Opening 01.06.25	Movements Issued	Movements Cancelled	Movements Converted	Closing 31.05.26
Sterling					
Class 'A' Income	324,417,633	9,009,507	(26,425,364)	0	307,001,776
Class 'A' Accumulation	46,447,123	2,168,404	(3,492,069)	0	45,123,458
Class 'C' Income	47,386,044	1,466,813	(4,512,995)	0	44,339,862
Class 'I' Income	12,427,650	7,009,451	(1,165,992)	0	18,271,109
Class 'I' Accumulation	60,855,919	8,910,054	(4,166,487)	0	65,599,486
Class 'R' Income	8,372,944	680,437	(2,439,697)	0	6,613,684
Class 'R' Accumulation	55,489,946	1,594,733	(9,614,465)	0	47,470,214

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	0.45
Class 'C'	0.00
Class 'I'	0.10
Class 'R'	0.35

Financial statements and notes

15 Related parties

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

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

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

During the year, there were transactions with related parties of M&G Securities Limited with a total value of £282,000 (2025: £63,000).

At the balance sheet date, the fund held shares in related parties of M&G Securities Limited with a value of £1,611,000 (2025: £1,258,000).

At the balance sheet date, entities within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, held in aggregate 8.54% (2025: 8.67%) of the net asset value of the fund.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument
This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data
This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs
This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 May Basis of valuation	Assets 2026 £'000	Liabilities 2026 £'000	Assets 2025 £'000	Liabilities 2025 £'000
Level 1	683,457	0	588,284	0
Level 2	252	0	268	0
Level 3	0	0	120	0
	683,709	**0**	**588,672**	**0**

2025: Home REIT, which was held at a discount to estimated NAV, as well as Petrofac, Anglo-Eastern Plantations, Atrato Onsite Energy and John Wood Group, which are suspended.

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17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 15.

18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by £34,185,000 (2025: £29,434,000). A five per cent decrease would have an equal and opposite effect.

19 Currency risk sensitivity and exposure

Currency risk is not considered significant for the fund and is therefore not disclosed.

20 Interest rate risk sensitivity and exposure

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

21 Credit risk

The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 May 2026	Futures £'000
Bank of America Merrill Lynch	60
Total	**60**

as at 31 May 2025	Futures £'000
Bank of America Merrill Lynch	366
Total	**366**

22 Dividend distribution tables

This fund pays semi-annual ordinary distributions and the following table sets out the distribution periods.

Semi-annual distribution periods

	Start	End	Xd	Payment
Interim	01.06.25	30.11.25	01.12.25	31.01.26
Final	01.12.25	31.05.26	01.06.26	31.07.26

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

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

Group 2 shares are those purchased during a distribution period and therefore their distribution rate is made up of income and equalisation. Equalisation is the average amount of income included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to Income

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Tax. Instead, it must be deducted from the cost of shares for Capital Gains Tax purposes. The tables below show the split of the Group 2 rates into the income and equalisation components.

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.9889	0.3746	1.3635	1.4054
Final	1.3999	0.3822	1.7821	1.6785

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	1.2737	1.4300	2.7037	2.7426
Final	2.5978	1.0853	3.6831	3.4063

Sterling Class 'C' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	1.1488	0.2707	1.4195	1.4567
Final	1.6707	0.1900	1.8607	1.7439

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	1.0366	0.7552	1.7918	1.8424
Final	1.0108	1.3446	2.3554	2.2042

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	1.2938	0.9229	2.2167	2.2063
Final	1.7719	1.1994	2.9713	2.6937

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Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.9540	0.8199	1.7739	1.8273
Final	1.4959	0.8256	2.3215	2.1829

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.9397	0.8246	1.7643	1.7793
Final	1.4685	0.9224	2.3909	2.1985

23 Events after the balance sheet date

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2026 has been used.

Investment objective

The fund aims to provide a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than that of the Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged) over any five-year period.

Investment policy

At least 80% of the fund is invested, directly or indirectly through derivatives, in short-dated investment grade fixed and floating rate corporate debt securities and in asset-backed securities. These securities can be issued by companies from anywhere in the world, including emerging markets. These securities can be denominated in any currency.

Other investments may include:

- below investment grade and unrated corporate debt securities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

The fund aims to hedge any non-sterling assets back to sterling.

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

Investment approach

The fund is diversified across a range of investment grade debt securities from a variety of sectors and geographies. The fund's investment approach is based on the principle that returns from corporate bond markets are driven by a combination of macroeconomic, asset class, sector, geographic and stock-level factors. As different factors dominate returns at different stages of the economic cycle, the fund manager applies a flexible investment approach, changing the blend of duration and credit exposure in the portfolio to weight them appropriately. The fund manager also maintains a low duration profile through the fund's bias towards short-dated corporate bonds, in order to limit the effect of interest rate movements on the fund's capital value.

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

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

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

The fund is actively managed.

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

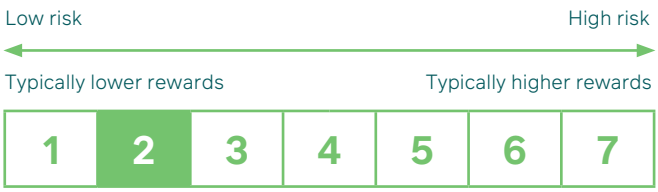
For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

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Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 15.

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



The above number:

- is based on the rate at which the value of the fund has moved up and down in the past and is based on historical data so may not be a reliable indicator of the future risk profile of the fund.
- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has changed from 3 to 2 on 17 July 2026.

Investment review

For the year ended 31 May 2026

Performance against objective

The fund delivered a positive total return (the combination of income and growth of capital) across all its share classes over the 12 months under review. The fund was ahead of its benchmark, the Markit iBoxx EUR Corporates 1-3 year Index (GBP Hedged), which increased by 4.2% over the same period.

Over five years, the fund met its objective of providing a total return (the combination of capital growth and income), net of the ongoing charge figure, higher than the average return of the benchmark, which was 3.1% pa over this 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 12-month period ending May 2026 was very volatile for fixed income markets. While strong corporate earnings, rate cuts, and softening inflation (before the Middle East conflict) and AI-related enthusiasm provided support, political issues, concerns around fiscal sustainability, economic growth, and geopolitical issues weighed on markets. Geopolitical issues, mainly the conflict in the Middle East, roiled the markets in the last three months of the review period, with bond markets seeing upward pressure on yields, particularly at the front end of the yield curve. (The yield curve plots the yield - or interest rate - of bonds with different maturity dates. We focus on bonds of particular maturities in order to benefit from expected changes in interest rates across the yield curve.) In the last few months of 2025, investors had been pricing in interest rate cuts. However, the US-Israel strike on Iran that began on 28 February 2026, turned investors' interest rate expectations hawkish, due to inflationary concerns sparked by the rise in energy prices.

Though major central banks have kept rates unchanged (post the start of the Middle East conflict until May 2026), confidence in further rate cuts this year has continued to fall. Oil and gas prices remained the key macro variable, feeding directly into inflation expectations and central bank rhetoric.

For the overall 12-month period, performance of major developed market (DM) sovereign bonds was mixed. While UK gilts (UK government bonds) and US Treasuries (US government bonds) delivered strong returns as yields declined (bond yields and bond prices are inversely related), German bunds (German government bonds) posted losses mainly driven by longer-dated bonds.

The global investment-grade (IG) bond market performed well in the 12-month period ending May 2026, despite periods of market volatility. The global IG index returned 4.9% over the review period. Sterling and US dollar IG markets outperformed the global market, delivering 5.6% and 6.2% returns, respectively. The euro IG market underperformed, returning 2.3%. Credit spreads on IG bonds (the additional yield

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investors expect over comparable government bonds to compensate for credit risk) compressed over a year and remained near historical tight levels despite some widening experienced during bouts of market volatility. This points towards strong investor demand. Regionally, sterling IG experienced relatively sharper credit spread compression than European and US counterparts.

Against this backdrop, the fund delivered a positive return over the review period and outperformed its benchmark. The fund's rates component mainly drove its relative performance.

Corporate credit positioning also added some value, mainly driven by sector allocation. At the sector level, our off-benchmark allocation to securitised debt, such as asset-backed securities (ABS) contributed positively to the fund's relative performance and so did credit default swaps (CDS). Securitised debt is a crucial part of short-dated corporate bond strategy, with our preference for high quality (AAA-rated) securities. Quasi and foreign government bond holdings were other contributors to the fund's relative performance. Conversely, financial, utility and industrial corporate bonds held back the fund's relative performance, mainly owing to a lower-than-benchmark allocation to these sectors.

During the review period, the fund maintained a low duration (interest rate risk) positioning of between 1.8 and 2.0 years, while its credit spread (sensitivity to changes in creditworthiness) averaged around 2.7 years over the period.

Investment activities

We were active during the 12-month period, focusing on deploying the fund's inflows in high-quality names via the primary market, while remaining neutral in duration terms versus the benchmark. HSBC, CaixaBank, General Motors, Caterpillar, Canadian Imperial Bank, DNB Bank, SoftBank, and Banca Transilvania were among our high-quality new issue purchases. Additionally, we continued to invest in AAA-rated residential mortgage-backed securities/ asset-backed securities (RMBS/ABS) throughout the period, underscoring securitised debt as an integral part of our portfolio strategy. Purchases from the lower-quality spectrum were limited.

In the secondary market, we bought Coca-Cola and Meta and also switched some bonds where we saw better value. On the other hand, we sold some of our existing exposures such as SES hybrids and Metro Bank 2029 bonds, which had performed well since their addition to the portfolio. Furthermore, in anticipation of the rub-off effect of private credit pain on the insurance space, we sold most of our US holdings in this sector.

The second half of the review period was also about a preference to Eastern European banks and financial institutions over developed markets in this space. We believe that a number of Eastern European economies are healthier and have a better outlook than developed markets. Romania (eg, Banca Transilvania), Czech (eg, Ceska sporitelna), and Hungarian banks (eg, OTP Jelzalogbank) were some of our additions from this pack.

Outlook

Credit valuations remain tight, while a still-uncertain macro environment and shifting interest rate outlook continue to support a measured, selective approach to fixed income. Periods of market stress are seldom anticipated, with spreads often adjusting rapidly and reducing the effectiveness of reactive positioning. In this context, we retain a cautious stance, underpinned by our belief that careful security selection is essential in a market where fundamentals are generally sound but investor sentiment can change quickly. This approach allows us to stay invested while preserving the flexibility to take advantage of opportunities, without needing to stretch for additional yield.

M&G Short Dated Corporate Bond Fund

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It has been something of a rollercoaster for short-dated bonds, with repricing based on geopolitical news and resulting in an increase in volatility. We don't base our positioning on macro or geopolitical judgements implied by valuations. Instead, we prefer to chip away at credits, broadening the spectrum we usually invest in to gain some relative value in credit.

