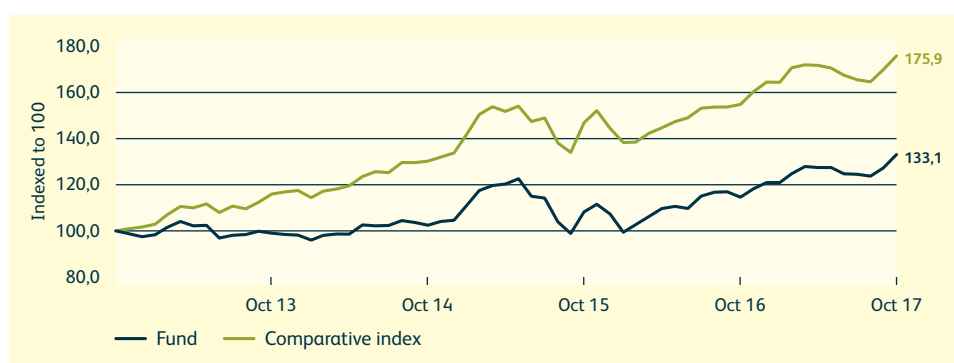


Summary

- Most global stockmarkets recorded solid gains in October and against this backdrop, the fund was ahead of its composite index.
- Relative returns were aided by holdings in technology and healthcare (which are not part of the fund's composite index) and stock selection in industrials. Conversely, stockpicking in materials detracted.

Performance over 5 years



Key information

| | |
|--|---|
| Fund managers | Jamie Horvat & Randeep Somel |
| Fund manager tenure from Launch date* | 18 December 2015 |
| Launch of share class | 17 November 2000 |
| Launch date* | 28 November 2001 |
| Fund size (millions) | €2,407.25 |
| Fund type | OEIC, incorporated in the UK |
| Comparative index | FTSE Global Basics Composite Index [†] |
| Comparative sector | Global Equity sector |
| Number of companies | 66 |
| Historic yield (Acc) | 0,08 % |
| Historic yield (Inc) | 1,76 % |
| Portfolio turnover over 12 months | 18,0 % |
| Share type | Acc & Inc |
| Ongoing charge | 1,92 % |

Fund performance

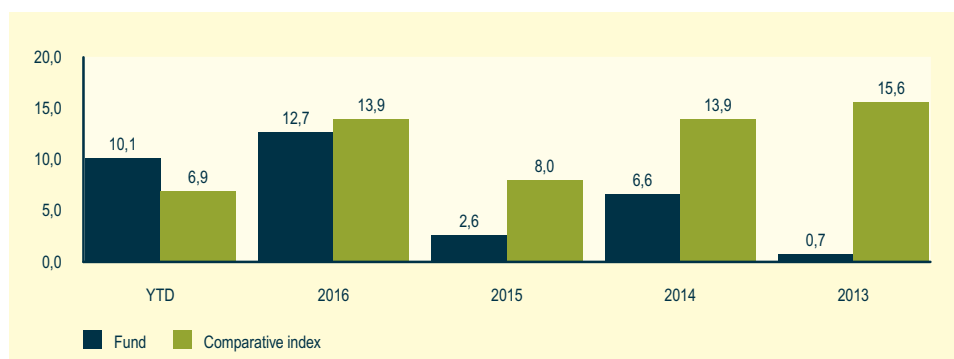
| | 1 month (%) | 3 months (%) | YTD (%) | 1 year (%) | 3 years (%) p.a. | 5 years (%) p.a. | Since tenure (%) p.a. | Since inception (%) p.a. |
|------------------|-------------|--------------|---------|------------|------------------|------------------|-----------------------|--------------------------|
| Fund | +4,6 | +6,9 | +10,1 | +16,2 | +9,1 | +5,9 | +13,3 | +7,0 |
| Index | +3,5 | +6,3 | +6,9 | +13,6 | +10,5 | +12,0 | +12,1 | +5,9 |
| Sector | +3,2 | +5,2 | +8,1 | +14,9 | +9,6 | +12,3 | +8,9 | +2,4 |
| Ranking | 51/520 | 84/517 | 149/507 | 188/500 | 235/418 | 335/338 | 35/479 | 4/97 |
| Quartile ranking | 1 | 1 | 2 | 2 | 3 | 4 | 1 | 1 |

* 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.

