

# M&G (Lux) European Strategic Value Fund

Capturing mispriced opportunities



## Why value now?

In a riskier world, investors are still searching for sources of alpha. Taking on a value tilt can offer long-term alpha. We believe there are active returns to be generated from mispriced stocks, which are trading at depressed valuations due to investors' increasingly short-term horizons and their perception of risk.



## Reasons to invest in this value fund

### 1. Proven process

A three-stage investment process with a differentiated approach that aims to reduce volatility.

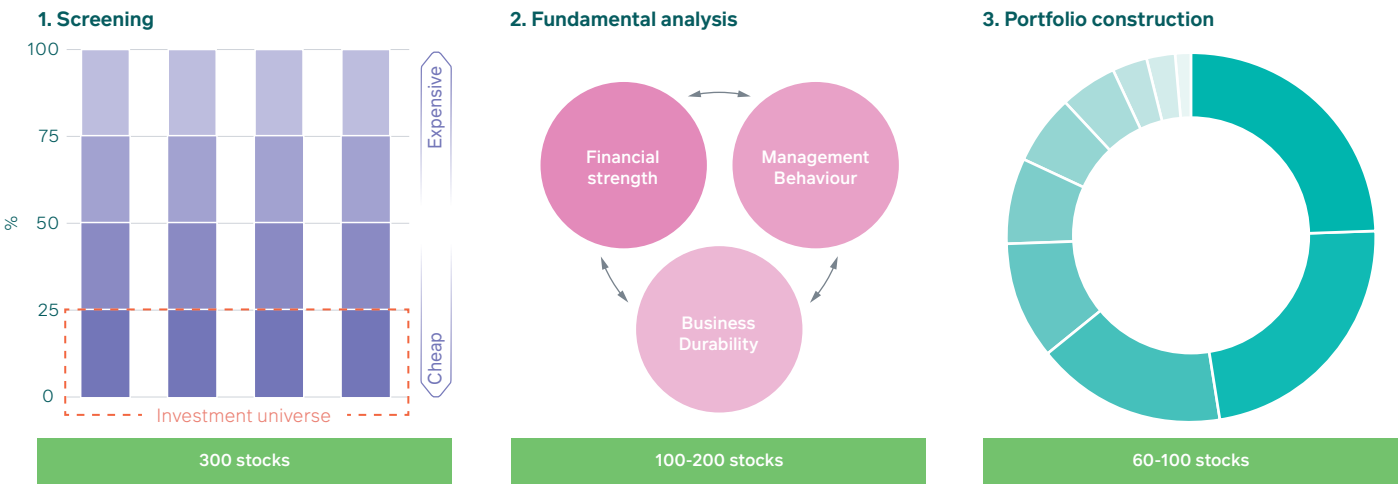
### 2. Truly contrarian

Uniquely positioned relative to peer group: truly contrarian with a long-term investment horizon.

### 3. Consistent expertise

Same Fund Manager since inception, with 20+ years' experience through various market cycles and crises.

## 1. Proven process – a disciplined three-stage process



Source: M&G, September 2024. Internal limits are subject to change.

1. Screening: identifying the cheapest quartile stocks per sector
2. Fundamental analysis: assessing the risk/reward relationship and excluding value traps
3. Portfolio construction: The final portfolio consists of 60-100 companies<sup>1</sup>, selected on a bottom-up basis, diversified across sectors and market-cap and designed to reduce the volatility often associated with value investing.

<sup>1</sup>Internal limits are subject to change.

## 2. Truly contrarian

Not engaging in style drift to seek to generate returns. Value style and combined stock selection are the predominant driver of potential returns.

### Consistent P/B discount to the broader market

Price to book discount: M&G (Lux) European Strategic Value relative to MSCI Europe Index



Source: Bloomberg, 31 December 2024. P/B based on 12m forward. Information shown on the above chart prior to 1 October 2018 refers to the M&G European Strategic Value Fund, a UK-authorized OEIC, which was launched on 1 February 2008 and run to the same investment strategy as the M&G (Lux) European Strategic Value Fund. It has been included for illustrative purposes only. Data from 1 October 2018 is for the M&G (Lux) European Strategic Value Fund.

## 3. Consistent expertise

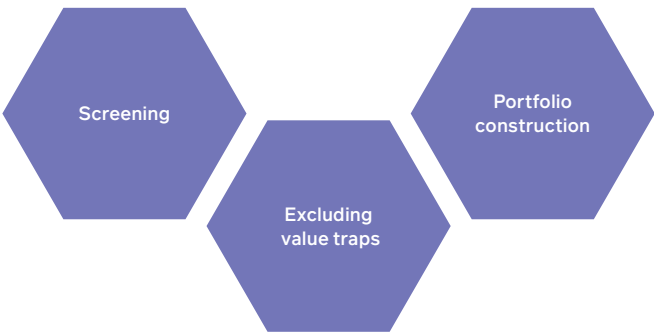
Same Fund Manager since inception, with 20+ years' experience in running European money through various market cycles and crises.

Track record of having a consistently strong value style, never deviating despite changes in the market environment.

### The advantages of an active value solution

Screening out value traps with our thorough fundamental analysis is what differentiates our active value solution from a passive approach. This process ultimately allows us to build a very well-diversified portfolio compared to the value index, which helps reduce volatility.

### An active vs passive solution



## Fund investment policy

The fund aims to provide a combination of capital growth and income to deliver a return that is higher than that of the European stock market over any five-year period while applying ESG Criteria. The fund invests at least 80% of its Net Asset Value in the equity securities of companies across any sector and market capitalisation that are domiciled in, or conducting the major part of their economic activity in Europe.