Matthew Russell and Ben Lord
Co-fund managers

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

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

Portfolio statement

Investments

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income	**749,198**	**98.40**	**96.16**
	Euro denominated bonds	**226,722**	**29.78**	**31.16**
	Corporate bonds	**215,427**	**28.30**	**29.54**
EUR1,000,000	Aena SME SA 4.25% 13/10/2030	899	0.12	
EUR3,520,000	AIB Group PLC Var 5.75% 16/02/2029	3,186	0.42	
EUR1,600,000	America Movil BV 3% 30/09/2030	1,370	0.18	
EUR2,041,000	Amphenol Corp. 3.375% 12/05/2029	1,780	0.23	
EUR2,917,000	Arion Banki Hf. 3.5% 02/09/2031	2,490	0.33	
EUR4,025,000	Autostrade per l'Italia SpA 4.25% 28/06/2032	3,587	0.47	
EUR1,151,000	Avoca CLO XXV DAC FRN 3.164% 15/10/2034	1,000	0.13	
EUR1,574,000	AXA Logistics Europe Master SCA 3.375% 13/05/2031	1,347	0.18	
EUR1,478,000	Banca Transilvania SA Var 4.75% 27/05/2032	1,279	0.17	
EUR2,000,000	Banco Bilbao Vizcaya Argentaria SA FRN 2.754% 15/01/2029	1,738	0.23	
EUR2,700,000	Banco de Sabadell SA Var 5.5% 08/09/2029	2,456	0.32	
EUR1,978,000	Bank of Ireland Group PLC Var 4.625% 13/11/2029	1,773	0.23	
EUR1,197,000	Bank of Ireland Group PLC Var 4.875% 16/07/2028	1,060	0.14	
EUR2,909,000	BAT International Finance PLC 3.375% 11/05/2029	2,525	0.33	
EUR3,800,000	Belfius Bank SA 3.125% 30/01/2031	3,265	0.43	
EUR2,698,000	BMW International Investment BV 3.125% 27/08/2030	2,328	0.31	
EUR1,350,000	Cairn CLO XIV DAC FRN 3.17% 29/10/2034	1,171	0.15	
EUR3,300,000	CaixaBank SA FRN 2.828% 26/06/2029	2,870	0.38	
EUR3,100,000	Ceska sporitelna AS Var 3.657% 11/02/2033	2,651	0.35	
EUR1,842,000	Citigroup, Inc. Var 2.928% 22/10/2030	1,577	0.21	
EUR2,671,790	Citizen Irish Auto Receivables Trust DAC FRN 2.622% 15/08/2033	2,321	0.31	
EUR4,100,000	Coca-Cola Europacific Partners PLC 3.125% 03/06/2031	3,526	0.46	
EUR1,436,000	Coca-Cola Europacific Partners PLC 3.5% 08/05/2032	1,250	0.16	
EUR1,995,000	Coca-Cola HBC Finance BV 3.125% 20/11/2032	1,692	0.22	
EUR3,034,000	Comcast Corp. 3.25% 26/09/2032	2,582	0.34	
EUR3,500,000	Credit Agricole Home Loan SFH SA 3% 29/08/2033	2,989	0.39	
EUR1,800,000	Crelan SA Var 5.25% 23/01/2032	1,666	0.22	
EUR2,200,000	Daimler Truck International Finance BV 3% 27/11/2029	1,894	0.25	
EUR2,752,000	DCC Group Finance Ireland DAC 4.375% 27/06/2031	2,432	0.32	
EUR2,800,000	Deutsche Bank AG Var 1.75% 19/11/2030	2,290	0.30	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Euro denominated bonds (continued)			
	Corporate bonds (continued)			
EUR4,750,000	Deutsche Post AG 3.25% 23/12/2030	4,127	0.54	
EUR2,663,000	Dilosk RMBS No. 11 DAC FRN 2.7329% 25/10/2064	2,306	0.30	
EUR4,108,000	DNB Bank ASA Var 3% 20/01/2032	3,528	0.46	
EUR4,848,000	EdgeConneX Data Centers Europe BV 4.5% 30/04/2056	4,122	0.54	
EUR4,100,000	EnBW International Finance BV 3.5% 24/07/2028	3,596	0.47	
EUR6,500,000	Erste & Steiermaerkische Banka DD Var 4.125% 27/05/2032	5,699	0.75	
EUR4,363,000	Eurobank SA Var 3.875% 25/05/2032	3,810	0.50	
EUR1,708,000	Eurofins Scientific SE 4.75% 06/09/2030	1,544	0.20	
EUR3,200,000	Fluxys SA 4% 28/11/2030	2,808	0.37	
EUR1,250,000	General Motors Financial Co., Inc. 3.1% 04/08/2029	1,078	0.14	
EUR1,300,000	Grand City Properties SA 4.375% 09/01/2030	1,153	0.15	
EUR2,300,000	Hamburg Commercial Bank AG 4.75% 02/05/2029	2,069	0.27	
EUR3,000,000	HSBC U.K. Bank PLC 2.625% 25/05/2030	2,558	0.34	
EUR1,224,000	IHG Finance LLC 4.375% 28/11/2029	1,094	0.14	
EUR5,600,000	Intesa Sanpaolo SpA 5.25% 13/01/2030	5,193	0.68	
EUR1,000,000	IPSOS SA 3.75% 22/01/2030	868	0.11	
EUR2,800,000	JPMorgan Chase & Co. FRN 2.666% 06/06/2028	2,434	0.32	
EUR1,724,799	Jubilee Place 7 BV FRN 2.877% 18/09/2062	1,498	0.20	
EUR2,147,000	Jyske Bank AS Var 2.875% 05/05/2029	1,857	0.24	
EUR1,526,000	Jyske Bank AS Var 3.625% 30/06/2032	1,323	0.17	
EUR4,800,000	KBC Group NV Var 3.375% 15/01/2033	4,117	0.54	
EUR2,669,000	Landsbankinn Hf. 3.5% 24/06/2030	2,295	0.30	
EUR2,900,000	Lloyds Banking Group PLC FRN 2.656% 04/03/2028	2,521	0.33	
EUR3,000,000	L'Oreal SA 2.75% 19/11/2030	2,573	0.34	
EUR3,200,000	LVMH Moet Hennessy Louis Vuitton SE 3.375% 05/02/2030	2,808	0.37	
EUR3,500,000	mBank SA Var 3.7714% 03/03/2032	3,014	0.40	
EUR2,900,000	mBank SA Var 4.335% 26/05/2033	2,548	0.33	
EUR2,700,000	Morgan Stanley FRN 3.075% 05/04/2028	2,355	0.31	
EUR1,791,000	Motability Operations Group PLC 3.625% 24/07/2029	1,570	0.21	
EUR2,390,000	Motability Operations Group PLC 4% 17/01/2030	2,114	0.28	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Euro denominated bonds (continued)			
	Corporate bonds (continued)			
EUR1,090,000	MTU Aero Engines AG 3.875% 18/09/2031	965	0.13	
EUR2,648,000	Novonesis Novozymes B 3.25% 19/03/2030	2,296	0.30	
EUR2,000,000	Oma Saastopankki OYJ FRN 4.379% 02/10/2029	1,744	0.23	
EUR4,712,000	OTP Jelzalogbank Zrt 3.161% 31/05/2032	4,052	0.53	
EUR3,218,000	Powszechna Kasa Oszczednosci Bank Polski SA Var 3.625% 20/11/2032	2,766	0.36	
EUR1,000,000	Raiffeisen Bank International AG Var 4.625% 21/08/2029	890	0.12	
EUR1,500,000	Raiffeisenbank Austria DD Var 3.5% 18/02/2031	1,282	0.17	
EUR1,378,932	Red & Black Auto Italy SRL FRN 2.731% 28/07/2036	1,200	0.16	
EUR2,600,000	Robert Bosch Finance LLC 2.75% 28/05/2028	2,241	0.29	
EUR5,400,000	RWE AG 2.75% 24/05/2030	4,624	0.61	
EUR3,311,000	Santander U.K. PLC 2.875% 12/01/2032	2,833	0.37	
EUR2,800,000	SAP SE FRN 2.598% 03/06/2028	2,431	0.32	
EUR2,900,000	SEB SA 3.625% 24/06/2030	2,460	0.32	
EUR2,400,000	Siemens Financieringsmaatschappij NV 2.625% 27/05/2029	2,065	0.27	
EUR1,096,000	SoftBank Corp. 3.936% 30/06/2032	957	0.13	
EUR3,500,000	Sudzucker International Finance BV 4.375% 05/06/2031	3,035	0.40	
EUR5,379,000	Sumitomo Mitsui Banking Corp. 2.875% 16/02/2031	4,620	0.61	
EUR1,875,000	Swisscom Finance BV 3.5% 29/08/2028	1,644	0.22	
EUR4,700,000	Tatra Banka AS Var 4.269% 26/05/2032	4,112	0.54	
EUR1,800,000	Teleperformance SE 4.25% 21/01/2030	1,570	0.21	
EUR1,656,000	Tesco Corporate Treasury Services PLC 3.375% 06/05/2032	1,422	0.19	
EUR4,211,000	T-Mobile USA, Inc. 3.2% 19/02/2032	3,600	0.47	
EUR5,800,000	TotalEnergies Capital International SA 3.075% 01/07/2031	4,986	0.66	
EUR3,587,000	UniCredit SpA Var 2.875% 15/07/2030	3,077	0.40	
EUR3,600,000	Unilever Capital Corp. 2.75% 22/05/2030	3,087	0.41	
EUR3,400,000	Volkswagen Bank GmbH 3.5% 19/06/2031	2,926	0.38	
EUR1,000,000	Volkswagen Financial Services AG 3.875% 19/11/2031	874	0.11	
EUR700,000	Vonovia SE 0.375% 16/06/2027	591	0.08	
EUR1,100,000	Worldline SA 4.125% 12/09/2028	889	0.12	
EUR2,200,000	Worldline SA 5.25% 27/11/2029	1,729	0.23	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Euro denominated bonds (continued)			
	Corporate bonds (continued)			
EUR754,000	WPP Finance 2013 3.625% 12/09/2029	657	0.09	
EUR2,597,000	Yorkshire Building Society 2.75% 28/01/2030	2,228	0.29	
	Government bonds	**11,295**	**1.48**	**1.62**
EUR1,318,000	Brazil Government International Bonds 4% 23/04/2030	1,144	0.15	
EUR3,500,000	Mexico Government International Bonds 4.5% 19/03/2034	3,006	0.39	
EUR8,500,000	Romania Government International Bonds 4.625% 04/03/2033	7,145	0.94	
	Sterling denominated bonds	**441,194**	**57.95**	**52.30**
	Corporate bonds	**361,815**	**47.52**	**40.41**
GBP2,750,000	A2D Funding II PLC 4.5% 30/09/2026	2,744	0.36	
GBP700,000	AA Bond Co. Ltd. 3.25% 31/07/2050	666	0.09	
GBP4,900,000	Aareal Bank AG 4.125% 16/03/2029	4,826	0.63	
GBP1,583,936	Albion No. 7 PLC FRN 4.2467% 17/07/2072	1,583	0.21	
GBP4,480,000	Albion No. 8 PLC FRN 1% 17/07/2073	4,475	0.59	
GBP6,776,854	Aldbrook Mortgage Transaction PLC FRN 4.5967% 18/12/2066	6,784	0.89	
GBP5,500,000	America Movil SAB de CV 5.75% 28/06/2030	5,668	0.74	
GBP3,540,140	Atlas Funding PLC FRN 4.5256% 20/07/2067	3,537	0.46	
GBP3,846,000	Bank of Nova Scotia FRN 4.2865% 15/09/2028	3,850	0.51	
GBP4,900,000	Bank of Nova Scotia FRN 4.3667% 09/03/2027	4,908	0.64	
GBP6,000,000	Banque Federative du Credit Mutuel SA 5.375% 25/05/2028	6,065	0.80	
GBP5,600,000	BAT International Finance PLC 2.25% 26/06/2028	5,303	0.70	
GBP4,836,000	Bavarian Sky U.K. 7 PLC FRN 4.3556% 20/11/2033	4,835	0.63	
GBP6,276,000	Bletchley Park Funding PLC FRN 4.531% 27/01/2070	6,282	0.82	
GBP3,900,000	BMW International Investment BV 5.5% 27/11/2032	3,956	0.52	
GBP6,000,000	BNP Paribas SA Var 6% 18/08/2029	6,148	0.81	
GBP6,000,000	BPCE SA Var 5.25% 22/10/2030	6,006	0.79	
GBP6,746,000	Braccan Mortgage Funding PLC FRN 4.5925% 17/04/2068	6,750	0.89	
GBP5,572,000	Braccan Mortgage Funding PLC FRN 4.6067% 17/01/2068	5,576	0.73	
GBP1,600,000	CaixaBank SA Var 3.5% 06/04/2028	1,584	0.21	
GBP249,929	Canada Square Funding PLC FRN 5.4092% 17/06/2058	250	0.03	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP3,750,000	Canadian Imperial Bank of Commerce FRN 4.2967% 12/09/2028	3,754	0.49	
GBP4,196,000	Canadian Imperial Bank of Commerce FRN 4.3667% 10/10/2029	4,205	0.55	
GBP4,634,687	Castell PLC FRN 4.6256% 27/12/2062	4,637	0.61	
GBP2,153,361	CMF PLC FRN 4.2549% 16/07/2062	2,151	0.28	
GBP2,700,000	Commonwealth Bank of Australia FRN 4.7472% 01/11/2028	2,731	0.36	
GBP2,095,000	Coventry Building Society FRN 4.2465% 14/03/2028	2,098	0.28	
GBP6,000,000	Coventry Building Society FRN 4.2967% 21/01/2030	6,015	0.79	
GBP5,700,000	Electricite de France SA 6.25% 30/05/2028	5,836	0.77	
GBP4,808,086	Elstree 1st PLC FRN 4.4754% 21/10/2065	4,802	0.63	
GBP4,956,169	Elstree Mix PLC FRN 4.5863% 21/09/2066	4,955	0.65	
GBP3,509,000	First Abu Dhabi Bank PJSC 4.6965% 19/08/2031	3,429	0.45	
GBP3,635,000	Ford Motor Credit Co. LLC 6.184% 29/08/2031	3,690	0.48	
GBP4,000,000	Heathrow Funding Ltd. 6.75% 03/12/2028	4,039	0.53	
GBP1,281,000	Hiscox Ltd. 6% 22/09/2027	1,295	0.17	
GBP1,600,000	Holmes Master Issuer PLC FRN 4.3267% 15/10/2072	1,601	0.21	
GBP10,000,000	Holmes Master Issuer PLC FRN 4.3467% 15/10/2072	10,014	1.32	
GBP3,374,265	Hops Hill No. 3 PLC FRN 4.7354% 21/12/2055	3,381	0.44	
GBP3,400,000	Informa PLC 3.125% 05/07/2026	3,394	0.45	
GBP3,400,000	KBC Group NV Var 1.25% 21/09/2027	3,368	0.44	
GBP6,000,000	Kreditanstalt fuer Wiederaufbau 4% 01/07/2031	5,878	0.77	
GBP1,576,800	Lanark Master Issuer PLC FRN 4.2172% 22/12/2069	1,576	0.21	
GBP147,945	Lanebrook Mortgage Transaction PLC FRN 4.3967% 20/07/2058	148	0.02	
GBP7,271,001	Lanebrook Mortgage Transaction PLC FRN 4.5467% 15/03/2061	7,271	0.95	
GBP3,400,000	Leeds Building Society 1.375% 06/10/2027	3,252	0.43	
GBP2,519,000	Leeds Building Society FRN 4.2267% 04/04/2029	2,522	0.33	
GBP3,272,000	Metropolitan Life Global Funding I 1.625% 12/10/2028	3,046	0.40	
GBP4,723,985	Molossus BTL PLC FRN 4.5767% 17/03/2063	4,724	0.62	
GBP4,249,802	Morglas Abs PLC FRN 4.5352% 15/09/2040	4,247	0.56	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP429,101	Mortimer BTL PLC FRN 4.4465% 23/06/2053	429	0.06	
GBP1,606,682	Mortimer BTL PLC FRN 4.9165% 22/12/2056	1,609	0.21	
GBP2,939,895	Mortimer PLC FRN 4.5565% 22/09/2070	2,939	0.39	
GBP2,160,394	Mortimer PLC FRN 4.5765% 22/09/2067	2,161	0.28	
GBP2,300,000	National Westminster Bank PLC FRN 4.1965% 28/03/2029	2,301	0.30	
GBP3,400,000	Nationwide Building Society FRN 4.1466% 24/02/2031	3,384	0.44	
GBP5,000,000	Nationwide Building Society FRN 4.2967% 14/01/2030	5,012	0.66	
GBP9,000,000	Nationwide Building Society FRN 4.3465% 22/09/2028	9,032	1.19	
GBP2,417,000	Newday Funding Master Issuer PLC FRN 4.6352% 15/07/2032	2,420	0.32	
GBP4,198,000	Permanent Master Issuer PLC FRN 4.2467% 15/07/2073	4,195	0.55	
GBP1,573,527	Pierpont BTL PLC FRN 4.8465% 21/09/2054	1,576	0.21	
GBP4,833,683	PMF PLC FRN 4.5349% 16/01/2060	4,834	0.63	
GBP8,961,000	Polaris PLC FRN 0% 27/03/2069	8,961	1.18	
GBP2,676,952	Polaris PLC FRN 4.4656% 27/06/2070	2,670	0.35	
GBP2,736,700	Polaris PLC FRN 4.5553% 26/02/2068	2,737	0.36	
GBP4,000,000	Principality Building Society FRN 4.2467% 21/01/2031	3,998	0.52	
GBP1,603,000	RAC Bond Co. PLC 5.75% 06/05/2046	1,617	0.21	
GBP5,400,000	Royal Bank of Canada FRN 4.4967% 18/01/2028	5,425	0.71	
GBP7,421,000	Sage AR Funding FRN 4.9962% 18/05/2038	7,396	0.97	
GBP4,700,000	Santander U.K. PLC FRN 4.2968% 12/02/2027	4,707	0.62	
GBP121,023	Satus PLC FRN 4.635% 17/01/2031	121	0.02	
GBP1,981,000	Skipton Building Society FRN 4.2268% 22/08/2030	1,982	0.26	
GBP5,000,000	Skipton Building Society FRN 4.2667% 22/06/2028	5,009	0.66	
GBP2,640,209	Taurus U.K. DAC FRN 5.2468% 18/02/2035	2,643	0.35	
GBP155,986	Telereal Securitisation PLC 1.3657% 10/12/2033	138	0.02	
GBP2,081,000	Telereal Securitisation PLC 4.3889% 10/12/2033	2,053	0.27	
GBP2,827,083	Telereal Securitisation PLC Var 6.816% 10/12/2033	2,758	0.36	
GBP1,543,300	Together Asset-Backed Securitisation 14 PLC FRN 4.4952% 15/08/2066	1,542	0.20	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP6,363,017	Together Asset-Backed Securitisation 15 PLC FRN 4.6352% 12/03/2067	6,367	0.84	
GBP1,405,717	Together Asset-Backed Securitisation PLC FRN 4.6852% 15/08/2064	1,409	0.18	
GBP2,202,768	Together Asset-Backed Securitisation PLC FRN 4.6952% 12/10/2065	2,208	0.29	
GBP2,331,468	Together Asset-Backed Securitisation PLC FRN 4.9856% 20/01/2067	2,340	0.31	
GBP4,532,000	Toronto-Dominion Bank FRN 4.3267% 29/01/2031	4,532	0.60	
GBP6,500,000	Toronto-Dominion Bank FRN 4.4467% 12/06/2028	6,527	0.86	
GBP3,608,480	Tower Bridge Funding PLC FRN 4.4967% 20/01/2073	3,603	0.47	
GBP1,251,027	Tower Bridge Funding PLC FRN 4.537% 20/12/2066	1,251	0.16	
GBP1,902,055	Tower Bridge Funding PLC FRN 4.6268% 20/05/2066	1,903	0.25	
GBP1,000,000	Toyota Motor Credit Corp. 0.75% 19/11/2026	984	0.13	
GBP2,991,844	Twin Bridges PLC FRN 4.5167% 12/12/2055	2,991	0.39	
GBP4,500,000	UBS Group AG Var 7% 30/09/2027	4,535	0.60	
GBP6,000,000	United Overseas Bank Ltd. FRN 4.2666% 08/06/2029	5,998	0.79	
GBP2,970,264	Velocity PLC FRN 4.6151% 25/02/2037	2,975	0.39	
GBP2,800,000	Volkswagen Financial Services NV 2.125% 18/01/2028	2,677	0.35	
GBP2,300,000	Wells Fargo & Co. Var 3.473% 26/04/2028	2,276	0.30	
GBP8,817,000	Westpac Banking Corp. FRN 4.3467% 26/09/2030	8,824	1.16	
GBP4,500,000	Yorkshire Building Society FRN 4.1964% 24/05/2029	4,500	0.59	
GBP2,394,000	Yorkshire Building Society Var 7.375% 12/09/2027	2,411	0.32	
	Government bonds	**79,379**	**10.43**	**11.89**
GBP40,000,000	U.K. Gilts 4% 22/10/2031	39,258	5.16	
GBP17,000,000	U.K. Gilts 4.375% 07/03/2028	17,045	2.24	
GBP15,000,000	U.K. Gilts 4.5% 07/06/2028	15,080	1.98	
GBP8,000,000	U.K. Gilts 4.625% 31/01/2034	7,996	1.05	
	US dollar denominated bonds	**81,282**	**10.67**	**12.70**
	Corporate bonds	**81,282**	**10.67**	**12.70**
USD2,264,000	AerCap Ireland Capital DAC/AerCap Global Aviation Trust 2.45% 29/10/2026	1,674	0.22	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	US dollar denominated bonds (continued)			
	Corporate bonds (continued)			
USD7,105,000	Amazon.com, Inc. FRN 4.2271% 13/03/2029	5,300	0.70	
USD5,600,000	American Express Co. FRN 4.5575% 26/07/2028	4,188	0.55	
USD1,900,000	ASB Bank Ltd. FRN 4.5258% 29/10/2030	1,424	0.19	
USD7,000,000	Bank of America Corp. FRN 4.7348% 09/05/2029	5,254	0.69	
USD1,340,000	Barclays PLC Var 5.501% 09/08/2028	1,008	0.13	
USD2,800,000	Bimbo Bakeries USA, Inc. 6.05% 15/01/2029	2,141	0.28	
USD1,910,000	CaixaBank SA Var 6.208% 18/01/2029	1,458	0.19	
USD5,000,000	Caterpillar Financial Services Corp. FRN 4.2656% 15/08/2028	3,740	0.49	
USD4,762,000	Chevron USA, Inc. FRN 4.4511% 15/10/2030	3,575	0.47	
USD5,000,000	Concentrix Corp. 6.5% 01/03/2029	3,664	0.48	
USD1,031,000	Diageo Investment Corp. 5.125% 15/08/2030	781	0.10	
USD1,691,000	Edison International 5% 05/05/2028	1,262	0.17	
USD3,400,000	Ford Motor Credit Co. LLC FRN 5.0755% 05/11/2026	2,538	0.33	
USD4,500,000	General Motors Financial Co., Inc. 5.4% 08/05/2027	3,382	0.44	
USD4,062,000	Goldman Sachs Group, Inc. FRN 4.7521% 24/02/2028	3,038	0.40	
USD2,585,000	Goldman Sachs Group, Inc. FRN 5.4867% 15/03/2028	1,944	0.26	
USD2,200,000	Henkel AG & Co. KGaA 1.75% 17/11/2026	1,621	0.21	
USD5,600,000	JPMorgan Chase & Co. FRN 4.5479% 22/04/2028	4,187	0.55	
USD3,900,000	Mercedes-Benz Finance North America LLC 5.1% 03/08/2028	2,937	0.39	
USD7,000,000	Meta Platforms, Inc. 4.55% 15/05/2031	5,188	0.68	
USD3,140,000	Meta Platforms, Inc. 4.6% 15/11/2032	2,300	0.30	
USD5,000,000	Morgan Stanley Bank NA FRN 4.571% 14/07/2028	3,737	0.49	
USD5,200,000	Nationwide Building Society FRN 4.9156% 16/02/2028	3,895	0.51	
USD1,760,000	NextEra Energy Capital Holdings, Inc. 4.685% 01/09/2027	1,316	0.17	
USD2,500,000	Repsol E&P Capital Markets U.S. LLC 5.204% 16/09/2030	1,880	0.25	
USD1,814,562	Slam Ltd. 2.434% 15/06/2046	1,287	0.17	
USD1,428,000	Standard Chartered PLC Var 6.301% 09/01/2029	1,090	0.14	
USD1,089,000	Swedbank AB 6.136% 12/09/2026	816	0.11	
USD6,200,000	T-Mobile USA, Inc. 4.95% 15/03/2028	4,657	0.61	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Derivatives	**2,271**	**0.30**	**0.31**
	Forwards	**1,031**	**0.14**	**0.13**
	Bought EUR5,026,747 for GBP4,360,660 Settlement 17/06/2026	4	0.00	
	Sold EUR262,591,156 for GBP228,786,118 Settlement 17/06/2026	765	0.10	
	Sold USD109,559,613 for GBP81,918,200 Settlement 17/06/2026	262	0.04	
	Credit default swaps	**1,240**	**0.16**	**0.18**
EUR(20,000,000)	iTraxx Europe S41 20/06/2029	361	0.05	
EUR(20,000,000)	iTraxx Europe S42 20/12/2029	377	0.05	
EUR(12,000,000)	iTraxx Europe S45 20/06/2031	230	0.03	
EUR(15,000,000)	iTraxx Europe Senior Financials S45 20/06/2031	272	0.03	
Total portfolio		**751,469**	**98.70**	**96.47**
Net other assets/(liabilities)		**9,894**	**1.30**	**3.53**
Net assets attributable to shareholders		**761,363**	**100.00**	**100.00**