Annual performance (%)



Fund ratings

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

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 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.

Risk characteristics

| As at 30/09/17 | |
|--|-------|
| Alpha (%) | -0,02 |
| Information ratio | 0,00 |
| Sharpe ratio | 1,36 |
| Historic tracking error (%) | 3,44 |
| Beta | 0,93 |
| Standard deviation (%) | 9,53 |
| Forecast tracking error (active risk, %) | 3,16 |
| Active share | 94,70 |

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 | 20,9 | 27,2 | -6,3 |
| Industrials | 19,7 | 27,5 | -7,8 |
| Healthcare | 18,6 | 0,0 | 18,6 |
| Basic materials | 16,7 | 10,2 | 6,5 |
| Technology | 8,5 | 0,0 | 8,5 |
| Oil & gas | 6,1 | 12,0 | -6,0 |
| Consumer services | 4,8 | 16,3 | -11,6 |
| Financials | 3,0 | 0,0 | 3,0 |
| Telecommunications | 0,0 | 0,0 | 0,0 |
| Utilities | 0,0 | 6,7 | -6,7 |
| Cash and near cash | 1,8 | 0,0 | 1,8 |

Largest holdings (%)

| | Fund | Index | Relative weight |
|---------------------|------|-------|-----------------|
| Microsoft | 5,7 | 0,0 | 5,7 |
| Kerry Group | 3,7 | 0,1 | 3,6 |
| Kirin | 3,4 | 0,1 | 3,3 |
| Rockwell Automation | 3,3 | 0,1 | 3,2 |
| Ansell | 3,3 | 0,0 | 3,3 |
| Symrise | 3,3 | 0,0 | 3,2 |
| Siemens | 3,2 | 0,5 | 2,7 |
| Roche | 3,1 | 0,0 | 3,1 |
| PZ Cussons | 2,7 | 0,0 | 2,7 |
| Unilever | 2,7 | 0,8 | 1,9 |

Capitalisation breakdown (%)

| | Fund | Index | Relative weight |
|---------------------------|------|-------|-----------------|
| Mega cap (> \$50bn) | 33,1 | 44,4 | -11,3 |
| Large cap (\$10 - \$50bn) | 32,3 | 38,1 | -5,9 |
| Mid cap (\$2 - \$10bn) | 20,0 | 15,6 | 4,3 |
| Small cap (< \$2bn) | 12,8 | 1,8 | 10,9 |
| Cash | 1,8 | 0,0 | 1,8 |

Largest overweights (%)

| | Fund | Index | Relative weight |
|---------------------|------|-------|-----------------|
| Microsoft | 5,7 | 0,0 | 5,7 |
| Kerry Group | 3,7 | 0,1 | 3,6 |
| Ansell | 3,3 | 0,0 | 3,3 |
| Kirin | 3,4 | 0,1 | 3,3 |
| Symrise | 3,3 | 0,0 | 3,2 |
| Rockwell Automation | 3,3 | 0,1 | 3,2 |
| Roche | 3,1 | 0,0 | 3,1 |
| Siemens | 3,2 | 0,5 | 2,7 |
| PZ Cussons | 2,7 | 0,0 | 2,7 |
| DP World | 2,4 | 0,0 | 2,4 |

