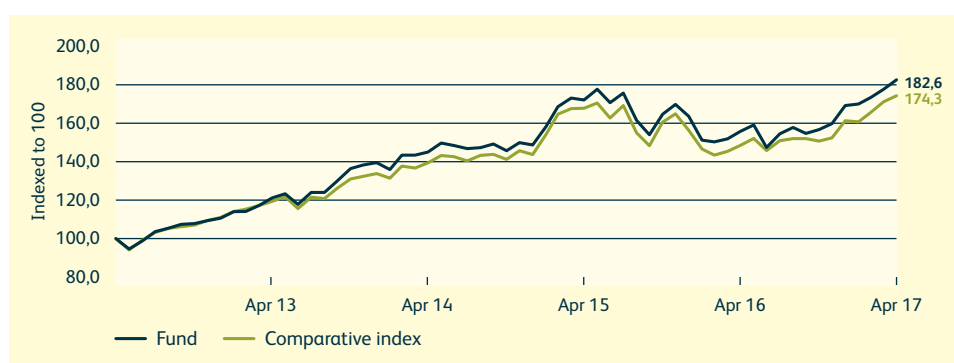


Euro Class A

Summary

- European equities continued to rise in April (in euro terms), buoyed by good corporate results and an improving economic environment.
- The fund rose and was ahead of the MSCI Europe Index, despite the underperformance of the value style. Stock selection added value, most notably in the information technology and financial sectors.
- Fund Manager Richard Halle added to several existing holdings, including Bank of Ireland and Tullow Oil. The stake in Orange Belgium was sold.

Performance over 5 years



Key information

Fund manager	Richard Halle
Fund manager tenure from	1 February 2008
Deputy fund manager	Daniel White
Launch date	1 February 2008
Launch of share class	1 February 2008
Fund size (millions)	€2.186,54
Fund type	OEIC, incorporated in the UK
Comparative index	MSCI Europe
Comparative sector	Morningstar Europe Large-Cap Value Equity sector
Number of companies	88
Historic yield (Acc)	1.08 %
Portfolio turnover over 12 months	22,8 %
Share type	Accumulation
Ongoing charge	1,66 %

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 performance

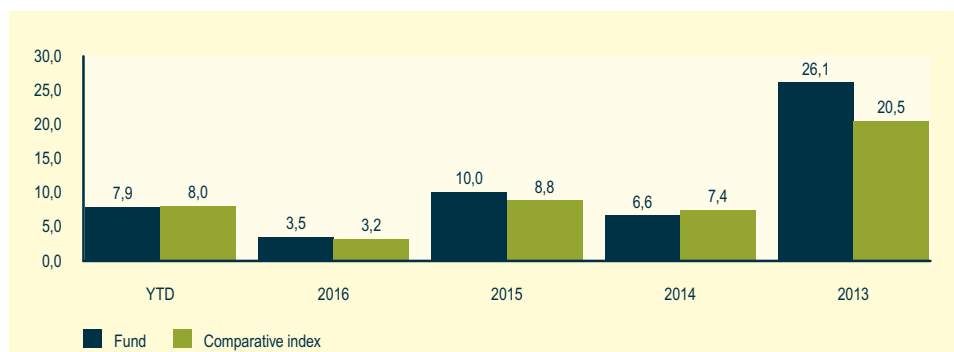
	1 month (%)	3 months (%)	YTD (%)	1 year (%)	3 years (%) p.a.	5 years (%) p.a.	Since tenure (%) p.a.	Since inception (%) p.a.
Fund	+2,8	+7,4	+7,9	+17,2	+8,0	+12,8	+5,8	+5,8
Index	+1,8	+8,4	+8,0	+17,4	+7,7	+11,8	+5,2	+5,2
MSCI Europe Value Index	+1,3	+7,1	+6,1	+19,8	+5,4	+11,5	+3,6	+3,6
Sector	+1,8	+7,6	+7,1	+17,5	+6,4	+12,0	+4,2	+4,2
Ranking	6/30	17/30	10/30	15/30	3/28	10/27	5/21	5/21
Quartile ranking	1	3	2	2	1	2	1	1

Fund ratings

Overall Morningstar rating	★★★★
Morningstar Analyst rating	Bronze

Source of Morningstar ratings: Morningstar, as at 31 March 2017
Ratings should not be taken as a recommendation.