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

M&G Short Dated Corporate Bond Fund

Portfolio statement

Top ten portfolio transactions for the year to 31 May 2026

Largest purchases	£'000
U.K. Gilts 4% 22/10/2031	32,854
U.K. Gilts 4.375% 07/03/2028	20,003
U.K. Gilts 4.5% 07/06/2028	14,988
Holmes Master Issuer PLC FRN 4.3467% 15/10/2072	10,010
Polaris PLC FRN 0% 27/03/2069	8,961
Kreditanstalt fuer Wiederaufbau 4% 01/07/2031	8,952
Westpac Banking Corp. FRN 4.3467% 26/09/2030	8,817
U.K. Gilts 4.625% 31/01/2034	8,151
Sage AR Funding FRN 4.9962% 18/05/2038	7,421
Lanebrook Mortgage Transaction PLC FRN 4.5467% 15/03/2061	7,276
Other purchases	364,266
Total purchases	**491,699**

Largest sales	£'000
U.K. Gilts 4.5% 07/06/2028	30,465
U.K. Gilts 4.125% 22/07/2029	17,976
U.K. Gilts 3.5% 22/10/2025	8,994
Romania Government International Bonds 5.875% 11/07/2032	6,703
TSB Bank PLC FRN 4.3468% 14/02/2027	5,612
Banque Federative du Credit Mutuel SA 4.875% 25/09/2025	5,400
Whitbread Group PLC 3.375% 16/10/2025	5,150
Eurobank SA Var 4.875% 30/04/2031	5,106
National Australia Bank Ltd. FRN 4.3467% 17/06/2026	4,942
Discovery Global Holdings, Inc. 4.302% 17/01/2030	4,751
Other sales	153,714
Total sales	**248,813**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year %[a]	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+4.4	+5.7	+3.3	+2.8
Class 'A' Accumulation	+4.4	+5.7	n/a	n/a
Class 'I' Income	+4.7	+5.9	+3.6	+3.0
Class 'I' Accumulation	+4.7	+5.9	+3.6	n/a
Class 'PP' Income	+4.8	+6.0	+3.7	n/a
Class 'PP' Accumulation	+4.8	+6.0	+3.7	n/a
Benchmark	**+4.2**	**+5.8**	**+3.1**	**+2.3**

[a] Not annualised.

Specific share class performance

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

'Operating charges' and 'Direct transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current year figures.

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 29 January 1993.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	25.17	24.90	24.59
Return before operating charges*	1.24	1.63	1.73
Operating charges	(0.13)	(0.13)	(0.12)
Return after operating charges*	1.11	1.50	1.61
Distributions	(1.10)	(1.23)	(1.30)
Closing NAV	25.18	25.17	24.90
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	4.41	6.02	6.55
Other information			
Closing NAV (£'000)	25,622	26,490	27,389
Number of shares	101,742,841	105,226,842	110,002,845
Operating charges (%)	0.50	0.50	0.50
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	25.67	25.52	25.33
Lowest share price (UK p)	25.09	24.94	24.53

Sterling Class 'A' Accumulation shares

The share class was launched on 27 April 2023.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	112.90	106.36	99.71
Return before operating charges*	5.62	7.09	7.17
Operating charges	(0.58)	(0.55)	(0.52)
Return after operating charges*	5.04	6.54	6.65
Distributions	(4.45)	(4.81)	(4.86)
Retained distributions	4.45	4.81	4.86
Closing NAV	117.94	112.90	106.36
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	4.46	6.15	6.67
Other information			
Closing NAV (£'000)	3,449	2,585	1,588
Number of shares	2,924,201	2,289,377	1,493,523
Operating charges (%)	0.50	0.50	0.50
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	118.05	113.03	106.78
Lowest share price (UK p)	113.08	106.54	99.49

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 9 November 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	1,024.76	1,010.98	995.93
Return before operating charges*	50.50	66.42	70.26
Operating charges	(2.58)	(2.56)	(2.52)
Return after operating charges*	47.92	63.86	67.74
Distributions	(44.98)	(50.08)	(52.69)
Closing NAV	1,027.70	1,024.76	1,010.98
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	4.68	6.32	6.80
Other information			
Closing NAV (£'000)	420,072	304,565	282,044
Number of shares	40,874,925	29,720,594	27,897,997
Operating charges (%)	0.25	0.25	0.25
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	1,046.97	1,038.17	1,028.58
Lowest share price (UK p)	1,023.54	1,012.77	993.83

Sterling Class 'I' Accumulation shares

The share class was launched on 15 May 2020.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	118.29	111.17	103.97
Return before operating charges*	5.90	7.41	7.47
Operating charges	(0.30)	(0.29)	(0.27)
Return after operating charges*	5.60	7.12	7.20
Distributions	(4.97)	(5.32)	(5.34)
Retained distributions	4.97	5.32	5.34
Closing NAV	123.89	118.29	111.17
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	4.73	6.40	6.93
Other information			
Closing NAV (£'000)	186,256	109,831	45,732
Number of shares	150,343,197	92,849,479	41,138,258
Operating charges (%)	0.25	0.25	0.25
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	124.00	118.43	111.59
Lowest share price (UK p)	118.48	111.35	103.75

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 5 August 2019.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	99.50	98.07	96.51
Return before operating charges*	4.91	6.44	6.82
Operating charges	(0.15)	(0.15)	(0.15)
Return after operating charges*	4.76	6.29	6.67
Distributions	(4.37)	(4.86)	(5.11)
Closing NAV	99.89	99.50	98.07
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	4.78	6.41	6.91
Other information			
Closing NAV (£'000)	10,259	7,849	15,227
Number of shares	10,270,372	7,888,527	15,526,811
Operating charges (%)	0.15	0.15	0.15
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	101.74	100.78	99.77
Lowest share price (UK p)	99.47	98.24	96.31

Sterling Class 'PP' Accumulation shares

The share class was launched on 8 April 2019.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	120.79	113.40	105.95
Return before operating charges*	6.03	7.57	7.62
Operating charges	(0.19)	(0.18)	(0.17)
Return after operating charges*	5.84	7.39	7.45
Distributions	(5.20)	(5.55)	(5.55)
Retained distributions	5.20	5.55	5.55
Closing NAV	126.63	120.79	113.40
*after direct transaction cost of	0.00	0.00	0.00
Performance			
Return after charges (%)	4.83	6.52	7.03
Other information			
Closing NAV (£'000)	115,705	89,133	39,039
Number of shares	91,375,360	73,794,165	34,425,843
Operating charges (%)	0.15	0.15	0.15
Direct transaction costs (%)	0.00	0.00	0.00
Prices			
Highest share price (UK p)	126.74	120.93	113.83
Lowest share price (UK p)	120.98	113.59	105.73

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 May	Note	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Income					
Net capital gains/(losses)	3		2,756		7,000
Revenue	5	27,229		23,327	
Expenses	6	(1,521)		(1,180)	
Interest payable and similar charges		(1)		(8)	
Net revenue/(expense) before taxation		25,707		22,139	
Taxation	7	(29)		0	
Net revenue/(expense) after taxation			25,678		22,139
Total return before distributions			**28,434**		**29,139**
Distributions	8		(26,670)		(23,011)
Change in net assets attributable to shareholders from investment activities			**1,764**		**6,128**

Statement of change in net assets attributable to shareholders

for the year to 31 May	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Opening net assets attributable to shareholders		**540,453**		**411,019**
Amounts received on issue of shares	286,404		212,298	
Amounts paid on cancellation of shares	(78,212)		(96,563)	
		208,192		115,735
Dilution adjustments		77		130
Change in net assets attributable to shareholders from investment activities (see above)		1,764		6,128
Retained distributions on Accumulation shares		10,876		7,438
Unclaimed distributions		1		3
Closing net assets attributable to shareholders		**761,363**		**540,453**

Financial statements and notes

Financial statements

Balance sheet

as at 31 May	Note	2026 £'000	2025 £'000
Assets			
Fixed assets			
Investments[a]		751,469	521,359
Current assets			
Debtors	9	9,285	7,562
Cash and bank balances	10	12,213	7,985
Cash equivalents		12,860	11,188
Total assets		**785,827**	**548,094**
Liabilities			
Creditors			
Overdrawn positions at futures clearing houses and collateral manager		(1,349)	(1,084)
Distribution payable		(4,811)	(3,944)
Other creditors	11	(18,304)	(2,613)
Total liabilities		**(24,464)**	**(7,641)**
Net assets attributable to shareholders		**761,363**	**540,453**

[a] Fair value of securities on loan is £44,765,000 (2025: £nil).

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

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

3 Net capital gains/(losses)

for the year to 31 May	2026 £'000	2025 £'000
Non-derivative securities	5,350	139
Derivative contracts	(2,487)	6,201
Currency gains/(losses)	(107)	660
Net capital gains/(losses)	**2,756**	**7,000**

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 May	2026 £'000	2025 £'000
a) Purchases		
Debt securities	**491,699**	**281,761**
b) Sales		
Debt securities	**241,239**	**143,745**
Other transaction types		
Corporate actions	7,574	5,953
Total sales	**248,813**	**149,698**
	%	%
c) Indirect portfolio transaction costs		
Average portfolio dealing spread as at the balance sheet date	0.18	0.25

5 Revenue

for the year to 31 May	2026 £'000	2025 £'000
Bank interest	9	10
Derivative revenue	606	619
Interest distributions	508	398
Interest on debt securities	26,101	22,296
Rebate of ongoing charges from underlying funds	5	4
Securities lending income	0	0
Total revenue	**27,229**	**23,327**

6 Expenses

for the year to 31 May	2026 £'000	2025 £'000
Payable to the ACD or associate		
Annual charge	1,521	1,180
Total expenses	**1,521**	**1,180**

Audit fees for the financial year ending 2026 were £14,000 (2025: £13,000) (including VAT), which are covered by the annual charge.

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7 Taxation

for the year to 31 May	2026 £'000	2025 £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	29	0
Deferred tax (note 7c)	0	0
Total taxation	**29**	**0**
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	25,707	22,139
Corporation tax at 20%	5,141	4,428
Effects of:		
Interest distributions	(5,141)	(4,428)
Withholding tax	29	0
Total tax charge (note 7a)	**29**	**0**
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	**0**	**0**

The fund has not recognised a deferred tax asset in the current financial year (2025: same).

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 May	2026		2025	
Interest distributions	Inc £'000	Acc £'000	Inc £'000	Acc £'000
First interim	4,007	2,499	4,153	1,277
Second interim	4,031	2,548	4,079	1,880
Third interim	4,244	2,804	4,104	2,068
Final	4,811	3,025	3,944	2,213
Total net distributions		27,969		23,718
Income deducted on cancellation of shares		427		497
Income received on issue of shares		(1,726)		(1,204)
Distributions		**26,670**		**23,011**
Net revenue/(expense) per statement of total return		25,678		22,139
Expenses offset against capital		992		872
Distributions		**26,670**		**23,011**

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9 Debtors

as at 31 May	2026 £'000	2025 £'000
Amounts receivable on issues of shares	1,393	603
Currency deals outstanding	0	560
Debt security interest receivable	7,718	6,279
Derivative revenue receivable	113	98
Distributions receivable	26	22
Withholding tax recoverable	35	0
Total debtors	**9,285**	**7,562**

10 Cash and bank balances

as at 31 May	2026 £'000	2025 £'000
Amounts held at futures clearing houses and collateral manager	7,666	6,552
Cash held as bank balances	4,547	1,433
Total cash and bank balances	**12,213**	**7,985**

11 Other creditors

as at 31 May	2026 £'000	2025 £'000
Amounts payable on cancellation of shares	464	144
Annual charge payable	90	66
Currency deals outstanding	0	560
Purchases awaiting settlement	17,750	1,843
Total other creditors	**18,304**	**2,613**

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2025: same).

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13 Shares in issue

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

Share class	Opening 01.06.25	Movements Issued	Movements Cancelled	Movements Converted	Closing 31.05.26
Sterling					
Class 'A' Income	105,226,842	12,838,683	(16,322,684)	0	101,742,841
Class 'A' Accumulation	2,289,377	1,255,570	(620,746)	0	2,924,201
Class 'I' Income	29,720,594	13,664,718	(2,510,387)	0	40,874,925
Class 'I' Accumulation	92,849,479	83,549,065	(26,055,347)	0	150,343,197
Class 'PP' Income	7,888,527	3,517,069	(1,135,224)	0	10,270,372
Class 'PP' Accumulation	73,794,165	29,620,508	(12,039,313)	0	91,375,360

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	0.50
Class 'I'	0.25
Class 'PP'	0.15

15 Related parties

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

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

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

Amounts paid to M&G Investment Management Limited in respect of securities lending activities are disclosed in note 16.

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At the balance sheet date, entities within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, held in aggregate 0.08% (2025: 0.13%) of the net asset value of the fund.

16 Securities lending transactions

The fund carried out securities lending transactions for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these transactions is shown in notes 5 and is net of agents fees which are payable to M&G Investment Management Limited.

Any applicable bank fees are deducted from the fund's net return and vary by jurisdiction. Please see the prospectus for further details. Additional information is also disclosed within 'Other regulatory disclosures'.

	31.05.26 £'000	31.05.25 £'000
Fair value of securities on loan at the balance sheet date	44,765	0

	2026 £'000	2025 £'000
Fund gross return	0	0
Agents fees	0	0
Fund net return	**0**	**0**

The collateral held by asset type at the year end is stated below:

Asset class	31.05.26 £'000	31.05.25 £'000
Bonds	50,469	0
Total	**50,469**	**0**

The counterparties of the collateral held are Deutsche Bank, Royal Bank of Canada and Morgan Stanley.

17 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument
This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data
This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

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Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 May Basis of valuation	Assets 2026 £'000	Liabilities 2026 £'000	Assets 2025 £'000	Liabilities 2025 £'000
Level 1	79,379	0	66,389	0
Level 2	672,090	0	454,970	0
Level 3	0	0	0	0
	751,469	**0**	**521,359**	**0**

18 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 15.

19 Market risk sensitivity and exposure

VaR is the risk measurement methodology used to assess the fund's leverage and market risk volatility. When VaR is calculated as a percentage of the net asset value it may not be greater than the VaR limit set for the fund.

The VaR limit set during the financial year to 31 May 2026 was 20% (2025: 20%).

The lowest, highest and average utilisation of VaR with reference to the limit above are calculated during the financial years ended 31 May 2026 and 31 May 2025.

for the year to 31 May	2026 Utilisation of VaR 20%	2025 Utilisation of VaR 20%
Lowest	2.70	3.50
Highest	4.05	5.35
Average	3.32	4.16

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20 Credit risk

The fund is exposed to credit risk both through the credit quality of the investments it holds and through the derivative positions with counterparties. The table below shows the credit quality of the investments held in the portfolio.

as at 31 May	2026 £'000	2025 £'000
Investment grade securities	741,714	512,598
Below investment grade securities	5,024	7,093
Unrated securities	2,460	0
Other investments	2,271	1,668
Total	**751,469**	**521,359**

The credit ratings are provided by S&P, followed by Moody's, and finally Fitch.
At the balance sheet date the fund had £58,139,000 of net credit default swap buy protection in investment grade contracts (2025: £49,613,000).

The tables below show the exposure to counterparties. Collateral is posted daily, in the form of cash or high-quality government bonds, to minimise this exposure.

as at 31 May 2026	Swaps £'000	Forwards £'000
Bank of America Merrill Lynch	0	224
Barclays Bank	1,240	0
HSBC	0	802
JPMorgan	0	3
State Street Bank	0	2
Total	**1,240**	**1,031**

At the balance sheet date cash collateral of £1,154,000 (2025: £1,014,000) and stock collateral of £502,000 (2025: £nil) was held by the fund in respect of forward currency contracts.

as at 31 May 2025	Swaps £'000	Forwards £'000
Bank of America Merrill Lynch	0	42
Barclays Bank	987	0
HSBC	0	540
JPMorgan	0	1
UBS	0	98
Total	**987**	**681**

21 Leverage risk

Funds using VaR approaches are required to disclose the level of leverage employed during the financial reporting period.

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Derivatives can be used by the fund to generate market exposure to investments exceeding the net asset value. As a result of this exposure, the size of any positive or negative movement in markets may have a more significant effect on the net asset value of the fund.