Largest underweights (%)

| | Fund | Index | Relative weight |
|---------------------|------|-------|-----------------|
| Amazon | 0,0 | 2,2 | -2,2 |
| Exxon Mobil | 0,0 | 1,7 | -1,7 |
| Samsung Electronics | 0,0 | 1,3 | -1,3 |
| Nestle | 0,0 | 1,3 | -1,3 |
| Royal Dutch Shell | 0,0 | 1,3 | -1,3 |
| Procter & Gamble | 0,0 | 1,1 | -1,1 |
| Chevron | 0,0 | 1,1 | -1,1 |
| Home Depot | 0,0 | 1,0 | -1,0 |
| Coca-Cola | 0,0 | 0,9 | -0,9 |
| General Electric | 0,0 | 0,9 | -0,9 |

Country breakdown (%)

| | Fund | Index | Relative weight |
|--------------------|------|-------|-----------------|
| US | 41,3 | 47,1 | -5,9 |
| UK | 16,5 | 8,0 | 8,6 |
| Germany | 11,5 | 4,5 | 7,1 |
| Japan | 6,4 | 12,5 | -6,1 |
| Australia | 5,8 | 2,1 | 3,6 |
| Ireland | 3,7 | 0,1 | 3,5 |
| Switzerland | 3,1 | 2,6 | 0,5 |
| Canada | 2,6 | 3,1 | -0,4 |
| Other | 7,3 | 20,0 | -12,7 |
| Cash and near cash | 1,8 | 0,0 | 1,8 |

Currency breakdown (%)

| | Fund |
|-------------------|------|
| US dollar | 44,7 |
| Euro | 18,1 |
| British pound | 18,0 |
| Japanese yen | 6,4 |
| Australian dollar | 5,8 |
| Swiss franc | 3,1 |
| Canadian dollar | 2,0 |
| Mexican peso | 1,0 |
| Singapore dollar | 0,5 |
| Other | 0,4 |

Performance review

Most global stockmarkets recorded solid gains in October. In the US, the S&P 500 Index rallied on the back of well-received earnings reports from big-name technology companies and the prospect of beneficial tax reforms. Meanwhile, in Japan, Shinzo Abe's sweeping victory in the election is

expected deliver further measures to stimulate the economy. In Europe, a weaker currency helped drive several of the region's stockmarkets higher.

Against this backdrop, the fund performed strongly and was ahead of its composite index. Relative returns were aided by holdings in technology and healthcare (which are not part of the fund's composite index) and stock selection in industrials.

In the technology sector, shares in Microsoft rallied following the release of well-received results; however, not holding Amazon held back relative returns. Meanwhile, in industrials, shares in Rockwell Automation, a manufacturer of automation software and equipment, rose after the company disclosed that Emerson Electric had made a number of offers for Rockwell in recent months.

China-based pharmaceutical company, Hutchison China Meditech also added value. Hutchison's share price has benefited in recent months from continuing positive news on its Fruquintinib cancer drug. Hutchison China MediTech is the first China-based biotechnology company to take a drug from discovery to production. Fruquintinib – which has been developed alongside US pharmaceutical giant Eli Lilly – increases the chances of overall survival for colorectal cancer patients who had previously been treated with two rounds of chemotherapy.

Elsewhere in healthcare, a holding in Roche detracted. Shares in Roche, which is one of the principal players in oncology, fell after some brokers revised down their earnings estimates for the company. In particular, Roche is facing increased competition from generic versions of two of its drugs - Rituxan and Herceptin.

Stockpicking in basic materials also held back returns, as Australia-based Fortescue Metals, which is one of the largest iron producers in the world and precious metals miner Hochschild underperformed. Sentiment towards Fortescue has been hurt by the weak iron ore price over the past couple of months. Meanwhile, shares in Hochschild lagged the broader market despite confirming guidance for total silver production in 2017 at 37 million ounces and that costs were being controlled.

Key changes

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.

During the month, Jamie initiated a position in global pharmaceutical company AstraZeneca.

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 Acc | GB0030932783 | MGGBECA LN | 0,75 % | 0,92 % | €500.000 | €50.000 |
| Euro C Inc | GB00BK6M9Z78 | MGGBECE 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 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.

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.

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