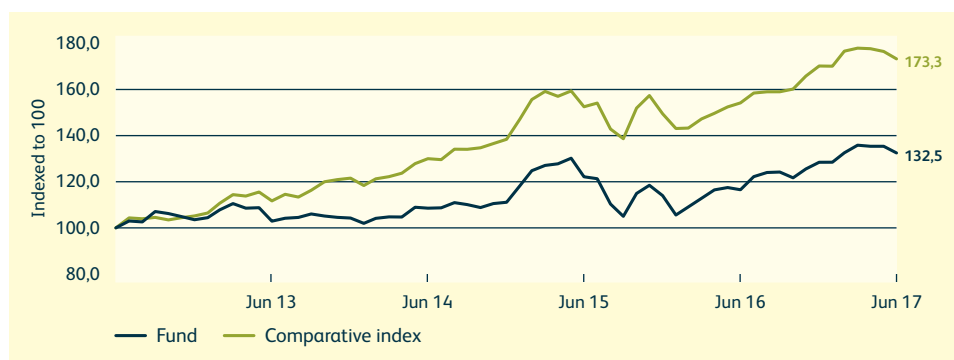


## Euro Class A

### Summary

- Global stockmarkets delivered mixed performance in June, with the US and Japan recording positive returns in local currency terms, but the UK and European stockmarkets falling.
- The fund declined over the month; stock selection detracted from relative performance, but this was largely offset by favourable sector allocation, in particular, the exposure to healthcare which is excluded from the composite index.

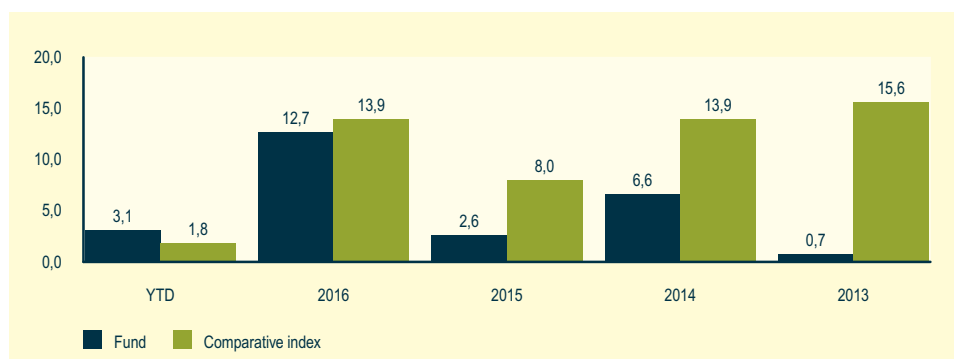
### Performance over 5 years



### 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	-2,1	-2,5	+3,1	+13,7	+6,9	+5,8	+11,6	+6,7
Index	-1,8	-2,6	+1,8	+12,4	+10,1	+11,6	+11,4	+5,7
Sector	-1,0	-1,5	+3,7	+14,8	+10,2	+12,2	+8,1	+2,2
Ranking	461/507	347/506	251/501	295/490	348/396	322/324	53/473	6/99
Quartile ranking	4	3	2	3	4	4	1	1

### 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 Global Equity sector is the amalgamation of the Morningstar Global Large Cap Blend Equity sector, Morningstar Global Large Cap Value Equity sector, Morningstar Global Large Cap Growth Equity sector, Morningstar Global Small-Cap Equity sector, Morningstar Global Equity Income sector and the Morningstar Flex-Cap Equity sector.

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.

### Key information

<b>Fund managers</b>	Jamie Horvat & Randee Somel
<b>Fund manager tenure from Launch date*</b>	18 December 2015
<b>Launch of share class</b>	17 November 2000
<b>Launch date*</b>	28 November 2001
<b>Fund size (millions)</b>	€2.337,27
<b>Fund type</b>	OEIC, incorporated in the UK
<b>Comparative index</b>	FTSE Global Basics Composite Index*
<b>Comparative sector</b>	Global Equity sector
<b>Number of companies</b>	64
<b>Historic yield (Acc)</b>	0,21 %
<b>Historic yield (Inc)</b>	1,83 %
<b>Portfolio turnover over 12 months</b>	31,6 %
<b>Share type</b>	Acc & Inc
<b>Ongoing charge</b>	1,92 %

\* The fund originally launched on 28 February 1973 (end of the initial offer period of the Fund in the UK). However, on 17 November 2000, the fund re-launched and we are choosing to use this date as the launch date for this fund. On this date the fund's name, objective, comparative index and sector changed.