The lowest, highest and average level of leverage employed and utilisation of the leverage level calculated during the financial years ended 31 May 2026 and 31 May 2025 are disclosed in the table below. Leverage has been calculated using the Gross Sum of Notional Approach for derivative positions only (including forward currency contracts) and excludes all physical holdings. Percentages are expressed with reference to fund valuation.

for the year to 31 May	2026 £'000	2026 %	2025 £'000	2025 %
Lowest	289,228	45.22	208,670	46.30
Highest	955,473	155.24	751,801	146.93
Average	373,578	59.78	296,215	61.58

22 Interest distribution tables

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

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.06.25	31.08.25	01.09.25	31.10.25
Second interim	01.09.25	30.11.25	01.12.25	31.01.26
Third interim	01.12.25	28.02.26	02.03.26	30.04.26
Final	01.03.26	31.05.26	01.06.26	31.07.26

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

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

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

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Sterling Class 'A' Income shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.1710	0.1162	0.2872	0.3225
Second interim	0.0801	0.1998	0.2799	0.3127
Third interim	0.1422	0.1286	0.2708	0.3036
Final	0.1248	0.1410	0.2658	0.2930

Sterling Class 'A' Accumulation shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.8730	0.2720	1.1450	1.2430
Second interim	0.6942	0.4313	1.1255	1.2159
Third interim	0.4115	0.6842	1.0957	1.1908
Final	0.4866	0.5988	1.0854	1.1588

Sterling Class 'I' Income shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	6.1717	5.5200	11.6917	13.0996
Second interim	4.5914	6.8158	11.4072	12.7100
Third interim	5.3464	5.6930	11.0394	12.3439
Final	3.1217	7.7226	10.8443	11.9252

Sterling Class 'I' Accumulation shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.5435	0.7311	1.2746	1.3710
Second interim	0.5960	0.6598	1.2558	1.3434
Third interim	0.5867	0.6394	1.2261	1.3188
Final	0.6264	0.5900	1.2164	1.2869

Financial statements and notes

Sterling Class 'PP' Income shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.3695	0.7659	1.1354	1.2719
Second interim	0.5612	0.5468	1.1080	1.2333
Third interim	0.5710	0.5016	1.0726	1.1986
Final	0.7202	0.3337	1.0539	1.1577

Sterling Class 'PP' Accumulation shares

Interest distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.7689	0.5631	1.3320	1.4261
Second interim	0.4273	0.8863	1.3136	1.4001
Third interim	0.8063	0.4777	1.2840	1.3757
Final	0.6375	0.6370	1.2745	1.3439

23 Events after the balance sheet date

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

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For the purposes of these financial statements, the Prospectus dated 2 April 2026 has been used.

Investment objective

The fund aims to provide:

- a higher annual yield than the FTSE All-Share Index;
- an income stream that increases annually; and
- a higher total return (capital growth plus income), net of the ongoing charge figure, than a composite index* over any five-year period.

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

Investment policy

At least 70% of the fund is invested directly in equities and equity-related instruments of companies across any sector and market capitalisation, that are incorporated, domiciled, listed or do most of their business in the UK.

The fund may invest in other transferable securities, including equities and equity-related instruments of non-UK companies, investment grade debt securities, and cash and near cash, directly or via funds (including funds managed by M&G). Debt securities are issued by companies, or issued or guaranteed by government or public issuers, located anywhere in the world, and will be denominated in GBP.

Derivatives may be used for efficient portfolio management and hedging.

Investment approach

The fund employs a disciplined approach to investment, concentrating on analysis and selection of individual companies.

The fund typically invests in a diversified portfolio of high-yielding UK stocks. This means that there is generally a bias towards out-of-favour, undervalued stocks. From the universe of high-yielding stocks, the fund manager identifies good-quality companies that are competitive, with a strong business franchise, healthy cashflows and that have attractive dividend growth prospects.

The fund manager also allocates part of the portfolio to debt securities. Investments in debt securities primarily aim to reduce the volatility of the fund, whilst providing an alternative stable source of income.

Benchmark

Yield – FTSE All-Share Index

Total return – a composite index comprising:

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

The benchmarks are targets which the fund seeks to outperform, and have been chosen as they best reflect the scope of the fund's investment policy. The benchmarks are used solely to measure the fund's performance and do not constrain the fund's portfolio construction.

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

The total return benchmark is shown in the share class currency.

For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

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Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 15.

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

Low risk — High risk

Typically lower rewards — Typically higher rewards

1	2	3	**4**	5	6	7

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 changed from 5 to 4 on 17 November 2025.

Investment review

For the year ended 31 May 2026

Performance against objective

The fund achieved its objective of growing its income over the review period. As at end of May 2026, the yield on the fund's Sterling Class 'A' and Sterling Class 'I' Income shares of around 5.2% was above the FTSE All Share Index yield of 3.1%, meeting the fund's target to exceed the index yield. Three interim distributions of 6.60p per Sterling Class 'A' Income share were declared during the review period, followed by a final distribution of 22.36p. This resulted in a total distribution over the year of 42.16p, an increase of 3.4% on the previous year. For Sterling Class 'I' Income shares, the total distribution was 70.97p – a 5.5% increase on the previous period. Between 1 June 2025 (the start of the review period) and 31 May 2026, the fund registered a positive total return (the combination of income and capital growth) across all share classes. This was ahead of the benchmark composite index, which returned 15.9% over the period. The composite index comprises 70% of the FTSE All-Share Index and 30% of the FTSE Actuaries UK Conventional Gilts All Stocks Index.

Over five years, the fund delivered a positive total return across all share classes, ahead of the benchmark, which returned 6.3% pa over the period. Therefore, the fund achieved its objective of outperforming the benchmark over this 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 UK stockmarket posted another year of positive returns over the review period, extending its gains despite persistent market volatility as geopolitical and macroeconomic pressures remained elevated. Economic data improved as inflation peaked in the summer of 2025, allowing the Bank of England to cut interest rates twice by 25 basis points by the end of the year.

UK equities gained over the review period, supported by investors rotating out of US equities amid concerns of an artificial intelligence (AI) bubble and tariff-related volatility, alongside a steady stream of takeover activity. The perceived risk that AI might replace certain types of businesses (particularly those which are asset-light) drove a rotation into heavy asset, low obsolescence (HALO) names; an area the UK market is well positioned to benefit from given its sector composition. Depressed UK valuations continued to attract corporate buyers and private equity funds, keeping the mergers and acquisitions (M&A) pipeline active. That said, volatility was not in short supply, both domestically, amid leadership uncertainty and internationally, with the US and Iran conflict adding an unwelcome layer of uncertainty.

Against this backdrop, the FTSE All-Share Index gained 21.6% over the year, with large caps leading the charge in the latter half of the period. The equity segment of

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the fund, which makes up 70% of the overall portfolio, outperformed this figure, returning 25.6% over the period.

The fund's structural below benchmark (underweight) position to the technology sector and tech-adjacent names (RELX, LSEG and Experian) supported performance, as these areas of the market sold off significantly over the period. This reflected investors scrutinising the potential risk of AI disintermediation on asset-light business models as new AI tools emerged.

Our holding in Rio Tinto contributed positively to performance, with the company benefiting from higher commodity prices as sentiment improved towards copper, an essential commodity used in both the energy transition and AI infrastructure build-out. This supported earnings and shareholder returns.

Our holding in British American Tobacco performed well, supported by its defensive characteristics, strong free cash flow, and reliable dividend yield, which remained attractive to investors seeking income amid heightened market uncertainty. In addition, the company benefited from favourable regulatory developments in the US, where it derives a significant portion of its revenue, further bolstering investor sentiment.

The fixed income portion of the fund was managed against a backdrop of higher interest rates, shifting yield curves and tighter credit spreads. (The yield curve plots the yield of bonds with different maturity dates, while credit spreads are a measure of the additional yield investors expect over comparable government bonds to compensate for credit risk). UK government bonds delivered positive returns, driven primarily by income, as capital appreciation remained limited. Corporate bonds outperformed, supported by improving sentiment and stronger company fundamentals. In this environment, the bond segment of the portfolio performed well, rising 5.3% over the 12-month period to 31 May 2025, compared with a 3.4% return from the FTSE Actuaries UK Conventional Gilts All Stocks Index.

Investment activities

The fund remained active over the review period, moving money out of holdings where yields had fallen and into higher-yielding opportunities with more attractive valuations and stronger potential for returns.

Within the equity segment of the portfolio, we initiated several new positions where we found yields particularly compelling.

We initiated a new position in the real estate sector through Primary Health Properties, as the opportunity to own an income-focused business at an attractive valuation arose.

Bytes Technology sold off following a disappointing AGM trading update. The slowdown was due to a temporary sales reorganisation and a reset in Microsoft commission structures, both expected to normalise over time. The pullback has given us an attractive entry point into a high-quality, cash-generative business and provides the fund with exposure to the UK tech sector, which we typically don't own on yield and valuation grounds.

We also started a position in Tate & Lyle, a speciality food and beverage solutions business benefiting from structural growth in healthier-nutrition ingredients (such as lower calorie sweeteners and soluble fibres). In our view, the combination of strong, sustainable income and the recent share price fall means there is potential for both income and capital growth. In June 2026, the Tate & Lyle board recommended an all cash offer from its US listed peer Ingredion.

RELX is a UK based global provider of information-based analytics and decision-making tools for professionals spanning across risk, scientific technical medical, legal and exhibitions. The shares suffered a significant fall earlier in the year largely due to AI-related concerns which we think are overstated. As a result, we saw a clear opportunity for the fund to invest in a high-quality FTSE 100 company with long-term growth potential, trading at a discounted valuation and offering its highest dividend yield in more than a decade.

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Other names to note that the fund bought over the review period included Admiral Group, Paragon Banking and Hollywood Bowl.

We exited our position in Burberry early following a strong rally in the company's share price and due to the continued suspension of its dividend. We also exited our positions in Inchcape, and Petershill Partners as a result of takeover activity. Other notable positions exited over the period were Watkin Jones, STV and XPS Pensions.

Within the bond segment of the portfolio, in the second half of 2025, we gradually began to extend duration (increase our exposure to longer-dated bonds, which are more sensitive to interest rate changes) as yields rose and the gap between short- and long-term rates widened, adding selectively to bonds with longer maturities. At the same time, we remained cautious on corporate bonds as valuations looked expensive, and maintained a bias towards higher-quality bond issuers, while trimming exposure to more economically sensitive areas such as autos and real estate, and reduced exposure to US insurers due to concerns around private credit. We also increased our exposure to inflation-linked UK government bonds, as market expectations for inflation were historically low.

In early 2026, periods of geopolitical volatility created opportunities to add selectively to corporate credit at more attractive prices, focusing on higher-quality names that had seen larger-than-expected price falls. The sharp rise in oil prices pushed up inflation expectations and boosted the performance of inflation-linked bonds, allowing us to take profits and significantly reduce our position. We also increased our exposure to interest rate sensitivity (duration) as yields rose following the conflict in the Middle East, but this time focused on shorter-dated bonds as the difference between short- and long-term rates narrowed.

Outlook

Looking ahead, we remain constructive on the relative attractiveness of UK equities, particularly given their global revenue exposure, compelling valuations, and resilience amid heightened geopolitical uncertainty.

While the nascent peace deal between the U.S. and Iran holds, the second-order implications to global energy prices and supply chains have yet to fully feed through, and we remain alert to the knock-on effects to UK-listed companies. Domestically, Keir Starmer announced his resignation as the leader of Labour introducing an additional layer of political uncertainty. Against this backdrop, we remain anchored in our disciplined, income-led investment approach, which we believe offers investors a reliable stream of income alongside the potential for capital growth. The fund's fixed income allocation continues to provide diversification and dampen overall volatility relative to equity markets, an increasingly valuable trait amid ongoing market uncertainty, while offering an attractive level of income at current yields. In this environment, we see the fund's balanced positioning as well suited to navigating near-term challenges while capturing long-term opportunities.