The fund invests in securities that meet the ESG Criteria, applying an Exclusionary Approach and Positive ESG Tilt as described in the precontractual annex to the fund Supplement Prospectus. Recommended holding period (five years).

### Key fund risks

- The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.
- The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.
- ESG information from third-party data providers may be incomplete, inaccurate or unavailable. There is a risk that the investment manager may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the portfolio of the fund.
- Further details of the risks that apply to the fund can be found in the fund's Prospectus available on our website
- Please note, investing in this fund means acquiring units or shares in a fund, and not in a given underlying asset such as a building or shares of a company, as these are only the underlying assets owned by the fund.

### Sustainability information

- The fund promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments
- The fund's sustainability information is available to investors on the fund page of the **M&G website here**.



**Richard Halle**  
Fund Manager  
Since inception



**Shane Kelly**  
Deputy Fund Manager  
Since 2022

## Key fund facts

Fund AUM:  
**€2.7bn**  
(as of 28 February 2025)

Inception date:  
**18.09.18**

Benchmark:  
**MSCI Europe Net  
Return Index**

ISIN:  
**LU1670707527**

Ongoing charges:  
**1.70%**

Please note that not all costs are disclosed here. Please refer to the fund's Prospectus for detailed information.

## Learn more about:





For professional investors and institutional investors only. Not for onward distribution. No other persons should rely on any information contained within. 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 ('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 (Lux) Investment Funds 1 reg. no 1551, M&G (Lux) Global Funds reg. no 2281, M&G (Lux) Investment Funds FCP reg. no 1914, European Specialist Funds reg. no. 1765, of the relevant CNMV registers. The collective investment schemes referred to in this document (the 'Schemes') are open-ended investment companies with variable capital, incorporated in Luxembourg. In the Netherlands, all funds referred to, are UCITS and registered with the Dutch regulator, the AFM. M&G Luxembourg S.A. is the manager of the UCITS referred to in this document. Registered Office: 16, boulevard Royal, L-2449, Luxembourg. 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. 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 Information Document, annual or interim Investment Report and Financial Statements, are available in English or your local language (unless specified below) free of charge, in paper form, from M&G Luxembourg S.A. or one of the following – M&G Luxembourg S.A., 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 Danmark, Filial af Nordea Bank Abp, Finland, Issuer Services, Postbox 850, Reg.no. 5528, DK-0900 Copenhagen C; Allfunds Bank, Calle Estafeta, No 6 Complejo Plaza de la Fuente, La Moraleja, 28109, Alcobendas, Madrid, Spain; M&G Luxembourg S.A. French branch, 8 rue Lamennais, Paris 75008; from the French centralising agent of the fund: RBC Investors Services Bank France; or from 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, Zollstrasse 17, 8005 Zürich or Société Générale, Zurich Branch, Talacker 50, P.O. Box 5070, 8021 Zurich, which acts as the Swiss representative and as the Swiss paying agent. For Italy, they can also be obtained on the website: [www.mandgitalia.it](http://www.mandgitalia.it). For the Netherlands, they are available online at [www.mandg.com/investments/nl](http://www.mandg.com/investments/nl) and for more information concerning the Key Information Document, please refer to [www.afm.nl/eid](http://www.afm.nl/eid). 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 Information Document/s are available in German. Before subscribing investors should read the Key Information Document and the Prospectus, which includes a description of the investment risks relating to these funds. The value of the assets managed by the funds may greatly fluctuate as a result of the investment policy. The information contained herein is not a substitute for independent investment advice. M&G Luxembourg S.A. may terminate arrangements for marketing under the new Cross-Border Distribution Directive denotification process. Complaints handling information and summary of investors' rights are available in English or your local language from Luxembourg: <https://www.mandg.com/investments/professional-investor/en-lu/footer/complaints-process> Ireland: [www.mandg.com/investments/professional-investor/en-ie/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/en-ie/complaints-dealing-process) Belgium: [www.mandg.com/investments/professional-investor/en-be/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/en-be/complaints-dealing-process) Denmark: [www.mandg.com/investments/professional-investor/en-dk/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/en-dk/complaints-dealing-process) Norway: [www.mandg.com/investments/professional-investor/en-no/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/en-no/complaints-dealing-process) Sweden: [www.mandg.com/investments/professional-investor/en-se/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/en-se/complaints-dealing-process) Finland: [www.mandg.com/investments/professional-investor/en-fi/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/en-fi/complaints-dealing-process) Austria: [www.mandg.com/investments/professional-investor/de-at/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/de-at/complaints-dealing-process) Germany: [www.mandg.com/investments/professional-investor/de-de/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/de-de/complaints-dealing-process) Spain: [www.mandg.com/investments/professional-investor/es-es/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/es-es/complaints-dealing-process) Italy: [www.mandg.com/investments/professional-investor/it-it/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/it-it/complaints-dealing-process) Portugal: [www.mandg.com/investments/private-investor/pt-pt/complaints-dealing-process](http://www.mandg.com/investments/private-investor/pt-pt/complaints-dealing-process) France: [www.mandg.com/investments/professional-investor/fr-fr/complaints-dealing-process](http://www.mandg.com/investments/professional-investor/fr-fr/complaints-dealing-process). The funds mentioned herein are sub-funds of M&G (Lux) Investment Funds 1, an open-ended, Luxembourg-domiciled SICAV managed by M&G Luxembourg SA. This financial promotion is issued by M&G Luxembourg S.A. Registered Office: 16, boulevard Royal, L-2449, Luxembourg. **MAR 25 / 1434805**