

## Euro Class A

### Summary

- The fund delivered a positive return but lagged the S&P 500 in February. Sabre and L Brands were among the leading detractors after their results were poorly received by the market.
- The top contributors were Mead Johnson Nutrition, which received a takeover bid from Reckitt Benckiser, and Allergan, which accompanied a better-than-expected set of fourth-quarter results with a positive outlook for 2017.
- New positions were started in American Express and Constellation Brands. The stake in Chubb, the insurer, was sold.
- Dividend increases came from a variety of sectors, led by Home Depot's 29% raise. Reynolds American, which has agreed to be bought by British American Tobacco, lifted its dividend by 11% from the previous quarter.

### Key information

<b>Fund manager</b>	John Weavers
<b>Fund manager tenure from</b>	28 April 2015
<b>Deputy fund manager</b>	Stuart Rhodes
<b>Launch date*</b>	28 April 2015
<b>Launch of share class</b>	28 November 2001
<b>Fund size (millions)</b>	€687,75
<b>Fund type</b>	OEIC, incorporated in the UK
<b>Comparative index</b>	S&P 500 Index
<b>Comparative sector</b>	Morningstar US Large-Cap Blend Equity sector
<b>Number of companies</b>	43
<b>Historic yield (Acc)</b>	0.67%
<b>Historic yield (Inc)</b>	1.97%
<b>Portfolio turnover over 12 months</b>	24,5%
<b>Share type</b>	Acc & Inc
<b>Ongoing charge</b>	1,66%

### Performance over 5 years



\* The fund originally launched on 18 December 1972 as the M&G American Fund. On 28 April 2015, the fund's name and objective changed and it is now called the M&G North American Dividend Fund and we are choosing to use this date as the launch date for this fund. Therefore the past performance shown before this change was achieved under circumstances that no longer apply.

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 1,66% and constraining capital performance to an equivalent extent.

### 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	+9,5	+5,8	+31,6	+18,1	+16,7	+9,6	+6,3
Index	+5,7	+7,9	+5,2	+27,8	+20,7	+19,4	+10,6	+8,9
Sector	+5,2	+6,8	+4,6	+25,1	+17,3	+16,4	+7,4	+6,3
Ranking	98/124	3/124	12/124	11/119	37/99	45/84	16/114	1/1
Quartile ranking	4	1	1	1	2	3	1	1

### Fund ratings

Overall Morningstar rating	★★★
Morningstar Analyst rating	Neutral

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

### Risk characteristics

As at 31/01/17	
Alpha:	-0,02
Information ratio:	-0,01
Sharpe ratio:	1,95
Historic tracking error:	3,95
Beta:	0,94
Standard deviation:	13,78
Forecast tracking error (active risk):	4,62
Active share	84,12

**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.

### 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.

## Industry breakdown (%)

	Fund	Index	Relative weight
Information technology	19,8	21,5	-1,7
Healthcare	18,4	14,1	4,4
Financials	13,8	14,8	-1,0
Consumer discretionary	12,1	12,1	0,0
Consumer staples	11,3	9,4	1,8
Materials	10,4	2,8	7,6
Energy	9,5	6,6	2,9
Industrials	3,6	10,2	-6,6
Real estate	0,0	2,9	-2,9
Telecommunications	0,0	2,4	-2,4
Utilities	0,0	3,2	-3,2
Cash and near cash	1,1	0,0	1,1

## Capitalisation breakdown (%)

	Fund	Index	Relative weight
Mega cap (> \$50bn)	48,8	63,6	-14,8
Large cap (\$10 - \$50bn)	34,9	33,0	1,8
Mid cap (\$2 - \$10bn)	13,9	3,4	10,5
Small cap (< \$2bn)	1,3	0,0	1,3
Cash	1,1	0,0	1,1

## Largest holdings (%)

	Fund	Index	Relative weight
Methanex	7,9	0,0	7,9
Reynolds American	5,5	0,3	5,2
Unitedhealth Group	5,1	0,8	4,4
Microsoft	4,5	2,4	2,1
Broadcom	4,3	0,4	3,8
Las Vegas Sands	3,9	0,0	3,9
Pembina Pipeline	3,7	0,0	3,7
Fidelity National Information Services	3,7	0,1	3,5
Medtronic	3,6	0,5	3,0
Mastercard	3,4	0,5	2,9

## Largest overweights (%)

	Fund	Index	Relative weight
Methanex	7,9	0,0	7,9
Reynolds American	5,5	0,3	5,2
Unitedhealth Group	5,1	0,8	4,4
Las Vegas Sands	3,9	0,0	3,9
Broadcom	4,3	0,4	3,8
Pembina Pipeline	3,7	0,0	3,7
Fidelity National Information Services	3,7	0,1	3,5
Medtronic	3,6	0,5	3,0
Prairiesky Royalty	3,0	0,0	3,0
Mastercard	3,4	0,5	2,9

## Largest underweights (%)

	Fund	Index	Relative weight
Alphabet	0,0	2,4	-2,4
Apple	1,2	3,6	-2,4
Exxon Mobil	0,0	1,7	-1,7
Amazon	0,0	1,6	-1,6
Berkshire Hathaway	0,0	1,6	-1,6
Facebook	0,0	1,6	-1,6
General Electric	0,0	1,3	-1,3
AT&T	0,0	1,3	-1,3
Bank of America	0,0	1,2	-1,2
Procter & Gamble	0,0	1,2	-1,2

## Fund codes and charges

Share class	ISIN	Bloomberg	Annual management charge	Ongoing charge	Minimum initial investment	Minimum top up investment
Euro A Acc	GB0030926959	MGAMEAA LN	1,50 %	1,66 %	€1.000	€75
Euro A Inc	GB00BK6MB620	MGAMEAI LN	1,50 %	1,66 %	€ 1.000	€ 75
Euro A-H Acc	GB00B2QWD268	MGAMAHH LN	1,50 %	1,68 %	€1000	€75
Euro C Acc	GB0030927031	MGAMECA LN	0,75 %	0,91 %	€500.000	€50.000
Euro C Inc	GB00BK6MB737	MGAMECI LN	0,75 %	0,91 %	€ 500.000	€ 50.000
Euro C-H Acc	GB00B4XSOL96	MGAMEHA 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 (including research costs). They are based on expenses for the period ending 31 August 2016.

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

## Important information

The Fund changed its name and objective on 28 April 2015.

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 28 February 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 28 February 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.

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