† The fund's comparative index comprises all subsectors of the FTSE World Index except media, IT, telecommunications, financials and healthcare.

The historic yield reflects distributions declared over the past 12 months as a percentage of the share price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. The fund's charging policy has recently changed and, rather than being decided at fund level, certain charges are now deducted from income for accumulation share classes and from capital for income share classes. These charges include the annual management charge, administration fee and share class hedging fee (for hedged share classes). To ensure that yields quoted are representative of the fund's charging policy, for some share classes an estimated historic yield is shown. This is based on the historic yield, but adjusted for the impact of the new charging policy. This adjustment will be applied until distributions have been declared for a full year after the changes, from which time the historic yield will again be on the same basis as the distributions. For the fund's Euro Class A income shares, the policy of deducting certain charges from capital has the effect of increasing distribution(s) for the year by 1,90% and constraining capital performance to an equivalent extent.

### Fund ratings

Overall Morningstar rating ★★★  
Morningstar Analyst rating Neutral

Source of Morningstar ratings: Morningstar, as at 31 May 2017

Ratings should not be taken as a recommendation.

## Risk characteristics

As at 31/05/17	
Alpha (%)	-1,66
Information ratio	-0,41
Sharpe ratio	1,16
Historic tracking error (%)	3,59
Beta	0,90
Standard deviation (%)	9,94
Forecast tracking error (active risk, %)	3,49
Active share	95,16

**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
Consumer goods	22,6	28,1	-5,5
Industrials	20,2	27,0	-6,8
Healthcare	18,0	0,0	18,0
Basic materials	17,0	9,7	7,3
Technology	8,2	0,0	8,2
Consumer services	5,7	16,7	-11,0
Oil & gas	4,5	11,8	-7,3
Financials	3,4	0,0	3,4
Telecommunications	0,0	0,0	0,0
Utilities	0,0	6,7	-6,7
Cash and near cash	0,5	0,0	0,5

## Largest holdings (%)

	Fund	Index	Relative weight
Microsoft	5,2	0,0	5,2
Roche	3,7	0,0	3,7
Ansell	3,5	0,0	3,5
PZ Cussons	3,5	0,0	3,5
Kerry Group	3,5	0,1	3,4
Kirin	3,3	0,1	3,2
Siemens	3,3	0,5	2,7
Symrise	3,2	0,0	3,1
Johnson & Johnson	2,9	0,0	2,9
Rockwell Automation	2,9	0,1	2,8

## Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	29,0	41,9	-12,9
Large cap (\$10 - \$50bn)	36,2	39,2	-3,0
Mid cap (\$2 - \$10bn)	21,0	16,9	4,1
Small cap (< \$2bn)	13,4	2,1	11,3
Cash	0,5	0,0	0,5

## Largest overweights (%)

	Fund	Index	Relative weight
Microsoft	5,2	0,0	5,2
Roche	3,7	0,0	3,7
Ansell	3,5	0,0	3,5
PZ Cussons	3,5	0,0	3,5
Kerry Group	3,5	0,1	3,4
Kirin	3,3	0,1	3,2
Symrise	3,2	0,0	3,1
Johnson & Johnson	2,9	0,0	2,9
Rockwell Automation	2,9	0,1	2,8
Siemens	3,3	0,5	2,7

