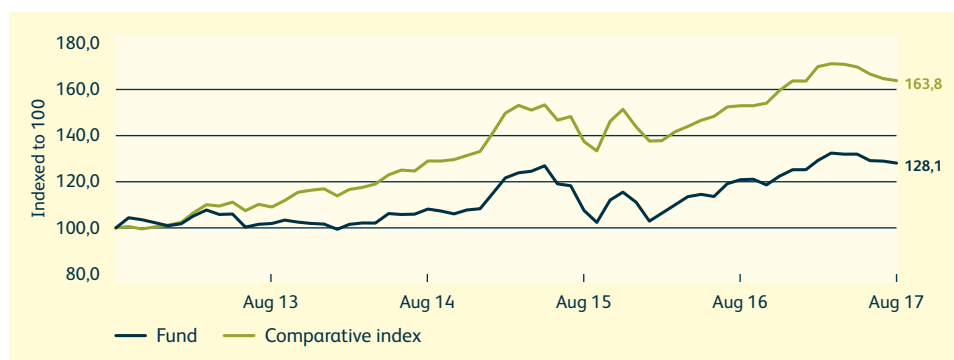


Euro Class A

Summary

- Fund performance during the month was supported by healthcare holdings Starpharma and Hutchison China Meditech. Conversely, a holding in silver producer Hochschild – which was one of the fund’s top contributors in July – detracted.
- Fund Manager Jamie Horvat closed a position in European aerospace and defence company Airbus. Given that geopolitical tensions appear to be increasing and the shares have performed strongly, he decided take profits.

Performance over 5 years



Key information

Fund managers	Jamie Horvat & Randeep Somel
Fund manager tenure from	18 December 2015
Launch date*	17 November 2000
Launch of share class	28 November 2001
Fund size (millions)	€2.266,59
Fund type	OEIC, incorporated in the UK
Comparative index	FTSE Global Basics Composite Index [†]
Comparative sector	Global Equity sector
Number of companies	65
Historic yield (Acc)	0,22 %
Historic yield (Inc)	1,88 %
Portfolio turnover over 12 months	32,5 %
Share type	Acc & Inc
Ongoing charge	1,92 %

Fund performance

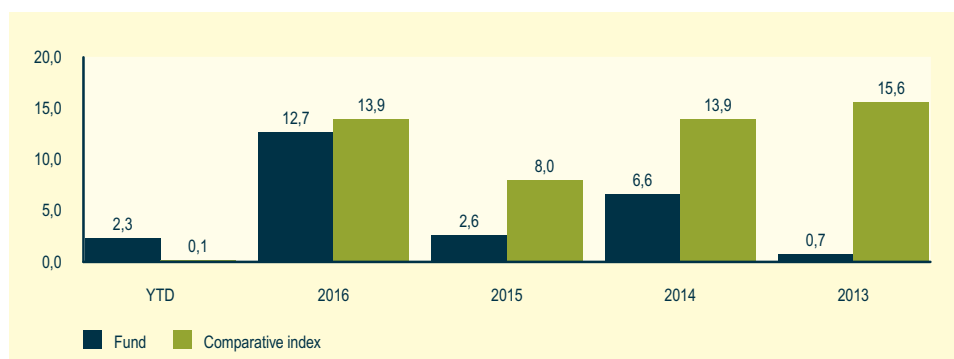
	1 month (%)	3 months (%)	YTD (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	Since tenure (% p.a.)	Since inception (% p.a.)
Fund	-0,7	-2,9	+2,3	+6,0	+5,8	+5,1	+9,9	+6,6
Index	-0,5	-3,5	+0,1	+7,1	+8,3	+10,4	+9,1	+5,6
Sector	-0,9	-2,8	+1,8	+7,8	+8,2	+10,8	+6,1	+2,1
Ranking	186/511	275/510	198/503	329/493	336/405	326/328	43/473	6/97
Quartile ranking	2	3	2	3	4	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 **★★★**
 Morningstar Analyst rating **Neutral**

Source of Morningstar ratings: Morningstar, as at 31 July 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 31/07/17	
Alpha (%)	-0,81
Information ratio	-0,20
Sharpe ratio	1,29
Historic tracking error (%)	3,48
Beta	0,92
Standard deviation (%)	9,45
Forecast tracking error (active risk, %)	3,25
Active share	94,64