Annual performance (%)



Past performance is not a guide to future performance.

The value of investments and the income from them will fluctuate. This will cause the fund price to fall as well as rise. There is no guarantee the fund objective will be achieved and you may not get back the original amount you invested.

The fund invests mainly in company shares and is therefore likely to experience larger price fluctuations than funds that invest in bonds and/or cash.

Risk characteristics

As at 31/03/17	
Alpha (%)	1,80
Information ratio	0,55
Sharpe ratio	1,04
Historic tracking error (%)	2,99
Beta	0,92
Standard deviation (%)	10,23
Forecast tracking error (active risk, %)	3,02
Active share	82,35

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
Financials	17,3	20,7	-3,4
Industrials	14,3	13,5	0,8
Healthcare	13,5	12,9	0,6
Consumer discretionary	12,3	11,0	1,3
Energy	7,7	6,7	1,0
Consumer staples	6,4	13,9	-7,6
Information technology	6,2	4,4	1,8
Materials	6,2	8,1	-1,9
Telecommunications	4,5	4,0	0,6
Utilities	2,7	3,5	-0,8
Real estate	2,6	1,4	1,2
Cash and near cash	6,3	0,0	6,3

Largest holdings (%)

	Fund	Index	Relative weight
Novartis	3,1	2,0	1,1
Bayer	3,0	1,2	1,8
BP	2,8	1,3	1,5
Sanofi	2,3	1,3	1,0
Aviva	2,0	0,3	1,7
Nokia	2,0	0,4	1,6
AstraZeneca	1,9	0,9	1,0
Securitas	1,9	0,1	1,8
ING Groep	1,7	0,7	0,9
Lloyds Banking Group	1,7	0,7	1,0

Largest overweights (%)

	Fund	Index	Relative weight
Securitas	1,9	0,1	1,8
Bayer	3,0	1,2	1,8
Aviva	2,0	0,3	1,7
Livanova	1,6	0,0	1,6
Hornbach	1,6	0,0	1,6
Nokia	2,0	0,4	1,6
Deutsche Lufthansa	1,6	0,0	1,6
BP	2,8	1,3	1,5
Rheinmetall	1,5	0,0	1,5
Alstom	1,5	0,1	1,4

Largest underweights (%)

	Fund	Index	Relative weight
Nestle	0,0	2,8	-2,8
Roche	0,0	2,2	-2,2
HSBC	0,0	1,9	-1,9
Unilever	0,0	1,8	-1,8
Royal Dutch Shell	0,8	2,5	-1,7
BAT	0,0	1,5	-1,5
Total	0,0	1,4	-1,4
Siemens	0,0	1,3	-1,3
SAP	0,0	1,2	-1,2
GlaxoSmithKline	0,0	1,1	-1,1

Country breakdown (%)

	Fund	Index	Relative weight
UK	24,7	27,8	-3,1
Germany	15,0	14,9	0,0
France	11,0	15,8	-4,8
Finland	7,7	1,5	6,2
Netherlands	7,6	5,5	2,1
Switzerland	7,4	13,7	-6,3
Italy	3,8	3,4	0,4
Sweden	3,6	4,5	-1,0
Other	13,0	12,7	0,2
Cash and near cash	6,3	0,0	6,3

Capitalisation breakdown (%)

	Fund	Index	Relative weight
> €50 billion	25,2	46,2	-21,1
€25 - €50 billion	7,5	20,6	-13,1
€5 - €25 billion	17,4	29,0	-11,6
€2.5 - €5 billion	21,9	3,8	18,0
< €2.5 billion	21,8	0,4	21,4
Cash	6,3	0,0	6,3

Performance review

European equities extended their recent gains in April and were once again the best-performing region globally (in local currency terms). Markets were supported by the improving macroeconomic environment and robust corporate results.

At the sector level, cyclicals such as consumer discretionary and industrials delivered the best returns. Financials also outperformed. In contrast, commodity-related sectors underperformed. Energy stocks continued to retreat amid ongoing concerns about the oversupply of oil, while materials fell as commodity prices were weak. Telecoms and utilities were notable laggards too.

In terms of market capitalisation, small- and mid-cap stocks outperformed their larger counterparts. Value as a style continued to underperform. Over the year to date, value has underperformed the growth style by around four percentage points. Despite this style headwind, the fund delivered positive returns ahead of the MSCI Europe Index, with stock selection driving the outperformance.