## Largest underweights (%)

	Fund	Index	Relative weight
Amazon	0,0	2,0	-2,0
Exxon Mobil	0,0	1,8	-1,8
Nestle	0,0	1,4	-1,4
General Electric	0,0	1,2	-1,2
Samsung Electronics	0,0	1,2	-1,2
Procter & Gamble	0,0	1,2	-1,2
Royal Dutch Shell	0,0	1,2	-1,2
Chevron	0,0	1,0	-1,0
Home Depot	0,0	1,0	-1,0
Philip Morris	0,0	1,0	-1,0

## Country breakdown (%)

	Fund	Index	Relative weight
US	41,7	48,3	-6,6
UK	17,6	7,7	9,9
Germany	10,8	4,3	6,5
Japan	6,4	12,0	-5,6
Australia	4,5	2,2	2,3
Switzerland	4,0	2,8	1,2
Ireland	3,5	0,1	3,4
France	2,8	4,5	-1,7
Other	8,2	18,0	-9,8
Cash and near cash	0,5	0,0	0,5

## Currency breakdown (%)

	Fund
US dollar	44,4
Euro	18,4
British pound	17,5
Japanese yen	6,4
Australian dollar	4,5
Swiss franc	4,0
Canadian dollar	1,8
Hong Kong dollar	1,4
Mexican peso	0,9
Other	0,7

## Performance review

Global stockmarkets delivered mixed performance in June, with the US and Japan recording positive returns in local currency terms, but the UK and European stockmarkets falling. As expected, the US Federal Reserve increased interest rates by 0.25%. Furthermore, signs that other central

banks might be preparing to call an end to ultra-loose monetary policy saw financials outperform the broader market. Conversely, another month of falling oil prices dented the performance of many energy shares. Against this background, the fund trailed the composite index.

Stock selection detracted from relative performance, although this was largely offset by favourable sector allocation, notably the exposure to healthcare which is not included in the composite index.

Holdings that detracted included Dubai-based ports operator **DP World** and pharmaceutical company **Roche**. DP World's performance was a reversal in fortunes from May, when the news that it was considering taking a stake in Russian cargo carrier Far Eastern Shipping was well received by investors. Sentiment was hurt by the announcement that the Middle East's largest ports were banning entry of all Qatari-flagged vessels as part of measures to isolate the Gulf state.

Roche's shares fell after the company's results showed that its new breast cancer combination therapy barely outperformed the company's existing decades-old drug, Herceptin.

On the other hand, holdings in **Hutchison China MediTech**, **Ansell** and **MetLife** added value. Hutchison China MediTech benefited from continuing positive news on its Fruquintinib cancer drug. Meanwhile, shares in Australian manufacturer of protective products Ansell benefited from a broker upgrade.

Shares in life insurer MetLife rose after the company won a key regulatory approval to spin off Brighthouse Financial, its domestic retail unit with more than US\$220 billion of assets. The unit's primary business is selling annuities to individuals, which is very capital intensive.

## Key changes

There were no new additions or complete disposals in June.

Fund Manager Jamie Horvat aims to identify the companies that are set to benefit from long-term structural changes within economies, industries and societies that happen over time. This is achieved through the analysis of global macroeconomics, demographics and government policies and spending, among other considerations. In this way, his aim is to avoid investing in companies which operate in industries that are structurally challenged.

At present, he is focusing on four main themes: Health (the challenges and opportunities posed by an aging population); Security (particularly cyber and

food security); Infrastructure (the growing need for transport links such as rail); Environment (the increasing requirement for energy efficiency and pollution control).

The stock selection process is designed to identify well-run companies that are attractively valued and have sustainable growth prospects.

## Fund codes and charges

Share class	ISIN	Bloomberg	Annual management charge	Ongoing charge	Minimum initial investment	Minimum top up investment
Euro A Inc	GB00B8HQLV43	MGGBBAI LN	1,75 %	1,92 %	€1.000	€75
Euro A Acc	GB0030932676	MGGBEAA LN	1,75 %	1,92 %	€1.000	€75
Euro C Inc	GB00BK6M9Z78	MGGBECE LN	0,75 %	0,93 %	€ 500.000	€ 50.000
Euro C Acc	GB0030932783	MGGBECA 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 28 February 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 June 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 June 2017 unless indicated otherwise.

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