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	22,4	27,8	-5,4
Industrials	19,1	27,2	-8,0
Basic materials	18,4	10,2	8,2
Healthcare	18,0	0,0	18,0
Technology	8,1	0,0	8,1
Oil & gas	5,7	11,6	-5,9
Consumer services	5,0	16,3	-11,3
Financials	3,2	0,0	3,2
Telecommunications	0,0	0,0	0,0
Utilities	0,0	7,0	-7,0
Cash and near cash	0,2	0,0	0,2

Largest holdings (%)

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

Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	32,0	41,7	-9,7
Large cap (\$10 - \$50bn)	33,7	39,7	-6,1
Mid cap (\$2 - \$10bn)	20,8	16,6	4,3
Small cap (< \$2bn)	13,3	1,9	11,3
Cash	0,2	0,0	0,2

Largest overweights (%)

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

Largest underweights (%)

	Fund	Index	Relative weight
Amazon	0,0	2,0	-2,0
Exxon Mobil	0,0	1,7	-1,7
Nestle	0,0	1,4	-1,4
Procter & Gamble	0,0	1,2	-1,2
Royal Dutch Shell	0,0	1,2	-1,2
Samsung Electronics	0,0	1,2	-1,2
General Electric	0,0	1,1	-1,1
Chevron	0,0	1,1	-1,1
Coca-Cola	0,0	0,9	-0,9
Philip Morris	0,0	0,9	-0,9

Country breakdown (%)

	Fund	Index	Relative weight
US	42,3	47,4	-5,1
UK	17,1	7,9	9,2
Germany	10,8	4,3	6,5
Japan	6,5	12,2	-5,7
Australia	4,7	2,2	2,4
Switzerland	3,6	2,7	0,9
Ireland	3,5	0,1	3,4
Canada	2,9	3,0	-0,2
Other	8,5	20,1	-11,6
Cash and near cash	0,2	0,0	0,2

Currency breakdown (%)

	Fund
US dollar	45,1
Euro	17,3
British pound	16,9
Japanese yen	6,5
Australian dollar	4,7
Swiss franc	3,6
Canadian dollar	2,9
Hong Kong dollar	1,3
Mexican peso	1,1
Other	0,7

Performance review

Global stockmarkets were mixed in August as tensions between North Korea and the US and its allies escalated. The best performing regions were emerging markets, particularly Latin America. Over the month, the dollar share class outperformed its

composite index while sterling and euro share classes lagged. Meanwhile, sterling weakness enhanced returns for holders of the sterling share class.

The top contributor over the month was Starpharma, an Australian-based biotechnology company. Starpharma posted successful results in advanced clinical trials of its lead product, VivaGel, which showed sustained benefits for patients three months after their initial treatment.

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. Meanwhile, shares in US software giant Microsoft rallied along with the rest of the technology sector.

Conversely, a holding in Hochschild detracted as its shares fell. First half profits at the company decreased sharply compared to the same period a year earlier on the back of higher production costs. However, the company confirmed guidance for total silver production in 2017 at 37 million ounces. Hochschild was one of the fund's top performers in July.

Holdings in PZ Cussons and G4S also held back returns. Having reported full year results in July that were well-received by investors, shares in PZ Cussons suffered from profit taking this month, while shares in G4S sank after the company released numbers which highlighted a slowdown in spending in both the Middle East and India. Spending in the Middle East has been affected by the fall in the oil price and in India by the withdrawal of the 500 rupee note. Investors also took advantage of the rally in the company's shares, which have risen sharply over the past year.

Key changes

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 closed a position in European aerospace and defence company Airbus. Given heightened geopolitical tensions and in particular recent actions by North Korea, defence stocks have performed well. He took the opportunity to sell this holding, while retaining other positions with exposure to defence, such as Raytheon.

Fund codes and charges

Share class	ISIN	Bloomberg	Annual management charge	Ongoing charge	Minimum initial investment	Minimum top up investment
Euro A Acc	GB0030932676	MGBBEAA LN	1,75 %	1,92 %	€1.000	€75
Euro A Inc	GB00B8HQLV43	MGGBBAI 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	MGGBECI 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 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 31 August 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 August 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), Smålandsgatan 17, 105 71 Stockholm, Sweden. 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 Ireland, they are available in English language and can also be obtained from the Irish facilities agent, Société Générale SA, Dublin Branch, 3rd Floor IFSC House – The IFSC Dublin 1, Ireland. 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 S.A. 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