Stock selection in the information technology sector added value, with AMS, an Austrian manufacturer of sensors used in smartphones and cars, among the leading contributors. The shares extended their recent gains on expectations of robust revenue growth. AMS, which supplies Apple, has a large order backlog and is well placed to benefit from the development of self-driving vehicles.

The holding in Tieto, a Finnish IT software company, also added value after reporting operating profits and sales ahead of estimates.

In the financials sector, the holdings in Lloyds Banking and Royal Bank of Scotland were notable contributors following encouraging results.

Elsewhere, the share price of easyJet, a UK low-cost airline, climbed on higher passenger numbers. The airline's load factor – an indicator of how full its planes are – also rose. Both measures are important for the company's profitability.

In contrast, stock selection in the energy sector detracted from relative performance. Energy stocks underperformed as oil prices extended their recent fall and the fund's holding in Kosmos Energy, an oil & gas explorer, was the leading detractor. Positions in Petroleum Geo-Services, a Norwegian provider of marine seismic services, and energy giant BP cost some performance as well.

In the healthcare sector, the holding in Vectura, a UK pharmaceutical firm, detracted amid concerns about falling revenues and uncertainty about a forthcoming drug approval.

Elsewhere, shares in French stationery products and razor maker BIC underperformed following a decline in sales. The company has encountered tough market conditions in the US, but confirmed its plans to invest in research and development to deliver profitable growth in future.

Key changes

Richard continued to build the stake in Bank of Ireland, an Irish bank, which joined the portfolio in March. He also added selectively to a number of existing holdings, including Tullow Oil, a UK-listed oil & gas explorer, and Randstad, a Dutch recruitment firm.

In terms of sales, Richard reduced the stake in Intesa Sanpaolo, an Italian bank, after a period of share price gains. He also sold the holding in Orange Belgium, a Belgian telecoms firm, as he sees better opportunities elsewhere.

Fund codes and charges

Share class	ISIN	Bloomberg	Annual management charge	Ongoing charge	Minimum initial investment	Minimum top up investment
Euro A Acc	GB00B28XT522	MGEUSAE LN	1,50 %	1,66 %	€1.000	€75
Euro C Acc	GB00B28XT639	MGEUSCA LN	0,75 %	0,92 %	€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 January 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 30 April 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 30 April 2017 unless indicated otherwise.

The Morningstar Overall Rating based on the fund's Euro Class A shares. Copyright © 2017 Morningstar UK Limited. All Rights Reserved. Ratings should not be taken as recommendation.

The Morningstar Analyst Rating™. © 2017 Morningstar. All Rights Reserved. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Ratings should not be taken as recommendation.

