

# M&G European Select Fund - Euro Class A

Monthly Fund Review as at 31 December 2017

For investment professionals only



## Risks associated with this fund

For any past performance shown, please note that past performance is not a guide to current or future performance and the performance data does not take into account any entry and exit charges incurred on the purchase and sale of shares but does take into account the ongoing charge.

The value of investments and the income from them will rise and fall. This will cause the fund price, as well as any income paid by the fund, to fall as well as rise. There is no guarantee the fund will achieve its objective, and you may not get back the amount you originally invested.

Changes in currency exchange rates will affect the value of your investment.

The fund holds a relatively small number of investments and, as a result, may experience larger price rises and falls than a fund which holds a larger number of investments.

Further risk factors that apply to the fund can be found in the fund's Key Investor Information Document (KIID).

## Single year performance (5 years ending December)

From To	01.01.17 31.12.17	01.01.16 31.12.16	01.01.15 31.12.15	01.01.14 31.12.14	01.01.13 31.12.13
Euro A Acc	15,5%	-1,3%	15,6%	4,5%	18,5%

## Performance over 5 years



## Fund performance

	1 month (%)	3 months (%)	YTD (%)	1 year (%)	3 years (%) p.a.	5 years (%) p.a.	Since tenure (%)	Since inception (%) p.a.
Fund	-0,2	+1,4	+15,5	+15,5	+9,7	+10,3	+4,7	+6,6
Index	-0,2	-0,4	+13,0	+13,0	+9,0	+11,2	+2,9	N/A
Sector	-0,3	+0,3	+12,6	+12,6	+8,9	+10,9	+3,1	+6,6
Ranking	15/35	5/35	5/35	5/35	11/34	20/32	7/35	1/1
Quartile ranking	2	1	1	1	2	3	1	1

Past performance is not a guide to future performance.

## Things you should know

The fund invests mainly in company shares and is therefore more likely to be subject to sudden and large falls in value than funds that invest in bonds and/or cash. As a result, you could lose the total value of your initial investment.

## Key information

<b>Fund manager</b>	Phil Cliff
<b>Fund manager tenure from</b>	1 July 2017
<b>Deputy fund manager</b>	Sam Ford
<b>Launch date</b>	24 July 1972
<b>Launch of share class</b>	26 November 2001
<b>Fund size (millions)</b>	€165,59
<b>Fund type</b>	OEIC, incorporated in the UK
<b>Comparative index</b>	FTSE World Europe ex UK Index
<b>Comparative sector</b>	Morningstar Europe ex-UK Large-Cap Equity sector
<b>Number of companies</b>	35
<b>Historic yield (Acc)</b>	0,36%
<b>Portfolio turnover over 12 months</b>	102,3%
<b>Share type</b>	Accumulation
<b>Ongoing charge</b>	1,68%

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market price, as at the date shown above. It does not include any preliminary charge and investors may be subject to tax on their distributions.

## Fund ratings

Overall Morningstar rating **★★★**  
Source of Morningstar ratings: Morningstar, as at 30 November 2017  
Ratings should not be taken as a recommendation.

## Risk characteristics

As at 30/11/17	
Alpha (%)	2,89
Information ratio	1,08
Sharpe ratio	1,38
Historic tracking error (%)	2,40
Beta	0,94
Standard deviation (%)	9,62
Forecast tracking error (active risk, %)	3,17
Active share	82,74

**Alpha:** Portfolio return less comparative index return, annualised. **Information ratio:** Risk-adjusted relative return, measured as the ratio of active return (difference between portfolio return and index return), divided by tracking error (standard deviation of active returns). **Sharpe ratio:** Risk-adjusted absolute return, measured as the ratio of portfolio excess return (difference between mean portfolio return and the risk-free rate) divided by the standard deviation of portfolio returns. **Historic tracking error:** Measure of the actual deviation of portfolio returns from comparative index returns. These four risk measures are calculated using realised, rolling, three-year fund returns. **Beta:** Forecast sensitivity of portfolio returns to the comparative index. **Standard deviation:** Forecast absolute volatility of portfolio returns. **Forecast tracking error (active risk):** Forecast standard deviation of a portfolio's returns relative to its comparative index. **Active share:** Sum of overweight and underweight positions within the portfolio away from the comparative index, divided by two. These four risk measures are calculated with reference to the returns of underlying securities portfolios, not fund returns. Numbers are based on four years of daily data using a 3-6 month horizon.