Elina Symon
Fund manager

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

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

Portfolio statement

Investments

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities	**373,852**	**78.90**	**75.55**
	Banks	**64,672**	**13.65**	**11.21**
2,720,000	HSBC Holdings PLC	37,862	7.99	
12,150,000	Lloyds Banking Group PLC	12,375	2.61	
6,250	Nationwide Building Society 10.25% CCD Non-cum. Irrd. Pref.	805	0.17	
1,810,000	NatWest Group PLC	10,762	2.27	
225,000	Paragon Banking Group PLC	1,734	0.37	
900,000	Standard Chartered PLC 8.25% Non-cum. Irrd. Pref.	1,134	0.24	
	Basic resources	**21,974**	**4.64**	**4.58**
600,000	Central Asia Metals PLC[a]	936	0.20	
830,000	Kenmare Resources PLC	1,776	0.37	
242,500	Rio Tinto PLC	19,262	4.07	
	Chemicals	**1,965**	**0.42**	**0.46**
300,000	Victrex PLC	1,965	0.42	
	Construction and materials	**1,473**	**0.31**	**0.77**
300,000	Marshalls PLC	428	0.09	
3,800,000	Severfield PLC	1,045	0.22	
	Consumer products and services	**3,903**	**0.82**	**1.56**
4,835,000	Taylor Wimpey PLC	3,903	0.82	
	Energy	**40,073**	**8.46**	**6.76**
25,000	Bluenord ASA	1,052	0.22	
3,840,000	BP PLC	19,768	4.17	
310,206	Diversified Energy Co.	3,438	0.73	
465,000	Harbour Energy PLC	1,226	0.26	
465,000	Shell PLC	14,589	3.08	
	Financial services	**33,563**	**7.08**	**6.55**
1,870,000	Aberdeen Group PLC	4,653	0.98	
1,540,000	Ashmore Group PLC	3,197	0.67	
7,100,000	Duke Capital Ltd.[a]	1,810	0.38	
3,600,000	Hicl Infrastructure PLC	4,817	1.02	
205,000	ICG PLC	3,856	0.81	
240,000	IG Group Holdings PLC	4,296	0.91	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Financial services (continued)			
2,150,000	International Public Partnerships Ltd.	2,911	0.61	
3,000,000	Lloyds Banking Group PLC 9.25% Non-cum. Irrd. Pref.	4,362	0.92	
600,000	OSB Group PLC	3,114	0.66	
1,500,000	Premier Miton Group PLC	547	0.12	
	Food, beverage and tobacco	**44,721**	**9.44**	**8.40**
575,000	British American Tobacco PLC	26,508	5.60	
530,000	Imperial Brands PLC	14,559	3.07	
725,000	Tate & Lyle PLC	3,654	0.77	
	Health care	**31,303**	**6.61**	**5.98**
113,000	AstraZeneca PLC	15,698	3.31	
820,000	GSK PLC	15,605	3.30	
	Industrial goods and services	**9,626**	**2.03**	**2.02**
770,000	FDM Group Holdings PLC	898	0.19	
1,700,000	RWS Holdings PLC[a]	1,850	0.39	
3,150,000	Smiths News PLC	2,110	0.45	
1,360,002	Taylor Maritime Ltd.	770	0.16	
865,000	Vesuvius PLC	3,998	0.84	
	Insurance	**45,724**	**9.65**	**10.00**
71,000	Admiral Group PLC	2,373	0.50	
1,160,000	Aviva PLC	7,259	1.53	
2,800,000	Chesnara PLC	9,030	1.91	
660,000	Conduit Holdings Ltd.	2,930	0.62	
560,000	Lancashire Holdings Ltd.	3,436	0.72	
2,340,000	Legal & General Group PLC	6,297	1.33	
2,000,000	Sabre Insurance Group PLC	3,064	0.65	
1,455,000	Standard Life PLC	11,335	2.39	
	Media	**7,789**	**1.64**	**3.03**
25,000	4imprint Group PLC	927	0.19	
5,252,000	ITV PLC	4,367	0.92	
4,586,370	Reach PLC	2,495	0.53	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Personal care, drug and grocery stores	**3,466**	**0.73**	**1.74**
24,000	Reckitt Benckiser Group PLC	1,124	0.24	
55,000	Unilever PLC	2,342	0.49	
	Real estate	**14,736**	**3.11**	**2.49**
560,000	British Land Co. PLC	2,279	0.48	
2,000,000	Channel Islands Property Fund Ltd.	1,600	0.34	
8,403,680	Grit Real Estate Income Group Ltd.	487	0.10	
1,870,260	Home REIT PLC	180	0.04	
560,000	Land Securities Group PLC	3,598	0.76	
3,307,169	NewRiver REIT PLC	2,596	0.55	
2,300,000	Primary Health Properties PLC	2,187	0.46	
250,000	Segro PLC	1,809	0.38	
	Retail	**5,636**	**1.19**	**2.16**
2,018,699	Card Factory PLC	1,360	0.29	
360,000	Dunelm Group PLC	2,808	0.59	
820,000	Wickes Group PLC	1,468	0.31	
	Technology	**9,421**	**1.99**	**0.60**
1,010,000	Bytes Technology Group PLC	3,695	0.78	
1,210,000	MONY Group PLC	2,149	0.45	
148,000	RELX PLC	3,577	0.76	
	Telecommunications	**10,080**	**2.13**	**1.71**
4,800,000	BT Group PLC	10,080	2.13	
	Travel and leisure	**3,524**	**0.74**	**0.47**
270,000	Entain PLC	1,445	0.30	
675,000	Hollywood Bowl Group PLC	2,079	0.44	
	Utilities	**20,203**	**4.26**	**5.06**
415,000	Drax Group PLC	3,318	0.70	
1,160,000	Pennon Group PLC	6,038	1.27	
445,000	SSE PLC	10,569	2.23	
20,705	United Utilities Group PLC	278	0.06	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income	**105,979**	**22.36**	**24.20**
	Sterling denominated bonds	**105,979**	**22.36**	**24.20**
	Corporate bonds	**87,413**	**18.44**	**23.10**
GBP700,000	Aareal Bank AG 4.125% 16/03/2029	689	0.14	
GBP1,500,000	Aareal Bank AG 5% 10/03/2028	1,505	0.32	
GBP2,000,000	ABN AMRO Bank NV 5.125% 22/02/2028	2,011	0.42	
GBP1,868,000	Alphabet, Inc. 4.625% 13/11/2032	1,838	0.39	
GBP1,750,000	Amgen, Inc. 5.5% 07/12/2026	1,759	0.37	
GBP800,000	Babcock International Group PLC 1.875% 05/10/2026	793	0.17	
GBP600,000	Banco Santander SA Var 5.5% 28/04/2033	601	0.13	
GBP1,000,000	Bank of America Corp. Var 1.667% 02/06/2029	941	0.20	
GBP999,000	Bank of America Corp. Var 3.584% 27/04/2031	952	0.20	
GBP900,000	Banque Federative du Credit Mutuel SA 4.5% 22/10/2030	880	0.19	
GBP1,500,000	Banque Federative du Credit Mutuel SA 5% 22/10/2029	1,502	0.32	
GBP800,000	Barclays PLC Var 6.369% 31/01/2031	830	0.18	
GBP484,000	Barclays PLC Var 7.09% 06/11/2029	505	0.11	
GBP1,500,000	Berkshire Hathaway Finance Corp. 2.375% 19/06/2039	1,043	0.22	
GBP1,300,000	BNP Paribas SA 1.875% 14/12/2027	1,244	0.26	
GBP600,000	BPCE SA Var 5.25% 22/10/2030	601	0.13	
GBP700,000	BPCE SA 6.125% 24/05/2029	714	0.15	
GBP1,000,000	Braccan Mortgage Funding PLC FRN 4.5925% 17/04/2068	1,001	0.21	
GBP880,000	Cadent Finance PLC 2.25% 10/10/2035	658	0.14	
GBP1,125,000	Cadent Finance PLC 5.75% 14/03/2034	1,128	0.24	
GBP1,700,000	CaixaBank SA Var 3.5% 06/04/2028	1,683	0.36	
GBP1,600,000	Carlsberg Breweries AS 5.5% 28/02/2039	1,549	0.33	
GBP661,822	Castell PLC FRN 4.6256% 27/12/2062	662	0.14	
GBP846,000	Channel Link Enterprises Finance PLC Var 3.043% 30/06/2050	789	0.17	
GBP358,446	CMF PLC FRN 4.2549% 16/07/2062	358	0.07	
GBP1,600,000	Comcast Corp. 5.5% 23/11/2029	1,630	0.34	
GBP1,000,000	Cooperatieve Rabobank UA Var 4.875% 01/11/2030	999	0.21	
GBP1,000,000	Corp. Andina de Fomento 4.875% 30/01/2030	1,004	0.21	
GBP523,000	Coventry Building Society Var 5.875% 12/03/2030	534	0.11	
GBP1,000,000	Credit Agricole SA Var 6% 22/10/2035	1,014	0.21	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP500,000	Credit Agricole SA Var 6.375% 14/06/2031	522	0.11	
GBP1,100,000	Danone SA 5.325% 01/10/2032	1,112	0.23	
GBP1,500,000	Deutsche Bank AG Var 6.125% 12/12/2030	1,545	0.33	
GBP550,000	E.ON International Finance BV 5.875% 30/10/2037	546	0.12	
GBP600,000	E.ON International Finance BV 6.375% 07/06/2032	636	0.13	
GBP686,032	Elstree 1st PLC FRN 4.4754% 21/10/2065	685	0.14	
GBP707,886	Elstree Mix PLC FRN 4.5863% 21/09/2066	708	0.15	
GBP1,000,000	Gatwick Funding Ltd. 3.125% 28/09/2041	723	0.15	
GBP1,500,000	Goldman Sachs Group, Inc. 3.125% 25/07/2029	1,425	0.30	
GBP228,000	Great Portland Estates PLC 5.375% 25/09/2031	227	0.05	
GBP500,000	HJ Heinz Finance U.K. PLC 6.25% 18/02/2030	516	0.11	
GBP421,000	HSBC Holdings PLC Var 3% 22/07/2028	413	0.09	
GBP500,000	HSBC Holdings PLC Var 3% 29/05/2030	473	0.10	
GBP1,007,000	Informa PLC 3.125% 05/07/2026	1,005	0.21	
GBP1,100,000	International Business Machines Corp. 4.875% 06/02/2038	1,002	0.21	
GBP1,450,000	Intesa Sanpaolo SpA 6.625% 31/05/2033	1,556	0.33	
GBP1,000,000	Kreditanstalt fuer Wiederaufbau 4.25% 15/02/2030	996	0.21	
GBP658,000	Lloyds Banking Group PLC Var 1.985% 15/12/2031	652	0.14	
GBP500,000	Lloyds Banking Group PLC Var 2% 12/04/2028	489	0.10	
GBP492,000	Lloyds Banking Group PLC Var 2.707% 03/12/2035	437	0.09	
GBP1,500,000	McDonald's Corp. 5.875% 23/04/2032	1,576	0.33	
GBP1,500,000	Mercedes-Benz International Finance BV 5.625% 17/08/2026	1,504	0.32	
GBP971,000	Metropolitan Life Global Funding I 5% 10/01/2030	977	0.21	
GBP2,400,000	Morgan Stanley Var 5.213% 24/10/2035	2,345	0.50	
GBP1,100,000	National Gas Transmission PLC 5.5% 04/02/2034	1,102	0.23	
GBP712,000	Nationwide Building Society Var 6.178% 07/12/2027	717	0.15	
GBP1,106,000	NatWest Group PLC Var 2.057% 09/11/2028	1,065	0.22	
GBP1,595,000	Northwestern Mutual Global Funding 4.7% 28/10/2030	1,581	0.33	
GBP1,400,000	Omnicom Capital Holdings PLC 2.25% 22/11/2033	1,104	0.23	
GBP1,291,000	Pearson Funding PLC 6.375% 28/04/2036	1,308	0.28	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP382,993	Polaris PLC FRN 4.4656% 27/06/2070	382	0.08	
GBP1,221,000	Protective Life Global Funding 5.248% 13/01/2028	1,229	0.26	
GBP1,390,000	Rolls-Royce PLC 3.375% 18/06/2026	1,388	0.29	
GBP2,193,000	Royal Bank of Canada Var 4.875% 01/11/2030	2,192	0.46	
GBP765,000	Sage AR Funding FRN 4.9962% 18/05/2038	762	0.16	
GBP540,000	Santander U.K. Group Holdings PLC Var 7.098% 16/11/2027	546	0.12	
GBP201,000	Severn Trent Utilities Finance PLC 2.625% 22/02/2033	170	0.04	
GBP368,000	Severn Trent Utilities Finance PLC 4.625% 30/11/2034	343	0.07	
GBP353,000	Severn Trent Utilities Finance PLC 5.25% 04/04/2036	338	0.07	
GBP1,000,000	Snam SpA 5.75% 26/11/2036	998	0.21	
GBP600,000	Southern Gas Networks PLC 1.25% 02/12/2031	489	0.10	
GBP800,000	Southern Gas Networks PLC 3.1% 15/09/2036	625	0.13	
GBP1,384,000	Swedbank AB Var 7.272% 15/11/2032	1,427	0.30	
GBP51,995	Telereal Securitisation PLC 1.3657% 10/12/2033	46	0.01	
GBP521,000	Telereal Securitisation PLC 4.3889% 10/12/2033	514	0.11	
GBP1,050,000	Tesco Corporate Treasury Services PLC 5.125% 22/05/2034	1,013	0.21	
GBP975,923	Together Asset-Backed Securitisation 15 PLC FRN 4.6352% 12/03/2067	977	0.21	
GBP1,343,000	Toyota Motor Credit Corp. 0.75% 19/11/2026	1,321	0.28	
GBP1,231,000	UBS Group AG Var 1.875% 03/11/2029	1,147	0.24	
GBP1,400,000	UniCredit SpA Var 5.3048% 31/07/2032	1,398	0.29	
GBP1,005,000	UNITE Group PLC 3.5% 15/10/2028	968	0.20	
GBP650,000	United Overseas Bank Ltd. FRN 4.2666% 08/06/2029	650	0.14	
GBP1,150,000	United Utilities Water Ltd. 5% 28/02/2035	1,089	0.23	
GBP423,942	Velocity PLC FRN 4.6151% 25/02/2037	425	0.09	
GBP1,750,000	Verizon Communications, Inc. 2.5% 08/04/2031	1,564	0.33	
GBP2,000,000	Volkswagen Financial Services NV 6.5% 18/09/2027	2,037	0.43	
GBP267,000	Westfield Stratford City Finance No. 3 PLC 5.124% 05/05/2036	268	0.06	
GBP730,000	Wise Financing PLC 5.1% 25/11/2030	721	0.15	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Fixed income (continued)			
	Sterling denominated bonds (continued)			
	Corporate bonds (continued)			
GBP1,500,000	Yorkshire Building Society Var 7.375% 12/09/2027	1,511	0.32	
GBP300,000	Yorkshire Water Finance PLC Inflation-Linked 2.718% 30/12/2039	511	0.11	
	Government bonds	**18,566**	**3.92**	**1.10**
GBP3,100,000	U.K. Gilts 1.125% 31/01/2039	1,973	0.42	
GBP2,400,000	U.K. Gilts 3.5% 22/01/2045	1,866	0.39	
GBP5,500,000	U.K. Gilts 4% 22/10/2031	5,398	1.14	
GBP5,650,000	U.K. Gilts 4.5% 07/03/2035	5,553	1.17	
GBP1,800,000	U.K. Gilts 4.5% 07/12/2042	1,643	0.35	
GBP2,292,685	U.K. Gilts 4.75% 22/10/2043	2,133	0.45	
Total portfolio		**479,831**	**101.26**	**99.75**
Net other assets/(liabilities)		**(5,991)**	**(1.26)**	**0.25**
Net assets attributable to shareholders		**473,840**	**100.00**	**100.00**

All securities are on an official stock exchange listing except where referenced.
The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.
[a] AIM quoted.

M&G UK Income Distribution Fund

Portfolio statement

Top ten portfolio transactions for the year to 31 May 2026

Largest purchases	£'000
U.K. Gilts 4.5% 07/03/2035	5,571
U.K. Gilts 4% 22/10/2031	5,434
U.K. Gilts 4.75% 22/10/2043	3,524
Bytes Technology Group PLC	3,377
RELX PLC	3,102
Tate & Lyle PLC	2,811
Admiral Group PLC	2,473
ICG PLC	2,389
Primary Health Properties PLC	2,313
U.K. Inflation-Linked Gilts 0.125% 22/03/2026	2,177
Other purchases	85,150
Total purchases	**118,321**

Largest sales	£'000
Aviva PLC	3,892
B&M European Value Retail PLC	3,358
Rio Tinto PLC	2,850
Informa PLC	2,574
Petershill Partners PLC	2,454
U.K. Inflation-Linked Gilts 0.125% 22/03/2026	2,204
General Accident PLC 7.875% Cum. Irrd. Pref.	2,192
General Accident PLC 8.875% Cum. Irrd. Pref.	2,156
SSE PLC	2,031
United Utilities Group PLC	2,020
Other sales	101,214
Total sales	**126,945**

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year %[a]	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+19.5	+13.3	+7.9	+6.4
Class 'A' Accumulation	+19.5	+13.3	+7.9	+6.4
Class 'C' Income	+20.4	+14.2	+8.8	+7.5
Class 'I' Income	+19.9	+13.6	+8.2	+6.9
Class 'I' Accumulation	+19.9	+13.6	+8.2	+6.9
Class 'R' Income	+19.6	+13.4	+8.0	+6.7
Class 'R' Accumulation	+19.6	+13.4	+8.0	+6.6
Benchmark	**+15.9**	**+11.5**	**+6.3**	**+6.3**

[a] Not annualised.

Specific share class performance

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

'Operating charges' and 'Direct transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current year figures.

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 19 November 1973.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	708.47	685.71	655.47
Return before operating charges*	146.32	71.15	77.34
Operating charges	(8.45)	(7.63)	(7.76)
Return after operating charges*	137.87	63.52	69.58
Distributions	(42.16)	(40.76)	(39.34)
Closing NAV	804.18	708.47	685.71
*after direct transaction cost of	0.37	0.51	0.45
Performance			
Return after charges (%)	19.46	9.26	10.62
Other information			
Closing NAV (£'000)	114,672	107,254	111,140
Number of shares	14,259,353	15,138,675	16,207,931
Operating charges (%)	1.10	1.10	1.17
Direct transaction costs (%)	0.05	0.07	0.07
Prices			
Highest share price (UK p)	846.17	731.58	716.73
Lowest share price (UK p)	711.51	658.12	635.42

Sterling Class 'A' Accumulation shares

The share class was launched on 19 November 1973.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	9,441.74	8,632.35	7,785.89
Return before operating charges*	1,968.76	906.65	940.08
Operating charges	(114.09)	(97.26)	(93.62)
Return after operating charges*	1,854.67	809.39	846.46
Distributions	(463.89)	(432.08)	(390.45)
Retained distributions	463.89	432.08	390.45
Closing NAV	11,296.41	9,441.74	8,632.35
*after direct transaction cost of	4.97	6.47	5.39
Performance			
Return after charges (%)	19.64	9.38	10.87
Other information			
Closing NAV (£'000)	25,892	22,739	22,486
Number of shares	229,206	240,838	260,480
Operating charges (%)	1.10	1.10	1.17
Direct transaction costs (%)	0.05	0.07	0.07
Prices			
Highest share price (UK p)	11,470.11	9,469.46	8,773.01
Lowest share price (UK p)	9,481.08	8,470.69	7,547.56

Financial highlights

Sterling Class 'C' Income shares

Sterling Class 'C' shares are not generally available to all investors.

The share class was launched on 1 December 2005.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	874.47	838.19	792.93
Return before operating charges*	181.43	84.26	91.88
Operating charges	0.00	0.00	(0.56)
Return after operating charges*	181.43	84.26	91.32
Distributions	(49.96)	(47.98)	(46.06)
Closing NAV	1,005.94	874.47	838.19
*after direct transaction cost of	0.46	0.62	0.54
Performance			
Return after charges (%)	20.75	10.05	11.52
Other information			
Closing NAV (£'000)	51,840	47,718	50,019
Number of shares	5,153,400	5,456,794	5,967,500
Operating charges (%)	0.00	0.00	0.07
Direct transaction costs (%)	0.05	0.07	0.07
Prices			
Highest share price (UK p)	1,050.98	901.96	875.05
Lowest share price (UK p)	878.29	810.55	769.29

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	1,191.36	1,149.99	1,095.60
Return before operating charges*	246.33	116.75	128.74
Operating charges	(9.06)	(8.14)	(8.56)
Return after operating charges*	237.27	108.61	120.18
Distributions	(70.97)	(67.24)	(65.79)
Closing NAV	1,357.66	1,191.36	1,149.99
*after direct transaction cost of	0.62	0.85	0.75
Performance			
Return after charges (%)	19.92	9.44	10.97
Other information			
Closing NAV (£'000)	76,152	66,967	70,676
Number of shares	5,609,057	5,621,012	6,145,775
Operating charges (%)	0.70	0.70	0.77
Direct transaction costs (%)	0.05	0.07	0.07
Prices			
Highest share price (UK p)	1,424.98	1,229.61	1,201.88
Lowest share price (UK p)	1,196.50	1,105.86	1,062.47

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	2,212.77	2,019.04	1,814.83
Return before operating charges*	461.85	208.22	218.59
Operating charges	(17.06)	(14.49)	(14.38)
Return after operating charges*	444.79	193.73	204.21
Distributions	(115.62)	(105.34)	(97.61)
Retained distributions	115.62	105.34	97.61
Closing NAV	2,657.56	2,212.77	2,019.04
*after direct transaction cost of	1.17	1.51	1.26
Performance			
Return after charges (%)	20.10	9.60	11.25
Other information			
Closing NAV (£'000)	28,282	22,311	21,793
Number of shares	1,064,220	1,008,304	1,079,421
Operating charges (%)	0.70	0.70	0.77
Direct transaction costs (%)	0.05	0.07	0.07
Prices			
Highest share price (UK p)	2,692.15	2,219.28	2,051.87
Lowest share price (UK p)	2,222.06	1,981.61	1,759.93

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	115.49	111.72	106.69
Return before operating charges*	23.86	11.48	12.54
Operating charges	(1.19)	(1.07)	(1.10)
Return after operating charges*	22.67	10.41	11.44
Distributions	(6.87)	(6.64)	(6.41)
Closing NAV	131.29	115.49	111.72
*after direct transaction cost of	0.06	0.08	0.07
Performance			
Return after charges (%)	19.63	9.32	10.72
Other information			
Closing NAV (£'000)	152,614	138,601	139,657
Number of shares	116,244,342	120,010,612	125,002,578
Operating charges (%)	0.95	0.95	1.02
Direct transaction costs (%)	0.05	0.07	0.07
Prices			
Highest share price (UK p)	137.97	119.25	116.78
Lowest share price (UK p)	115.99	107.27	103.44

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	214.83	196.29	176.86
Return before operating charges*	44.82	20.45	21.28
Operating charges	(2.24)	(1.91)	(1.85)
Return after operating charges*	42.58	18.54	19.43
Distributions	(10.75)	(9.96)	(9.07)
Retained distributions	10.75	9.96	9.07
Closing NAV	257.41	214.83	196.29
*after direct transaction cost of	0.11	0.15	0.12
Performance			
Return after charges (%)	19.82	9.45	10.99
Other information			
Closing NAV (£'000)	24,388	23,181	22,721
Number of shares	9,474,375	10,790,231	11,575,457
Operating charges (%)	0.95	0.95	1.02
Direct transaction costs (%)	0.05	0.07	0.07
Prices			
Highest share price (UK p)	261.11	215.47	199.49
Lowest share price (UK p)	215.73	192.63	171.46

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Statement of total return

for the year to 31 May	Note	2026		2025	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	3		61,982		17,562
Revenue	5	25,140		25,196	
Expenses	6	(3,834)		(3,588)	
Interest payable and similar charges		(8)		(13)	
Net revenue/(expense) before taxation		21,298		21,595	
Taxation	7	(32)		(7)	
Net revenue/(expense) after taxation			21,266		21,588
Total return before distributions			**83,248**		**39,150**
Distributions	8		(24,319)		(24,385)
Change in net assets attributable to shareholders from investment activities			**58,929**		**14,765**

Statement of change in net assets attributable to shareholders

for the year to 31 May	2026		2025	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**428,771**		**438,492**
Amounts received on issue of shares	22,949		19,341	
Amounts paid on cancellation of shares	(40,343)		(47,270)	
		(17,394)		(27,929)
Dilution adjustments		25		50
Change in net assets attributable to shareholders from investment activities (see above)		58,929		14,765
Retained distributions on Accumulation shares		3,338		3,212
Unclaimed distributions		171		181
Closing net assets attributable to shareholders		**473,840**		**428,771**

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Balance sheet

as at 31 May	Note	2026 £'000	2025 £'000
Assets			
Fixed assets			
Investments		479,831	427,708
Current assets			
Debtors	9	4,417	4,374
Cash and bank balances	10	1,116	1,095
Cash equivalents		344	8,006
Total assets		**485,708**	**441,183**
Liabilities			
Creditors			
Distribution payable		(10,952)	(10,572)
Other creditors	11	(916)	(1,840)
Total liabilities		**(11,868)**	**(12,412)**
Net assets attributable to shareholders		**473,840**	**428,771**

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

In order to conduct a controlled dividend flow to shareholders, interim distributions will be at the fund manager's discretion, up to the maximum of the distributable income available for the period.