The value of investments will fluctuate, which will cause fund prices to fall as well as rise and investors may not get back the original amount invested. **For Investment Professionals and Institutional Investors only. Not for onward distribution. No other persons should rely on any information contained within.** **For Switzerland:** Distribution of this document in or from Switzerland is not permissible with the exception of the distribution to Qualified Investors according to the Swiss Collective Investment Schemes Act, the Swiss Collective Investment Schemes Ordinance and the respective Circular issued by the Swiss supervisory authority ("Qualified Investors"). **Supplied for the use by the initial recipient (provided it is a Qualified Investor) only.** In Spain the M&G Investment Funds are registered for public distribution under Art. 15 of Act 35/2003 on Collective Investment Schemes as follows: M&G Investment Funds (1) reg. no 390, M&G Investment Funds (2) reg. no 601, M&G Investment Funds (3) reg. no 391, M&G Investment Funds (5) reg. no 972, M&G Investment Funds (7) reg. no 541, M&G Investment Funds (9) reg. no 930, M&G Investment Funds (12) reg. no 1415, M&G Investment Funds (14) reg. no 1243, M&G Global Dividend Fund reg. no 713, M&G Dynamic Allocation Fund reg. no 843, M&G Global Macro Bond Fund reg. no 1056 and M&G Optimal Income Fund reg. no 522, M&G (Lux) Investment Funds 1 reg. no 1551. The collective investment schemes referred to in this document (the "Schemes") are open-ended investment companies with variable capital, incorporated in England and Wales in respect of M&G Investment Funds and in Luxembourg in respect of M&G (Lux) Investment Funds. In the Netherlands, all funds referred to are registered with the Dutch regulator, the AFM. This information is not an offer or solicitation of an offer for the purchase of investment shares in one of the Funds referred to herein. Purchases of a Fund should be based on the current Prospectus. The Instrument of Incorporation, Prospectus, Key Investor Information Document, annual or interim Investment Report and Financial Statements, are available free of charge, in paper form, from the ACD: M&G Securities Limited, Laurence Pountney Hill, London, EC4R 0HH, GB; or one of the following - M&G International Investments Limited, German branch, mainBuilding, Taunusanlage 19, 60325 Frankfurt am Main; the Austrian paying agent: Société Générale Vienna Branch, Zweigniederlassung Wien Prinz Eugen-Strasse, 8-10/5/Top 11 A-1040 Wien, Austria; the Luxembourg paying agent: Société Générale Bank & Trust SA, Centre operational 28-32, place de la Gare L-1616 Luxembourg; the Danish paying agent: Nordea Bank Danmark A/S Issuer Services, Securities Services, Hermes Hus, Helgeshøj Allé 33, Postbox 850, DK-0900, Copenhagen C, Denmark; Allfunds Bank, Calle Estafeta, No 6 Complejo Plaza de la Fuente, La Moraleja, 28109, Alcobendas, Madrid, Spain; M&G International Investments Limited, the French branch; the French centralising agent of the Fund: RBC Investors Services Bank, France; or the Swedish paying agent: Nordea Bank AB (publ), Smländsgatan 17, 105 71 Stockholm, Sweden, or the Irish facilities agent: Société Générale SA, Dublin Branch, 3rd Floor IFSC House – The IFSC Dublin 1, Ireland. For Switzerland, please refer to M&G International Investments Switzerland AG, Talstrasse 66, 8001 Zurich or Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070, 8021 Zurich, which acts as the Swiss representative of the Schemes (the "Swiss Representative") and acts as their Swiss paying agent. For Italy, they can also be obtained on the website: www.mandgitalia.it. For Germany and Austria, copies of the Instrument of incorporation, annual or interim Investment Report, Financial Statements and Prospectus are available in English and the Prospectus and Key Investor Information Document/s are available in German. For Greece, they are available in English, except the Key Investor Information Document/s which is available in Greek, from the Greek Representative: Eurobank Ergasias SA, 8, Othonos Street, 10557 Athens. **Before subscribing you should read the Prospectus**, which includes investment risks relating to these funds. The information contained herein is not a substitute for independent advice. In Switzerland, this financial promotion is issued by M&G International Investments Switzerland AG, authorised and regulated by the Swiss Federal Financial Market Supervisory Authority. Elsewhere, it is issued by M&G International Investments Ltd. Registered Office: Laurence Pountney Hill, London EC4R 0HH, authorised and regulated by the Financial Conduct Authority in the UK. Registered in England No. 4134655 and has a branch located in France, 6 rue Lamennais 34, Paris 75008, registered on the Trade Register of Paris, No. 499 832 400 and a branch in Spain, with corporate domicile at Plaza de Colón 2, Torre II, Planta 14, 28046, Madrid, registered with the Commercial Registry of Madrid under Volume 32.573, sheet 30, page M-586297, inscription 1, CIF W8264591B and registered with the CNMV under the number 79. The Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários, the "CMVM") has received a passporting notification under Directive 2009/65/EC of the European Parliament and of the Council and the Commission Regulation (EU) 584/2010 enabling the fund to be distributed to the public in Portugal. M&G International Limited is duly passported into Portugal to provide certain investment services in such jurisdiction on a cross-border basis and is registered for such purposes with the CMVM and is therefore authorised to conduct the marketing (comercialização) of funds in Portugal.

Contact M&G

Austria

www.mandg.at

Belgium

www.mandg.be

Denmark

www.mandg.dk

Finland

www.mandg.fi

France

www.mandg.fr

Germany

www.mandg.de

Greece

www.mandg.gr

Ireland

www.mandg-investments.ie

Italy

www.mandgitalia.it

Luxembourg

www.mandg.lu

Netherlands

www.mandg.nl

Norway

www.mandg.no

Portugal

www.mandg.pt

Spain

www.mandg.es

Sweden

www.mandg.se

Switzerland

www.mandg.ch