## Industry breakdown (%)

	Fund	Index	Relative weight
Industrials	30,3	15,7	14,7
Consumer goods	25,6	19,3	6,2
Financials	16,5	23,3	-6,8
Healthcare	11,2	13,5	-2,3
Technology	4,7	5,0	-0,3
Consumer services	4,6	4,8	-0,2
Basic materials	3,9	6,6	-2,7
Oil & gas	3,3	4,3	-1,0
Telecommunications	0,0	3,5	-3,5
Utilities	0,0	4,0	-4,0
Cash and near cash	-0,2	0,0	-0,2

## Largest holdings (%)

	Fund	Index	Relative weight
Siemens	4,5	1,5	3,0
Roche	4,5	2,6	1,9
Linde	3,9	0,6	3,3
Novartis	3,9	2,7	1,2
Unilever	3,7	1,2	2,5
Sampo	3,6	0,4	3,3
Erste Group Bank	3,6	0,2	3,4
CRH	3,5	0,0	3,5
Nestle	3,5	3,8	-0,2
Bureau Veritas	3,5	0,1	3,4

## Largest overweights (%)

	Fund	Index	Relative weight
CRH	3,5	0,0	3,5
Erste Group Bank	3,6	0,2	3,4
Smcp	3,4	0,0	3,4
Bureau Veritas	3,5	0,1	3,4
Linde	3,9	0,6	3,3
Sampo	3,6	0,4	3,3
DSV	3,4	0,2	3,2
AIB Group	3,1	0,1	3,0
CTS Eventim	3,0	0,0	3,0
Siemens	4,5	1,5	3,0

## Largest underweights (%)

	Fund	Index	Relative weight
Total	0,0	1,7	-1,7
Banco Santander	0,0	1,5	-1,5
Bayer	0,0	1,5	-1,5
Allianz	0,0	1,5	-1,5
SAP	0,0	1,4	-1,4
BASF	0,0	1,4	-1,4
Novo Nordisk	0,0	1,3	-1,3
Sanofi	0,0	1,3	-1,3
Anheuser-Busch	0,0	1,2	-1,2
Daimler	0,0	1,2	-1,2

## Country breakdown (%)

	Fund	Index	Relative weight
Germany	21,1	20,9	0,1
Switzerland	18,1	17,6	0,5
Ireland	11,0	0,5	10,4
France	10,1	21,6	-11,5
Netherlands	9,4	7,3	2,0
Sweden	7,3	6,0	1,4
Finland	6,7	2,1	4,6
Denmark	5,8	3,8	2,0
Other	10,7	20,1	-9,4
Cash and near cash	-0,2	0,0	-0,2

## Capitalisation breakdown (%)

	Fund	Index	Relative weight
> €50 billion	26,1	37,0	-10,9
€25 - €50 billion	11,7	22,5	-10,8
€5 - €25 billion	34,3	32,3	2,0
€2.5 - €5 billion	20,2	6,0	14,1
< €2.5 billion	8,0	2,3	5,7
Cash	-0,2	0,0	-0,2

## Fund codes and charges

Share class	ISIN	Bloomberg	Annual management charge	Ongoing charge	Minimum initial investment	Minimum top up investment
Euro A Acc	GB0030928997	MGEUEAA LN	1,50%	1,68%	€1.000	€75
Euro C Acc	GB0030929078	MGEUECA LN	0,75%	0,93%	€500.000	€50.000

The ongoing charge figures disclosed above include direct costs to the fund, such as the annual management charge (AMC), administration charge and custodian charge, but does not include portfolio transaction costs. They are based on expenses for the period ending 31 August 2017.

Please note that not all of the share classes listed above might be available in your country.

## Important information

Cash and near cash may be held on deposit and/or in the Northern Trust Cash Funds (a range of collective investment schemes) and/or in short-dated government bonds.

Source of performance data: Morningstar, Inc., as at 31 December 2017, Euro Class A shares, net income reinvested, price to price basis. Past performance is not a guide to future performance. All other statistics from M&G internal sources, as at 31 December 2017 unless indicated otherwise. The Morningstar Overall Rating based on the fund's Euro Class A shares. Copyright © 2018 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

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