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

3 Net capital gains/(losses)

for the year to 31 May	2026 £'000	2025 £'000
Non-derivative securities	61,936	17,542
Currency gains/(losses)	46	20
Net capital gains/(losses)	**61,982**	**17,562**

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 May	2026 £'000	% of transaction	2025 £'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	42,626		60,944	
Commissions	16	0.04	24	0.04
Taxes and other fees	177	0.41	241	0.39
Equities after transaction costs	**42,819**		**61,209**	
Debt securities	**72,439**		**31,475**	
Collective investment schemes				
Collective investment schemes before transaction costs	3,055		3,804	
Commissions	1	0.04	2	0.05
Taxes and other fees	7	0.24	13	0.35
Collective investment schemes after transaction costs	**3,063**		**3,819**	
Total purchases after transaction costs	**118,321**		**96,503**	
b) Sales				
Equities				
Equities before transaction costs	53,185		82,425	
Commissions	(18)	0.03	(32)	0.04
Taxes and other fees	0	0.00	(1)	0.00
Equities after transaction costs	**53,167**		**82,392**	
Debt securities	**71,228**		**47,291**	
Collective investment schemes				
Collective investment schemes before transaction costs	1,493		2,584	
Commissions	(1)	0.05	(1)	0.05
Collective investment schemes after transaction costs	**1,492**		**2,583**	
Other transaction types				
Corporate actions	1,058		0	
Total sales after transaction costs	**126,945**		**132,266**	

Financial statements and notes

	2026 £'000	% of average NAV	2025 £'000	% of average NAV
c) Direct portfolio transaction costs				
Commissions paid				
Equities	34	0.01	56	0.01
Collective investment schemes	2	0.00	3	0.00
Total commissions paid	**36**	**0.01**	**59**	**0.01**
Taxes and other fees paid				
Equities	177	0.04	242	0.06
Collective investment schemes	7	0.00	13	0.00
Total taxes and other fees paid	**184**	**0.04**	**255**	**0.06**
Total direct portfolio transaction costs	**220**	**0.05**	**314**	**0.07**
		%		%
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.25		0.31

5 Revenue

for the year to 31 May	2026 £'000	2025 £'000
Bank interest	3	2
Distributions from collective investment schemes: non-taxable	101	19
Distributions from collective investment schemes: taxable	172	59
Dividends from equity investments: non-taxable	19,289	19,881
Interest distributions	80	72
Interest on debt securities	4,744	4,678
Property distribution: non-taxable	140	58
Property distribution: taxable	610	426
Rebate of ongoing charges from underlying funds	1	1
Total revenue	**25,140**	**25,196**

6 Expenses

for the year to 31 May	2026 £'000	2025 £'000
Payable to the ACD or associate		
Annual charge	3,834	3,588
Total expenses	**3,834**	**3,588**

Audit fees for the financial year ending 2026 were £12,000 (2025: £12,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 May	2026 £'000	2025 £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	32	7
Deferred tax (note 7c)	0	0
Total taxation	**32**	**7**
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	21,298	21,595
Corporation tax at 20%	4,260	4,319
Effects of:		
Revenue: non-taxable	(3,906)	(3,992)
Relief for indexation on UK gilts	(6)	0
Current year expenses utilised	(348)	(327)
Withholding tax	32	7
Total tax charge (note 7a)	**32**	**7**
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	**0**	**0**

The fund has not recognised a deferred tax asset of £1,765,000 (2025: £2,113,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

Financial statements and notes

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 May	2026		2025	
Ordinary distributions	**Inc £'000**	**Acc £'000**	**Inc £'000**	**Acc £'000**
First interim	3,316	527	3,503	533
Second interim	3,275	514	3,415	514
Third interim	3,231	485	3,363	481
Final	10,952	1,812	10,572	1,684
Total net distributions		24,112		24,065
Income deducted on cancellation of shares		475		560
Income received on issue of shares		(268)		(240)
Distributions		**24,319**		**24,385**
Net revenue/(expense) per statement of total return		21,266		21,588
Expenses offset against capital		3,163		2,984
Sharing of relief between classes		(110)		(187)
Distributions		**24,319**		**24,385**

9 Debtors

as at 31 May	2026 £'000	2025 £'000
Amounts receivable on issues of shares	145	89
Currency deals outstanding	36	0
Debt security interest receivable	1,815	1,914
Distributions receivable	1	32
Dividends receivable	2,387	2,218
Sales awaiting settlement	0	112
Withholding tax recoverable	33	9
Total debtors	**4,417**	**4,374**

10 Cash and bank balances

as at 31 May	2026 £'000	2025 £'000
Cash held as bank balances	1,116	1,095
Total cash and bank balances	**1,116**	**1,095**

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11 Other creditors

as at 31 May	2026 £'000	2025 £'000
Amounts payable on cancellation of shares	336	306
Annual charge payable	200	180
Currency deals outstanding	36	0
Purchases awaiting settlement	344	1,354
Total other creditors	**916**	**1,840**

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2025: same).

13 Shares in issue

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

Share class	Opening 01.06.25	Movements Issued	Cancelled	Converted	Closing 31.05.26
Sterling					
Class 'A' Income	15,138,675	312,933	(1,192,255)	0	14,259,353
Class 'A' Accumulation	240,838	22,458	(34,090)	0	229,206
Class 'C' Income	5,456,794	312,059	(615,453)	0	5,153,400
Class 'I' Income	5,621,012	252,620	(264,575)	0	5,609,057
Class 'I' Accumulation	1,008,304	212,562	(156,646)	0	1,064,220
Class 'R' Income	120,010,612	4,805,421	(8,571,691)	0	116,244,342
Class 'R' Accumulation	10,790,231	458,068	(1,773,924)	0	9,474,375

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

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14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.10
Class 'C'	0.00
Class 'I'	0.70
Class 'R'	0.95

15 Related parties

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

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

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

At the balance sheet date, entities within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, held in aggregate 11.36% (2025: 11.71%) of the net asset value of the fund.

16 Securities lending transactions

The fund did not carry out stock lending activities during the year and there was no lending at year end.

17 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument

This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data

This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

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Level 3: Valuation technique using unobservable inputs

This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 May Basis of valuation	Assets 2026 £'000	Liabilities 2026 £'000	Assets 2025 £'000	Liabilities 2025 £'000
Level 1	385,322	0	316,679	0
Level 2	94,509	0	110,775	0
Level 3	0	0	254	0
	479,831	**0**	**427,708**	**0**

2025: Level 3 assets comprise of Home REIT which was held at a discount to estimated NAV.

18 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 15.

19 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by £23,992,000 (2025: £21,385,000). A five per cent decrease would have an equal and opposite effect.

20 Currency risk sensitivity and exposure

Currency risk is not considered significant for the fund and is therefore not disclosed.

21 Interest rate risk sensitivity and exposure

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A one per cent increase in interest rates (based on current parameters used by the Manager's Investment Risk department) would have the effect of decreasing the return and net assets by £(816,000) (2025: £(1,472,000)). A one per cent decrease would have the effect of increasing the return and net assets by £1,075,000 (2025: £1,954,000). The table below sets out the fund's exposure to interest rate risk.

for the year to 31 May	2026 £'000	2025 £'000
Investments with fixed interest rates	73,575	78,828
Investments with variable interest rates	32,404	24,928
Non-interest bearing investments	373,852	323,952
Total	**479,831**	**427,708**

Financial statements and notes

22 Credit risk

The fund is exposed to credit risk both through the credit quality of the investments it holds. The table below shows the credit quality of the investments held in the portfolio.

as at 31 May	2026 £'000	2025 £'000
Investment grade securities	105,979	103,756
Other investments	373,852	323,952
Total	**479,831**	**427,708**

The credit ratings are provided by S&P, followed by Moody's, and finally Fitch.

23 Dividend distribution tables

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

Quarterly distribution periods

	Start	End	Xd	Payment
First interim	01.06.25	31.08.25	01.09.25	31.10.25
Second interim	01.09.25	30.11.25	01.12.26	31.01.26
Third interim	01.12.25	28.02.26	02.03.26	30.04.26
Final	01.03.26	31.05.26	01.06.26	31.07.26

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

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

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

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	1.4125	5.1875	6.6000	6.6000
Second interim	0.0000	6.6000	6.6000	6.6000
Third interim	0.0000	6.6000	6.6000	6.6000
Final	5.2198	17.1423	22.3621	20.9629

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Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	21.0038	50.9962	72.0000	68.7500
Second interim	0.0000	71.5000	71.5000	68.5000
Third interim	0.0000	67.5000	67.5000	65.5000
Final	76.0700	176.8187	252.8887	229.3267

Sterling Class 'C' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	5.0176	2.7324	7.7500	7.7500
Second interim	0.0000	7.7500	7.7500	7.7500
Third interim	0.0000	7.7500	7.7500	7.6500
Final	6.8813	19.8335	26.7148	24.8334

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	1.9421	8.9079	10.8500	10.8500
Second interim	0.0000	11.0000	11.0000	10.9000
Third interim	0.0000	10.8000	10.8000	10.8500
Final	11.4356	26.8884	38.3240	34.6373

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	7.4498	10.0502	17.5000	16.7500
Second interim	0.0000	17.7500	17.7500	16.7500
Third interim	0.0000	16.8000	16.8000	16.2000
Final	20.2047	43.3619	63.5666	55.6358

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Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.2498	0.8302	1.0800	1.0800
Second interim	0.0000	1.0750	1.0750	1.0750
Third interim	0.0000	1.0750	1.0750	1.0750
Final	0.6047	3.0397	3.6444	3.4133

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
First interim	0.5565	1.1235	1.6800	1.5900
Second interim	0.0000	1.6500	1.6500	1.5800
Third interim	0.0000	1.5500	1.5500	1.5000
Final	1.4538	4.4193	5.8731	5.2904

24 Events after the balance sheet date

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

Authorised Corporate Director's Report

For the purposes of these financial statements, the Prospectus dated 2 April 2026 has been used.

Sustainability Improvers label



Sustainable Investment Labels help investors find products that have a specific sustainability goal. This product has a Sustainability Improvers label. It invests mainly in assets that may not be sustainable now, with an aim to improve their sustainability for people or the planet over time.

As required under FCA's Sustainability Disclosure Requirements (SDR), a Sustainability Product Report has been produced for this fund. The report provides details of the performance of the fund against sustainability-related commitments outlined in the Prospectus and Consumer Facing Disclosures. The report will be produced on an annual basis and is available via the fund's main web page which is available on: mandg.co.uk/funds

Investment objective

The fund aims to:

- Provide a higher total return (capital growth plus income), net of the ongoing charge figure, than that of the FTSE Custom All-Share ex IT Exclusions 5% Capped Index over any five year period; and
- As its Sustainability Goal, support the mitigation of climate change by investing at least 70% of the fund in companies that contribute towards the Paris Agreement climate change goal* and have the potential to reduce their contribution to climate change determined by their potential to decarbonise their operations over time and ultimately reach Net Zero**.

* The overarching Paris Agreement climate change goal is to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. The principal way to achieve this is to avoid the buildup of greenhouse gases, which in turn will prevent the most severe impacts of climate change, such as extreme weather events, sea-level rise, and biodiversity loss.

** As at the date of this prospectus, the long term target is for investments made by the fund to reach Net Zero by 2050.

Investment policy

The fund invests at least 80% of its net asset value in the equity securities and equity-related instruments of companies across any sector and market capitalisation that are incorporated, domiciled or listed in the UK. The fund has a concentrated portfolio and usually holds fewer than 50 companies.

The fund may also invest in other transferable securities, money market instruments, cash and near cash for liquidity purposes, directly and via collective investment schemes (including funds managed by M&G).

Derivatives may be used for Efficient Portfolio Management and hedging.

Investment approach

The fund is a focused UK equity fund, investing over the long term in companies which are contributing towards the Paris Agreement climate change goal, as explained in the Sustainability Disclosures section as covered in 'Appendix 1' within the Prospectus.

In addition, these companies need to demonstrate business models competitively positioned to protect their profitability. Importantly, the fund invests in businesses where short-term issues have provided a clear valuation opportunity. The fund employs a bottom-up stock picking approach, driven by the fundamental analysis of individual companies. The fund manager believes that this approach offers a powerful combination, providing the long-term compounded value of quality businesses, as well as the potential boost to a company's share price when a short-term issue has been resolved.

Authorised Corporate Director's Report

Benchmark

FTSE Custom All-Share ex IT Exclusions 5% Capped Index

The benchmark is the target for the fund's financial objective and is used to measure the fund's financial performance. The index has been chosen as the fund's benchmark as it best reflects the financial aspects of the fund's investment policy.

A second financial index is used to define a Lower Carbon Intensity, namely the FTSE All-Share Index. The fund manager considers the fund's weighted average carbon intensity against this index when constructing the portfolio, but this index does not otherwise constrain portfolio construction.

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

For each share class the benchmark will be denominated or hedged into the relevant share class currency. The benchmark for each share class will be shown in its respective KIID.

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus. For details of the risk management policies, please refer to pages 12 to 15.

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

Low risk — High risk

Typically lower rewards — Typically higher rewards

1	2	3	4	**5**	6	7

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 changed from 6 to 5 on 28 July 2025.

Investment review

For the year ended 31 May 2026

Performance against objective

Between 1 June 2025 and 31 May 2026, the fund's sterling share classes delivered a positive total return (the combination of income and growth of capital). Our benchmark, The FTSE Custom All-Share ex IT Exclusions 5% Capped Index returned 10.1%, while the UK Sustain Paris Aligned Fund was ahead of it, returning 13.6% (Sterling Class 'I' Accumulation shares).

Over five years, the fund generated a positive return but trailed its benchmark, which returned 8.6% pa over this period. Therefore, the fund did not meet the objective of providing a higher total return (the combination of capital growth and income), net of the ongoing charge figure, than the fund's benchmark over any five-year period.

Authorised Corporate Director's Report

Up until 12 May 2025 the fund's benchmark was the FTSE All-Share index; thereafter it is the FTSE Custom All-Share ex IT Exclusions 5% Capped Index.

As required under FCA's Sustainability Disclosure Requirements (SDR), a Sustainability Product Report has been produced for this fund. The report provides details of the performance of the fund against its sustainability objective as outlined in the Prospectus and Consumer Facing Disclosure. The report will be produced on an annual basis and is available via the fund's main web page which is available on: mandg.co.uk/funds

Performance review

Post-Covid, geo-political shocks have hung above financial markets like a proverbial Sword of Damocles. That remained the case in the 12-months to the end of May 2026. The period started amidst the fallout of US President Trump's indiscriminate tariffs and finished with his Iran conflict. Both will cause irreversible changes to global trade patterns.

In his era-defining Davos speech Canadian Prime Minister Mark Carney declared a permanent rupture of the globalized post-Cold War US-led world order. Meanwhile, the Strait of Hormuz being used as a political weapon will redefine energy markets and act as another warning sign about security of domestic supply.

Despite the worrying geo-political clouds, the MSCI World index was up 25% over the period. Ultimately, the macroeconomic fears gave way to a strong market supported by heavy investment in artificial intelligence (AI) underpinned by the massive spending plans of hyperscalers (large-scale cloud computing providers). The ability for equity markets to support and advance from these levels will hinge on whether these projections for AI-led earnings growth and productivity become a reality.

Against this backdrop, the fund has outperformed its benchmark over the period. Stock selection was the main contributor, with IQE and Ceres being the standout performers, as both companies played into the AI capex theme.

IQE is a critical outsourced provider of compound semi-conductor wafers that enable differentiated performance characteristics versus silicon, especially in power conversion, connectivity and the generation of light/lasers. The conversion of datacentre cabling from copper to optics (light) is a massive market where the company is a key supplier. Furthermore, future 800V datacentre architectures, satellites, communications infrastructure and micro-LEDs for AR/VR headsets are compelling growth drivers. The recent inflection in their prospects could allow them to compound growth at c.20-40% and take margins to 20%. That would mark an extraordinary turnaround that is still not priced into the shares.

Ceres is the leading solid-oxide fuel cell technology company with a royalty-based business model with manufacturing partners such as Delta and Weichai. Fuel cells are becoming an industry standard for powering datacentres due to their cost-competitiveness versus gas turbines, but with the added benefit of quicker delivery time, less noise and lower emissions. Ceres has superior technology to its main competitor, Bloom Energy, but is valued at discount. That said, we think the two of them will split a market that could grow from 1GW to 20GW per annum by 2030.

Investment activities

We initiated a position in St. James's Place, where we see attractive upside as the business moves past regulatory-driven fee changes and customer refunds, with improving growth, and fees still building, expected to support an earnings recovery. We also added Compass and RELX, both high-quality compounders that had previously re-rated strongly but have more recently de-rated, creating a more compelling entry point, in our view. While the sell-off in large-cap defensives appears to reflect a rotation into higher-risk areas, RELX has also been affected by concerns around AI disruption. We view this as misplaced, as AI is more likely to support growth rather than pose a threat, and we believe both companies now offer strong fundamental value at current levels. Other notable positions included a global medical products company,

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Convatec, and Softcat, a UK-based IT hardware and software reseller.

We also sold DiscoverIE, Informa, Man Group, Hollywood Bowl and ITM Power. All of these were difficult to part with but we felt the stock-specific and portfolio construction benefits were compelling. Other notable sells included IntegraFin, Victrex and UNITE.

Outlook

From a global perspective, now that the early constructs of a peace deal have been established between the US and Iran, we've potentially cleared a major geo-political hurdle. That will allow the market to move forwards, no doubt becoming even more fixated on the AI capex theme and the ability for hyperscalers to generate a return on the trillions of dollars of invested capital. The trickle-down of that capital is feeding a plethora of sub-industries and contributing to c.50-75% of US GDP growth. It's a poisoned chalice to which equity markets are tethered.

