

April 2010

All data as at 31 March 2010 unless otherwise stated

Investment objective and policy

The Fund predominantly invests in a diversified range of securities issued by companies which are out of favour, in difficulty or whose future prospects are not fully recognised by the market. The sole aim of the Fund is capital growth. There is no particular income yield target.

Key information

Fund manager	Tom Dobell
Launch date	23 May 1969
Fund size (millions)	£5,253.72
Comparative sector	IMA UK All Companies sector
No. of holdings	98
Ex-dividend dates (first business day of the month)	Jan & Jul
Payment dates (last calendar day of the month)	Feb & Aug
Product availability	ISA, Savings Plan, OEIC
Share type	Acc & Inc
Share price	Acc £2.32 Inc £1.08
ISIN numbers	Acc GB0031289217 Inc GB0031289100
SEDOL codes	Acc 3128921 Inc 3128910
Nominated OEIC Share Class	Sterling Class A

Charges

Sterling Share Class A	
Initial charge	4.00 %
Annual management charge	1.50 %
Withdrawal fee	No
Sterling Share Class X	
Initial charge	0.00 %
Annual management charge	1.50 %
Withdrawal fee	Yes

Fund manager biography

Tom Dobell joined M&G in 1992 as a UK equity manager on the segregated pension fund desk where he was responsible for managing assets for 16 pension fund clients. In March 2000, Tom became fund manager of the M&G Recovery Fund. Before joining M&G, he worked for Phillips & Drew (PDFM) as a fund manager within the charity and small pension fund division. Tom graduated from agricultural college in 1986.

Investment approach

The M&G Recovery Fund focuses on troubled companies where a good management team is making concerted efforts to turn the business around. The fund manager seeks opportunities from across the UK stockmarket and the portfolio aims to contain a wide and interesting mix of companies.

The fund manager seeks to identify stocks whose share prices have fallen well below their true worth, rendering them good value. He is prepared to take a contrarian view and consider areas that are out of favour among investors. These can include restructuring stories, special situations and the seeking out of hidden value.

The fund manager takes a flexible and pragmatic approach to stocks and aims to have a holding period of between three and five years, possibly longer where ongoing potential is identified. Company meetings and visits, as well as internal and external research, are used to identify stocks for inclusion in the portfolio. The fund manager considers it most important to meet the management of all the fund's holdings personally, on a regular basis, ideally at their own premises. He will never invest in a stock without having met the management team first.

Top 10 holdings

1	Tullow Oil	6.0%
2	Royal Dutch Shell	5.1%
3	HSBC	5.0%
4	GlaxoSmithKline	4.9%
5	BP	4.8%
6	Vodafone	3.5%
7	Unilever	3.0%
8	First Quantum Minerals	2.6%
9	Invensys	2.1%
10	National Grid	2.0%

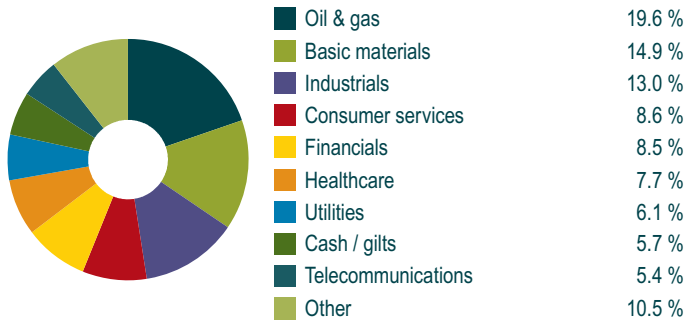
Fund ratings

Overall Morningstar Rating	★★★★★
S&P Fund Management Rating	AAA
OBSR Fund Rating	AAA
Citywire Fund Manager Rating	AAA

Ratings should not be taken as a recommendation.

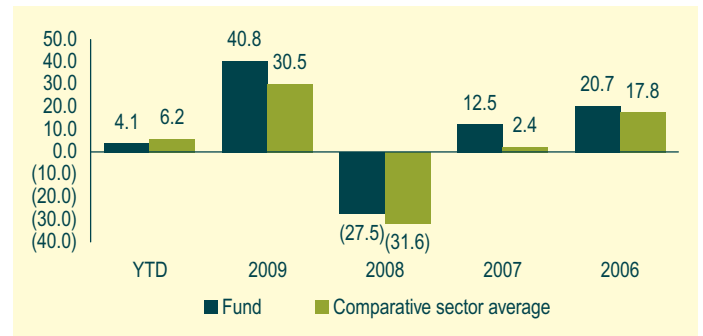


Industry weighting



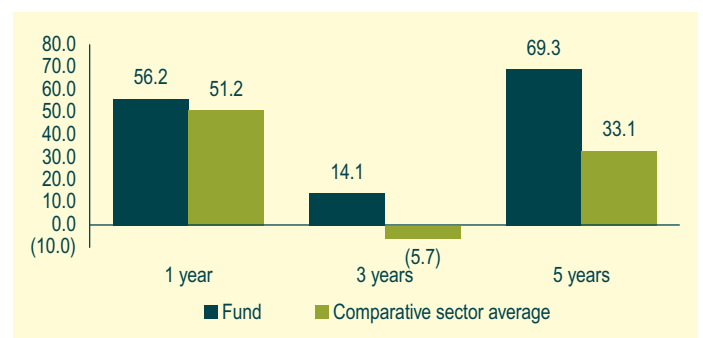
Annual performance

Total return (%)



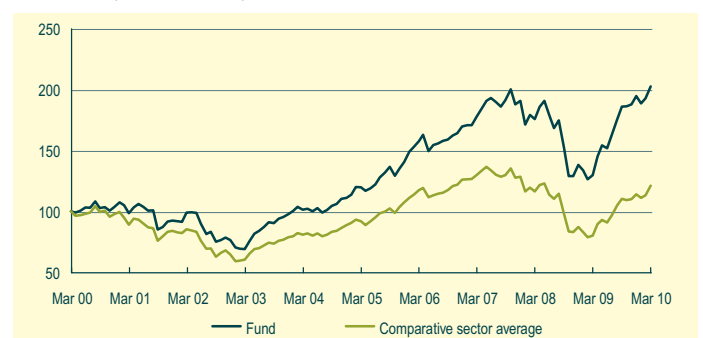
Cumulative performance

Total return (%)



Performance over 10 years

Total return (indexed to 100)



How to contact us

Financial Adviser Helpline

0800 328 3191

Before assisting you with your enquiry, we will ask you to; identify yourself, provide your firm's FSA number and confirm certain information relating to our mutual customer.

Website

www.mandg.co.uk/ifa