Meanwhile in the UK, we remain convinced that our equity market is generationally cheap, as emphasised by the record value of takeover activity year-to-date. Sentiment is very negative based on the inter-linking forces of political uncertainty and high bond yields and inflation, with the latter often driven by energy. Now that the Strait of Hormuz looks like it may stay open, we think that inflation will start to come down towards target, further aided by soft labour markets. We think that could set the scene for lower Bank of England base rates and gilt yields, an act that will have a liberating impact on UK economic activity and growth.

The missing piece in the puzzle is political stability. With Andy Burnham, the former mayor of Manchester, likely to walk into 10 Downing Street this summer we will have to wait with bated breath to hear his economic agenda. Our hope is that he proves more centrist than most market participants anticipate. We have our fingers crossed that he acts within a fiscal framework that soothes bond markets. If Burnham can establish credibility then we could finally find the stability we've been praying for. If that happens then we think we have all the ingredients to propel UK equity returns and close that historically wide valuation discount.

We think that the UK market is a coiled spring of investment performance waiting for a catalyst. We also believe that the M&G UK Sustain Paris Aligned Fund is well placed to take advantage of that when the time comes. In the meantime we will continue to invest in high quality sustainable growth businesses that can compound economic value over the long-term.

Rory Alexander
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.

M&G UK Sustain Paris Aligned Fund

Portfolio statement

Investments

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities	**430,119**	**99.94**	**99.06**
	Banks	**76,569**	**17.79**	**14.82**
2,237,314	HSBC Holdings PLC	31,143	7.24	
22,933,740	Lloyds Banking Group PLC	23,358	5.43	
1,538,786	NatWest Group PLC	9,150	2.12	
653,747	Standard Chartered PLC	12,918	3.00	
	Basic resources	**4,747**	**1.10**	**1.01**
96,242	Teck Resources Ltd.	4,747	1.10	
	Chemicals	**0**	**0.00**	**1.53**
	Construction and materials	**6,302**	**1.46**	**2.02**
2,376,230	Genuit Group PLC	6,302	1.46	
	Consumer products and services	**25,889**	**6.02**	**2.20**
796,151	Compass Group PLC	19,160	4.45	
34,003	Games Workshop Group PLC	6,729	1.57	
	Energy	**5,024**	**1.17**	**0.54**
581,155	Ceres Power Holdings PLC	5,024	1.17	
	Financial services	**43,298**	**10.06**	**13.35**
2,165,511	Burford Capital Ltd.[a]	7,211	1.68	
265,631	London Stock Exchange Group PLC	23,838	5.54	
866,260	Mortgage Advice Bureau Holdings Ltd.[a]	4,608	1.07	
636,461	St. James's Place PLC	7,641	1.77	
	Food, beverage and tobacco	**25,524**	**5.93**	**7.25**
168,260	Cranswick PLC	9,254	2.15	
585,932	Diageo PLC	9,185	2.13	
903,678	Fevertree Drinks PLC[a]	7,085	1.65	
	Health care	**65,838**	**15.30**	**14.41**
158,259	AstraZeneca PLC	21,985	5.11	
4,051,041	Convatec Group PLC	8,232	1.91	
765,273	GSK PLC	14,563	3.39	
9,407,599	Oxford Nanopore Technologies PLC	13,528	3.14	
32,904	Stryker Corp.	7,530	1.75	
	Industrial goods and services	**61,830**	**14.37**	**12.88**
179,828	Clarkson PLC	8,474	1.97	

Portfolio statement

Investments (continued)

Holding		as at 31.05.26 £'000	as at 31.05.26 %	as at 31.05.25 %
	Equities (continued)			
	Industrial goods and services (continued)			
672,475	Experian PLC	17,229	4.00	
152,814	Intertek Group PLC	8,221	1.91	
2,426,955	Pagegroup PLC	3,012	0.70	
194,629	Renishaw PLC	10,325	2.40	
76,472	Spirax Group PLC	5,353	1.25	
373,730	Weir Group PLC	9,216	2.14	
	Insurance	**10,773**	**2.50**	**3.14**
873,800	AIA Group Ltd.	6,818	1.58	
308,767	Beazley PLC	3,955	0.92	
	Media	**0**	**0.00**	**2.86**
	Personal care, drug and grocery stores	**24,223**	**5.63**	**8.75**
343,149	Reckitt Benckiser Group PLC	16,070	3.73	
191,478	Unilever PLC	8,153	1.90	
	Real estate	**17,693**	**4.11**	**5.28**
643,255	Savills PLC	5,410	1.26	
1,697,488	Segro PLC	12,283	2.85	
	Retail	**16,681**	**3.88**	**3.94**
3,816,485	Moonpig Group PLC	8,312	1.93	
10,513,327	Victorian Plumbing Group PLC[a]	8,369	1.95	
	Technology	**45,728**	**10.62**	**3.41**
1,228,359	Bytes Technology Group PLC	4,493	1.04	
22,465,970	IQE PLC[a]	11,154	2.59	
811,377	RELX PLC	19,611	4.56	
612,263	Softcat PLC	10,470	2.43	
	Travel and leisure	**0**	**0.00**	**1.67**
Total portfolio		**430,119**	**99.94**	**99.06**
Net other assets/(liabilities)		**272**	**0.06**	**0.94**
Net assets attributable to shareholders		**430,391**	**100.00**	**100.00**

All securities are on an official stock exchange listing except where referenced.
The comparative sector weightings have been re-analysed to reflect changes to the sector classifications.
[a] AIM quoted.

M&G UK Sustain Paris Aligned Fund

Portfolio statement

Top ten portfolio transactions for the year to 31 May 2026

Largest purchases	£'000
RELX PLC	23,087
Compass Group PLC	19,114
Convatec Group PLC	8,683
Softcat PLC	8,548
St. James's Place PLC	7,955
Experian PLC	7,928
Standard Chartered PLC	7,656
London Stock Exchange Group PLC	7,251
Intertek Group PLC	5,887
Burford Capital Ltd.[a]	5,191
Other purchases	52,277
Total purchases	**153,577**

Largest sales	£'000
Informa PLC	17,761
Ceres Power Holdings PLC	14,862
AstraZeneca PLC	13,996
HSBC Holdings PLC	12,982
Unilever PLC	10,090
IQE PLC[a]	9,771
NatWest Group PLC	8,338
IntegraFin Holdings PLC	7,623
UNITE Group PLC	7,137
Man Group PLC	6,842
Other sales	72,519
Total sales	**181,921**

[a] AIM quoted.

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

Financial highlights

Fund performance

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

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

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

Long-term performance by share class

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

Share class	One year %[a]	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	+13.1	+8.0	+1.9	+4.8
Class 'A' Accumulation	+13.1	+8.0	+1.9	+4.8
Class 'C' Income	+14.4	+9.2	+3.1	+6.1
Class 'I' Income	+13.6	+8.5	+2.3	+5.3
Class 'I' Accumulation	+13.6	+8.4	+2.3	+5.3
Class 'PP' Income	+13.8	+8.6	+2.5	n/a
Class 'PP' Accumulation	+13.8	+8.6	+2.5	n/a
Class 'R' Income	+13.3	+8.2	+2.1	+5.1
Class 'R' Accumulation	+13.3	+8.2	+2.1	+5.1
Benchmark	**+10.1**	**+11.6**	**+8.6**	**+7.8**

[a] Not annualised.

Specific share class performance

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

'Operating charges' and 'Direct transaction costs' are calculated as a percentage of average net asset value. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current year figures.

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

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 19 October 1982.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	2,840.77	2,928.86	2,716.93
Return before operating charges*	403.80	38.41	327.04
Operating charges	(32.47)	(31.78)	(31.20)
Return after operating charges*	371.33	6.63	295.84
Distributions	(87.45)	(94.72)	(83.91)
Closing NAV	3,124.65	2,840.77	2,928.86
*after direct transaction cost of	5.61	3.23	2.13
Performance			
Return after charges (%)	13.07	0.23	10.89
Other information			
Closing NAV (£'000)	207,455	200,716	217,961
Number of shares	6,639,312	7,065,564	7,441,822
Operating charges (%)	1.10	1.10	1.14
Direct transaction costs (%)	0.19	0.11	0.08
Prices			
Highest share price (UK p)	3,210.25	3,019.13	3,021.27
Lowest share price (UK p)	2,792.24	2,569.44	2,521.78

Sterling Class 'A' Accumulation shares

The share class was launched on 17 December 1968.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	5,371.53	5,359.28	4,828.45
Return before operating charges*	766.93	70.57	586.42
Operating charges	(61.59)	(58.32)	(55.59)
Return after operating charges*	705.34	12.25	530.83
Distributions	(104.35)	(115.71)	(96.13)
Retained distributions	104.35	115.71	96.13
Closing NAV	6,076.87	5,371.53	5,359.28
*after direct transaction cost of	10.64	5.92	3.80
Performance			
Return after charges (%)	13.13	0.23	10.99
Other information			
Closing NAV (£'000)	134,256	130,402	142,794
Number of shares	2,209,295	2,427,656	2,664,433
Operating charges (%)	1.10	1.10	1.14
Direct transaction costs (%)	0.19	0.11	0.08
Prices			
Highest share price (UK p)	6,111.43	5,562.50	5,410.32
Lowest share price (UK p)	5,280.31	4,733.95	4,481.66

Financial highlights

Sterling Class 'C' Income shares

Sterling Class 'C' shares are not generally available to all investors.

The share class was launched on 13 March 2013.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	3,170.68	3,232.96	2,965.92
Return before operating charges*	453.88	42.96	360.41
Operating charges	0.00	0.00	(1.20)
Return after operating charges*	453.88	42.96	359.21
Distributions	(98.24)	(105.24)	(92.17)
Closing NAV	3,526.32	3,170.68	3,232.96
*after direct transaction cost of	6.29	3.58	2.34
Performance			
Return after charges (%)	14.31	1.33	12.11
Other information			
Closing NAV (£'000)	9,314	9,951	11,049
Number of shares	264,114	313,854	341,752
Operating charges (%)	0.00	0.00	0.04
Direct transaction costs (%)	0.19	0.11	0.08
Prices			
Highest share price (UK p)	3,618.51	3,357.39	3,333.89
Lowest share price (UK p)	3,118.78	2,863.19	2,765.25

Financial highlights

Sterling Class 'I' Income shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	1,449.56	1,488.50	1,375.23
Return before operating charges*	206.58	19.60	166.09
Operating charges	(10.56)	(10.29)	(10.25)
Return after operating charges*	196.02	9.31	155.84
Distributions	(44.73)	(48.25)	(42.57)
Closing NAV	1,600.85	1,449.56	1,488.50
*after direct transaction cost of	2.87	1.64	1.08
Performance			
Return after charges (%)	13.52	0.63	11.33
Other information			
Closing NAV (£'000)	18,061	17,523	21,885
Number of shares	1,128,227	1,208,804	1,470,271
Operating charges (%)	0.70	0.70	0.74
Direct transaction costs (%)	0.19	0.11	0.08
Prices			
Highest share price (UK p)	1,643.98	1,538.52	1,535.29
Lowest share price (UK p)	1,425.18	1,310.34	1,278.53

Sterling Class 'I' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	2,002.12	1,989.60	1,785.37
Return before operating charges*	286.59	26.32	217.59
Operating charges	(14.64)	(13.80)	(13.36)
Return after operating charges*	271.95	12.52	204.23
Distributions	(47.37)	(50.96)	(42.86)
Retained distributions	47.37	50.96	42.86
Closing NAV	2,274.07	2,002.12	1,989.60
*after direct transaction cost of	3.97	2.20	1.41
Performance			
Return after charges (%)	13.58	0.63	11.44
Other information			
Closing NAV (£'000)	31,166	29,423	34,691
Number of shares	1,370,505	1,469,573	1,743,620
Operating charges (%)	0.70	0.70	0.74
Direct transaction costs (%)	0.19	0.11	0.08
Prices			
Highest share price (UK p)	2,286.05	2,070.59	2,008.37
Lowest share price (UK p)	1,968.64	1,763.49	1,659.85

Financial highlights

Sterling Class 'PP' Income shares

The share class was launched on 19 February 2021.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	93.48	95.85	88.42
Return before operating charges*	13.34	1.26	10.70
Operating charges	(0.54)	(0.52)	(0.53)
Return after operating charges*	12.80	0.74	10.17
Distributions	(2.89)	(3.11)	(2.74)
Closing NAV	103.39	93.48	95.85
*after direct transaction cost of	0.18	0.11	0.07
Performance			
Return after charges (%)	13.69	0.77	11.50
Other information			
Closing NAV (£'000)	2,931	2,936	1,794
Number of shares	2,835,088	3,140,957	1,872,010
Operating charges (%)	0.55	0.55	0.59
Direct transaction costs (%)	0.19	0.11	0.08
Prices			
Highest share price (UK p)	106.16	99.17	98.86
Lowest share price (UK p)	91.92	84.48	82.25

Sterling Class 'PP' Accumulation shares

The share class was launched on 19 February 2021.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	105.35	104.54	93.67
Return before operating charges*	15.10	1.38	11.43
Operating charges	(0.61)	(0.57)	(0.56)
Return after operating charges*	14.49	0.81	10.87
Distributions	(2.66)	(2.84)	(2.39)
Retained distributions	2.66	2.84	2.39
Closing NAV	119.84	105.35	104.54
*after direct transaction cost of	0.21	0.12	0.07
Performance			
Return after charges (%)	13.75	0.77	11.60
Other information			
Closing NAV (£'000)	3,334	3,242	2,650
Number of shares	2,782,159	3,076,906	2,534,517
Operating charges (%)	0.55	0.55	0.59
Direct transaction costs (%)	0.19	0.11	0.08
Prices			
Highest share price (UK p)	120.46	108.90	105.52
Lowest share price (UK p)	103.60	92.78	87.14

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	141.79	145.96	135.20
Return before operating charges*	20.17	1.92	16.29
Operating charges	(1.40)	(1.37)	(1.35)
Return after operating charges*	18.77	0.55	14.94
Distributions	(4.37)	(4.72)	(4.18)
Closing NAV	156.19	141.79	145.96
*after direct transaction cost of	0.28	0.16	0.11
Performance			
Return after charges (%)	13.24	0.38	11.05
Other information			
Closing NAV (£'000)	4,119	4,191	4,695
Number of shares	2,637,035	2,955,568	3,216,732
Operating charges (%)	0.95	0.95	0.99
Direct transaction costs (%)	0.19	0.11	0.08
Prices			
Highest share price (UK p)	160.45	150.63	150.56
Lowest share price (UK p)	139.38	128.22	125.56

Sterling Class 'R' Accumulation shares

The share class was launched on 3 August 2012.

for the year to 31 May Change in NAV per share	2026 UK p	2025 UK p	2024 UK p
Opening NAV	193.83	193.10	173.71
Return before operating charges*	27.70	2.55	21.13
Operating charges	(1.92)	(1.82)	(1.74)
Return after operating charges*	25.78	0.73	19.39
Distributions	(4.07)	(4.46)	(3.72)
Retained distributions	4.07	4.46	3.72
Closing NAV	219.61	193.83	193.10
*after direct transaction cost of	0.38	0.21	0.14
Performance			
Return after charges (%)	13.30	0.38	11.16
Other information			
Closing NAV (£'000)	19,755	20,323	21,911
Number of shares	8,995,460	10,485,227	11,347,018
Operating charges (%)	0.95	0.95	0.99
Direct transaction costs (%)	0.19	0.11	0.08
Prices			
Highest share price (UK p)	220.82	200.62	194.93
Lowest share price (UK p)	190.56	170.79	161.33

Financial statements and notes

Financial statements

Statement of total return

for the year to 31 May	Note	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Income					
Net capital gains/(losses)	3		44,328		(8,800)
Revenue	5	12,366		14,255	
Expenses	6	(4,253)		(4,418)	
Interest payable and similar charges		0		(2)	
Net revenue/(expense) before taxation		8,113		9,835	
Taxation	7	(17)		(11)	
Net revenue/(expense) after taxation			8,096		9,824
Total return before distributions			**52,424**		**1,024**
Distributions	8		(10,514)		(12,326)
Change in net assets attributable to shareholders from investment activities			**41,910**		**(11,302)**

Statement of change in net assets attributable to shareholders

for the year to 31 May	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Opening net assets attributable to shareholders		**418,707**		**459,430**
Amounts received on issue of shares	6,984		8,087	
Amounts paid on cancellation of shares	(40,718)		(41,733)	
		(33,734)		(33,646)
Dilution adjustments		12		12
Change in net assets attributable to shareholders from investment activities (see above)		41,910		(11,302)
Retained distributions on Accumulation shares		3,423		4,147
Unclaimed distributions		73		66
Closing net assets attributable to shareholders		**430,391**		**418,707**

Financial statements and notes

Financial statements

Balance sheet

as at 31 May	Note	2026 £'000	2025 £'000
Assets			
Fixed assets			
Investments		430,119	414,784
Current assets			
Debtors	9	2,061	1,790
Cash and bank balances	10	486	722
Cash equivalents		4,441	8,232
Total assets		**437,107**	**425,528**
Liabilities			
Creditors			
Distribution payable		(5,220)	(6,188)
Other creditors	11	(1,496)	(633)
Total liabilities		**(6,716)**	**(6,821)**
Net assets attributable to shareholders		**430,391**	**418,707**

Financial statements and notes

Notes to the financial statements

1 Accounting policies

The financial statements have been prepared in accordance with the 'Summary of significant accounting policies' set out on pages 9 to 12.

2 Distribution policy

In order to conduct a controlled dividend flow to shareholders, interim distributions will be at the fund manager's discretion, up to the maximum of the distributable income available for the period.

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

3 Net capital gains/(losses)

for the year to 31 May	2026 £'000	2025 £'000
Non-derivative securities	44,313	(8,780)
Currency gains/(losses)	15	(20)
Net capital gains/(losses)	**44,328**	**(8,800)**

Financial statements and notes

4 Portfolio transactions and associated costs

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of the costs please see the sections on 'Operating charges' and 'Portfolio transaction costs' within 'Notes to the financial statements' on pages 11 and 12. Total direct portfolio transaction costs are stated before dilution adjustments.

for the year to 31 May	2026 £'000	% of transaction	2025 £'000	% of transaction
a) Purchases				
Equities				
Equities before transaction costs	152,851		102,588	
Commissions	57	0.04	33	0.03
Taxes and other fees	669	0.44	403	0.39
Total purchases after transaction costs	**153,577**		**103,024**	
b) Sales				
Equities				
Equities before transaction costs	181,993		126,787	
Commissions	(69)	0.04	(52)	0.04
Taxes and other fees	(3)	0.00	0	0.00
Total sales after transaction costs	**181,921**		**126,735**	
	2026 £'000	**% of average NAV**	**2025 £'000**	**% of average NAV**
c) Direct portfolio transaction costs				
Commissions paid				
Equities	126	0.03	85	0.02
Taxes and other fees paid				
Equities	672	0.16	403	0.09
Total direct portfolio transaction costs	**798**	**0.19**	**488**	**0.11**
		%		**%**
d) Indirect portfolio transaction costs				
Average portfolio dealing spread as at the balance sheet date		0.17		0.16

Financial statements and notes

5 Revenue

for the year to 31 May	2026 £'000	2025 £'000
Bank interest	3	3
Dividends from equity investments: non-taxable	11,492	13,198
Interest distributions	229	349
Property distribution: non-taxable	173	119
Property distribution: taxable	467	582
Rebate of ongoing charges from underlying funds	2	4
Total revenue	**12,366**	**14,255**

6 Expenses

for the year to 31 May	2026 £'000	2025 £'000
Payable to the ACD or associate		
Annual charge	4,253	4,418
Total expenses	**4,253**	**4,418**

Audit fees for the financial year ending 2026 were £12,000 (2025: £12,000) (including VAT), which are covered by the annual charge.

Financial statements and notes

7 Taxation

for the year to 31 May	2026 £'000	2025 £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Withholding tax	17	11
Deferred tax (note 7c)	0	0
Total taxation	**17**	**11**
b) Factors affecting taxation charge for the year		
Net revenue/(expense) before taxation	8,113	9,835
Corporation tax at 20%	1,623	1,967
Effects of:		
Revenue: non-taxable	(2,333)	(2,663)
Current year expenses not utilised	710	696
Withholding tax	17	11
Total tax charge (note 7a)	**17**	**11**
c) Provision for deferred taxation		
Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 7a)	0	0
Provision at the end of the year	**0**	**0**

The fund has not recognised a deferred tax asset of £33,224,000 (2025: £32,514,000) arising as a result of having excess management expenses. We do not expect this asset to be utilised in the foreseeable future.

8 Distributions

For each distribution period, the distributions payable on Income shares (Inc) and distributions retained on Accumulation shares (Acc) are disclosed.

for the year to 31 May	2026		2025	
Dividend distributions	**Inc £'000**	**Acc £'000**	**Inc £'000**	**Acc £'000**
Interim	1,606	729	1,704	784
Final	5,220	2,694	6,188	3,363
Total net distributions		10,249		12,039
Income deducted on cancellation of shares		308		334
Income received on issue of shares		(43)		(47)
Distributions		**10,514**		**12,326**
Net revenue/(expense) per statement of total return		8,096		9,824
Expenses offset against capital		2,418		2,502
Distributions		**10,514**		**12,326**

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9 Debtors

as at 31 May	2026 £'000	2025 £'000
Amounts receivable on issues of shares	16	34
Distributions receivable	16	38
Dividends receivable	2,029	1,718
Total debtors	**2,061**	**1,790**

10 Cash and bank balances

as at 31 May	2026 £'000	2025 £'000
Cash held as bank balances	486	722
Total cash and bank balances	**486**	**722**

11 Other creditors

as at 31 May	2026 £'000	2025 £'000
Amounts payable on cancellation of shares	433	420
Annual charge payable	213	213
Purchases awaiting settlement	850	0
Total other creditors	**1,496**	**633**

12 Contingent assets, liabilities and outstanding commitments

There were no contingent assets, liabilities or outstanding commitments at the balance sheet date (2025: same).

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13 Shares in issue

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

Share class	Opening 01.06.25	Issued	Movements Cancelled	Converted	Closing 31.05.26
Sterling					
Class 'A' Income	7,065,564	76,933	(503,185)	0	6,639,312
Class 'A' Accumulation	2,427,656	9,152	(227,513)	0	2,209,295
Class 'C' Income	313,854	8,431	(58,171)	0	264,114
Class 'I' Income	1,208,804	74,670	(155,247)	0	1,128,227
Class 'I' Accumulation	1,469,573	74,386	(173,454)	0	1,370,505
Class 'PP' Income	3,140,957	8,509	(314,378)	0	2,835,088
Class 'PP' Accumulation	3,076,906	85,117	(379,864)	0	2,782,159
Class 'R' Income	2,955,568	223,522	(542,055)	0	2,637,035
Class 'R' Accumulation	10,485,227	426,003	(1,915,770)	0	8,995,460

It is not possible to separately identify all share class conversions. As a result, the share class movements (issued/cancelled) as disclosed in the table above may also include share class conversions.

14 Charging structure

The table below sets out the charging structure for each class of share. The charging structure is the same for both Income and Accumulation shares of each class. The amounts shown are the maximum annual charge. M&G will apply a discount of 0.02% for every £1 billion of a fund's net asset value. This is assessed quarterly and implemented on a forward basis no later than 13 business days after quarter end.

Share class	Annual charge %
Sterling	
Class 'A'	1.10
Class 'C'	0.00
Class 'I'	0.70
Class 'P'	0.55
Class 'R'	0.95

15 Related parties

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

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

Financial statements and notes

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

At the balance sheet date, entities within M&G plc, of which M&G Securities Limited is a wholly owned subsidiary, held in aggregate 19.73% (2025: 19.23%) of the net asset value of the fund.

16 Fair value analysis

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument
This includes instruments such as publicly traded equities, highly liquid bonds (eg Government bonds) and exchange traded derivatives (eg futures) for which quoted prices are readily and regularly available.

Level 2: Valuation technique using observable market data
This includes instruments such as over-the-counter (OTC) derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and open-ended funds which have been valued using models with observable market data inputs.

Level 3: Valuation technique using unobservable inputs
This refers to instruments which have been valued using models with unobservable data inputs. This includes single broker-priced instruments, suspended/unquoted securities, private equity, unlisted closed-ended funds and open-ended funds with restrictions on redemption rights.

as at 31 May Basis of valuation	Assets 2026 £'000	Liabilities 2026 £'000	Assets 2025 £'000	Liabilities 2025 £'000
Level 1	430,119	0	414,784	0
Level 2	0	0	0	0
Level 3	0	0	0	0
	430,119	**0**	**414,784**	**0**

17 Risk management policies

The general risk management policies for the fund are set out in note 3 to the financial statements on pages 12 to 15.

18 Market risk sensitivity

A five per cent increase in the value of the fund's investment portfolio would have the effect of increasing the return and net assets by £21,506,000 (2025: £20,739,000). A five per cent decrease would have an equal and opposite effect.

19 Currency risk sensitivity and exposure

Currency risk is not considered significant for the fund and is therefore not disclosed.

20 Interest rate risk sensitivity and exposure

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

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21 Credit risk

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

22 Dividend distribution tables

This fund pays semi-annual ordinary distributions and the following table sets out the distribution periods.

Semi-annual distribution periods

	Start	End	Xd	Payment
Interim	01.06.25	30.11.25	01.12.25	31.01.26
Final	01.12.25	31.05.26	01.06.26	31.07.26

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

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

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

Sterling Class 'A' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	11.1984	8.8016	20.0000	20.0000
Final	40.4742	26.9773	67.4515	74.7230

Sterling Class 'A' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	2.1429	19.0899	21.2328	20.6617
Final	55.8264	27.2902	83.1166	95.0523

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Sterling Class 'C' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	13.7337	8.6489	22.3826	22.1337
Final	51.7409	24.1181	75.8590	83.1063

Sterling Class 'I' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	2.1547	8.0607	10.2154	10.1739
Final	18.5717	15.9421	34.5138	38.0800

Sterling Class 'I' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.4071	9.7656	10.1727	9.8307
Final	22.8043	14.3936	37.1979	41.1300

Sterling Class 'PP' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.4048	0.2543	0.6591	0.6553
Final	1.5190	0.7090	2.2280	2.4546

Sterling Class 'PP' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.5799	0.0000	0.5799	0.5591
Final	0.5677	1.5128	2.0805	2.2767

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Sterling Class 'R' Income shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.0000	0.9986	0.9986	0.9971
Final	1.3017	2.0684	3.3701	3.7276

Sterling Class 'R' Accumulation shares

Ordinary distributions for the year to 31 May	Group 2 Income 2026 UK p	Group 2 Equalisation 2026 UK p	Group 1 & 2 Distribution 2026 UK p	Group 1 & 2 Distribution 2025 UK p
Interim	0.2865	0.5616	0.8481	0.8230
Final	1.3903	1.8343	3.2246	3.6373

23 Events after the balance sheet date

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

Other regulatory disclosures (unaudited)

Securities Financing Transactions Regulation

Securities Financing Transactions Regulation (SFTR) requires reporting for securities financing transactions (SFTs) and total return swaps.

An SFT is defined as per Article 3(11) of the SFTR as:

- a repurchase/reverse repurchase agreement;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction

The fund carried out transcations within the scope of SFTR for the purpose of efficient portfolio management and in order to generate income.

Revenue earned from these transactions is shown in notes 5 and 16.

Global data

The amount of assets engaged in securites lending transactions as a proportion of the total net assets and the total lendable assets are as follows:

	Fair value £'000	of net assets %	of lendable assets %
Securities Lending	35,175	9.66	9.90

Concentration data

The top ten collateral issuers for securities lending transactions:

Issuer	Holding	Fair value £'000
France (Govt.of)	5,952,426	4,818
Belgium (Kingdom of)	5,421,429	4,626
Nederlandse Waterschapsbank	4,336,000	3,750
BNG Bank	4,292,000	3,749
Credit Suisse	4,587,000	3,747
European Union	4,251,280	3,720
Asian Infrastructure	4,745,000	3,636
Inter-American Investment	4,843,000	3,636
Asian Development Bank	2,592,000	1,934
Enterprise Products	1,879,000	1,297

The counterparties for securites lending transactions:

Counterparty	Fair value £'000
Societe Generale	35,175

Other regulatory disclosures (unaudited)

Aggregate data

Type and quality of collateral for securites lending transactions:

Type	Quality	Fair value £'000
Bonds	Investment grade	36,912

Maturity tenor of collateral for securities lending transactions:

Tenor	Fair value £'000
Above one year	36,912

Currency of collateral for securities lending transactions:

Currency	Fair value £'000
Sterling	36,912

Maturity tenor of securities lending transactions:

Tenor	Fair value £'000
Open maturity	35,175

Counterparty details for securites lending transactions:

Countries of counterparty establishment	Settlement and clearing
UK	Tri-party

Data on reuse of collateral

Non-cash collateral received in relation to securities lending may not be sold, re-invested or pledged. There was no reuse of cash collateral during the reporting period.

Safekeeping of collateral received

The custodians and values of the collateral received for securites lending transactions:

Custodian	Fair value £'000
Euroclear	36,912

Safekeeping of collateral granted

No collateral was granted during the reporting period.

Other regulatory disclosures (unaudited)

Returns and costs

Returns and costs of securites lending transactions:

	£'000	% of total return
Fund gross return	0	100
Agent fees	0	(30)
Fund net return	**0**	**70**

Other regulatory disclosures (unaudited)

Securities Financing Transactions Regulation

Securities Financing Transactions Regulation (SFTR) requires reporting for securities financing transactions (SFTs) and total return swaps.

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- a margin lending transaction

The fund carried out transcations within the scope of SFTR for the purpose of efficient portfolio management and in order to generate income.

Revenue earned from these transactions is shown in notes 5 and 16.

Global data

The amount of assets engaged in securites lending transactions as a proportion of the total net assets and the total lendable assets are as follows:

	Fair value £'000	of net assets %	of lendable assets %
Securities Lending	7,584	1.38	1.44

Concentration data

The top ten collateral issuers for securities lending transactions:

Issuer	Holding	Fair value £'000
European Union	840,544	721
London Stock Exchange	845,000	627
Lloyds Bank	630,000	542
Motability Operations	504,000	432
Santander	427,000	430
Nationwide	414,000	418
Alphabet	415,000	408
Quebec (Province of)	522,000	392
Lloyds Banking Group	372,000	386
Toronto-Dominion	362,000	359

Other regulatory disclosures (unaudited)

The counterparties for securites lending transactions:

Counterparty	Fair value £'000
Morgan Stanley	5,603
Deutsche Bank	1,981

Aggregate data

Type and quality of collateral for securites lending transactions:

Type	Quality	Fair value £'000
Bonds	Investment grade	8,428

Maturity tenor of collateral for securities lending transactions:

Tenor	Fair value £'000
Three months to one year	805
Above one year	7,623

Currency of collateral for securities lending transactions:

Currency	Fair value £'000
Sterling	8,428

Maturity tenor of securities lending transactions:

Tenor	Fair value £'000
Open maturity	7,584

Counterparty details for securites lending transactions:

Countries of counterparty establishment	Settlement and clearing
UK	Tri-party

Data on reuse of collateral

Non-cash collateral received in relation to securities lending may not be sold, re-invested or pledged. There was no reuse of cash collateral during the reporting period.

Other regulatory disclosures (unaudited)

Safekeeping of collateral received

The custodians and values of the collateral received for securites lending transactions:

Custodian	Fair value £'000
Euroclear	8,428

Safekeeping of collateral granted

No collateral was granted during the reporting period.

Returns and costs

Returns and costs of securites lending transactions:

	£'000	% of total return
Fund gross return	0	100
Agent fees	0	(30)
Fund net return	**0**	**70**

Other regulatory disclosures (unaudited)

Securities Financing Transactions Regulation

Securities Financing Transactions Regulation (SFTR) requires reporting for securities financing transactions (SFTs) and total return swaps.

An SFT is defined as per Article 3(11) of the SFTR as:

- a repurchase/reverse repurchase agreement;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction

The fund carried out transcations within the scope of SFTR for the purpose of efficient portfolio management and in order to generate income.

Revenue earned from these transactions is shown in notes 5 and 16.

Global data

The amount of assets engaged in securites lending transactions as a proportion of the total net assets and the total lendable assets are as follows:

	Fair value £'000	of net assets %	of lendable assets %
Securities Lending	44,765	5.88	5.98

Concentration data

The top ten collateral issuers for securities lending transactions:

Issuer	Holding	Fair value £'000
UK (Govt of)	5,483,604	5,425
CDP Financial	6,137,000	4,768
CPPIB Capital	5,922,000	4,384
British Columbia (Province of)	3,336,000	2,931
JPMorgan	3,946,000	2,922
Raiffeisen Bank	2,402,482	2,908
ANZ National	2,955,390	2,763
PSP Capital	2,865,000	2,547
Ontario Teachers	2,850,000	1,896
Philip Morris	2,839,000	1,851

Other regulatory disclosures (unaudited)

The counterparties for securites lending transactions:

Counterparty	Fair value £'000
Deutsche Bank	27,335
Royal Bank of Canada	13,623
Morgan Stanley	3,807

Aggregate data

Type and quality of collateral for securites lending transactions:

Type	Quality	Fair value £'000
Bonds	Investment grade	50,469

Maturity tenor of collateral for securities lending transactions:

Tenor	Fair value £'000
Three months to one year	3,405
Above one year	47,064

Currency of collateral for securities lending transactions:

Currency	Fair value £'000
Sterling	50,469

Maturity tenor of securities lending transactions:

Tenor	Fair value £'000
Open maturity	44,765

Counterparty details for securites lending transactions:

Countries of counterparty establishment	Settlement and clearing
UK	Tri-party

Data on reuse of collateral

Non-cash collateral received in relation to securities lending may not be sold, re-invested or pledged. There was no reuse of cash collateral during the reporting period.

Other regulatory disclosures (unaudited)

Safekeeping of collateral received

The custodians and values of the collateral received for securites lending transactions:

Custodian	Fair value £'000
Euroclear	50,469

Safekeeping of collateral granted

No collateral was granted during the reporting period.

Returns and costs

Returns and costs of securites lending transactions:

	£'000	% of total return
Fund gross return	0	100
Agent fees	0	(30)
Fund net return	**0**	**70**

Other regulatory disclosures

Remuneration

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

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

The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of employees is in line with the risk policies and objectives of the UCITS funds managed by the UCITS Management Company. Further details of the remuneration policy can be found on our website at mandgplc.com/our-business/mandg-investments/ mandg-investments-business-policies

The remuneration policy and its implementation is reviewed on an annual basis, or more frequently where required, and is approved by the M&G plc Board Remuneration Committee. The most recent review found no fundamental issues with no material changes made to the policy.

M&G Securities Limited is required under UCITS to make quantitative disclosures of remuneration. These disclosures are made in line with M&G's interpretation of currently available guidance on quantitative remuneration disclosures. As market or regulatory guidance evolves, M&G may consider it appropriate to make changes to the way in which quantitative disclosures are calculated.

The UCITS Management Company does not employ any staff directly. The 'Identified Staff' of M&G Securities Limited are those who could have a material impact on the risk profile of M&G Securities Limited or the UCITS funds it manages and generally includes senior management, risk takers and control functions. 'Identified Staff' typically provide both UCITS and non-UCITS related services and have a number of areas of responsibility. Therefore, only the portion of remuneration for those individuals' services which may be attributable to UCITS is included in the remuneration figures disclosed. Accordingly the figures are not representative of any individual's actual remuneration. The information needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable.

The amounts shown below reflect payments made in respect of the financial year 1 January 2025 to 31 December 2025.

	Fixed Remuneration £'000	Variable Remuneration £'000	Total £'000	Beneficiaries
Senior Management	581	1,232	1,813	10
Other Identified Staff	3,525	19,864	23,389	23
Total	**4,106**	**21,096**	**25,202**	**33**



M&G Securities Limited is authorised and regulated by the Financial Conduct Authority and provides investment products. The Company's registered office is 10 Fenchurch Avenue, London EC3M 5AG Registered in England: No. 90776. **63715_300927**