

# Henderson Gartmore Pan European Fund



**Fund Manager**  
John Bennett

## Status

Sub-fund of Luxembourg SICAV

**ISIN code** LU0201075453 (R € Acc)

**Fund manager** John Bennett

## Investment objective

The Fund aims to achieve a long-term return, in excess of the long-term return that is typically achieved from European equity markets, by investing at any given time at least two-thirds of its net assets in: companies having their registered office in Europe (including the United Kingdom), companies that do not have their registered office in Europe but either (i) carry out a predominant proportion of their business activity from Europe (including the United Kingdom), or (ii) are holding companies which predominantly own companies with registered offices in Europe (including the United Kingdom). The return will be a combination of capital and income returns.

**Launch date** September 2000

**Base currency** EUR

**Management fees** AMC 1.50% (R € Acc)

**Minimum investment** €2,500 (R € Acc)

**Initial charge** 5.00% (R € Acc)

**Redemption fees** n/a

**Valuation frequency** Daily

**Dealing** Dealing cut-off is 15.00 CET

**Valuation point**  
23.59 CET on the day of the Dealing cut-off

**Settlement date** T+4

**Investment manager**  
Henderson Global Investors

**Custodian**  
HSBC Securities Services (Luxembourg) S.A.

## Why invest in Europe?

The European equity market is both broad and diverse, and contains some of the world's largest and most successful companies. Yet European markets still carry significant pricing inefficiencies. These create investment opportunities that can occur at different times and within different markets. Given that Europe offers exposure to the economic expansion of both developing and emerging markets, we believe European equities should be an integral part of any equity portfolio.

## Key selling points

### Mean reversionist and contrarian investment style

Our belief in mean reversion means we have a tendency towards contrarian investing. However, the fund is not wedded to one style and seeks to add value based on the current conditions of the market. Our flexible, fundamental research-driven approach captures opportunities across all types of market conditions. Specifically:

- The use of sector themes narrows the investment universe quickly to focus the team on segments of identified potential.
- Fundamental stock research is concentrated on under-researched, contrarian blue chip ideas and mid-cap stocks where the team aims to maximise added value.
- Large-cap stocks capitalise on sector themes. Focusing on the identified sector themes, the team uses fundamental analysis to identify large-cap stocks which have or will have pricing power, strong cash generation, improving or sustainable Cash Flow Returns on Investment (CFROI) and compelling valuations.
- Mid-cap companies add alpha: approximately 40% of the fund manager's time is spent on conducting proprietary research on second-line stocks (up to €5 billion in market cap). As with large caps, the team seeks companies that it expects to experience positive changes in the future that are frequently contrarian situations.

### Flexible and active management

The strategy emphasises decisive deviation from benchmark index weightings, contrarianism and an investment horizon long enough to give ideas the scope to come to fruition. This stands in contrast to today's hyperactivity in the investment world and the team believes it is fundamental to the fund's long term performance.

The team's flexible and pragmatic approach facilitates the anticipation and quick reaction time necessary to exploit stock selection opportunities throughout Europe.

### Distinctive approach to European Equities

In summary, the Henderson Gartmore Pan European Fund differentiates itself from other European equity strategies in the following ways:

- Blend of sector/stock specific themes.
- Mean reversionist and contrarian investment style.
- Focus on 'investment in change' is the mechanism through which the team invests early enough, aiming to maximise the upside that it captures.

## To place an order

**RBC Dexia Investor Services Bank S.A**  
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# Henderson Gartmore Pan European Fund

## Important information

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The Fund is a recognised collective investment scheme for the purpose of promotion into the United Kingdom. Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

A copy of the Fund's full and simplified prospectuses, articles of incorporation, annual and semi-annual reports can be obtained free of cost from the Fund's registered office in Luxembourg: 16 Boulevard d'Avranches, L-1160 Luxembourg Grand-Duché de Luxembourg, in Germany: Henderson Global Investors, Bockenheimer Landstraße 24, 60323 Frankfurt, in Austria: Bank Austria Creditanstalt AG, Am Hof 2, 1010 Wien, in Spain: offices of the Spanish distributors, a list of which may be obtained at [www.cnmv.es](http://www.cnmv.es) (Henderson Gartmore Fund is registered with the CNMV under number 259) and in Switzerland from the Swiss representative: BNP Paribas (Suisse) S.A. Place de Hollande 2 1204 Geneva who are also the Swiss Paying Agent.

Please note that Isle of Man investors will not be protected by statutory compensation arrangements in respect of Henderson Gartmore Fund.

Telephone calls may be recorded and monitored.

## Understanding the fund Investment philosophy

Our investment philosophy is based on the following beliefs:

- **Macroeconomic and sector trends travel globally.** Early insights into the behaviour of European companies can be gained from understanding global market and industry dynamics.
- **Stock prices are mean reverting.** Excess returns are competed away over time. Conversely, badly managed companies (as opposed to bad businesses) may be neglected by investors, but often present compelling opportunities.
- **Investors in change.** Investment opportunities can be captured through correctly anticipating change and inflection points in companies and industries – either for the better or for worse. Patience and long-term commitment to these investments are essential to capturing gains from being on the right side of surprise.
- **Capital investment drives value creation.** Cashflow return on capital is the ultimate master of value creation; it either creates or destroys corporate value. Nevertheless, companies must be evaluated in the context of a range of fundamental metrics and qualitative factors.

## Investment approach

The investment approach seeks to add value at two levels: stock selection and sector theme selection, which are integrally connected.

Each team member contributes at the stock and sector level by studying industry dynamics, analysing company fundamentals, and conducting company meetings. This combination of industry breadth and company depth gives the team powerful insights into the marketplace, enabling it to anticipate change at both company and industry levels.

The team's efficient use of technology for documenting company assessments and its leverage of carefully chosen sell-side analysts for large-cap research allows the managers to optimise resources enabling them to focus their primary research on mid-cap, under-researched stocks where most research value can be added, whilst still having insight into larger-cap stocks. Both the team's fundamental analysis and meetings with company management focus primarily on understanding cash flow and capital deployment, considered to be powerful drivers of inflection points in companies. Of course, the team views these only as primary indicators of company value and evaluates them in the context of broad fundamental analysis and qualitative assessment of the company, in order to build a comprehensive picture of a business.

The team takes a global view on sectors, given the increasing global dependency of companies, as well as the observed tendency of sector trends to 'travel', for example starting in the United States and moving east. Its global approach to sector analysis is instrumental in identifying signals and trends for anticipating change at sector level.

## Benchmark aware, not benchmark driven

The team maintains awareness of the benchmark and its composition at all times as a mechanism to measure the risks it takes, but the benchmark is not a driver of portfolio composition.

## Structural inefficiencies

The team believes that inefficiencies persist across European markets as a whole, relative to some other developed markets, such as the US and UK. This is due to diverse local, regional, industry and global supply and demand drivers, which exert uneven pressures on the various markets, as well as Europe's lower equity market capitalisation to GDP ratios. This means that by taking a thematic approach to focus on these drivers, the team can uncover pockets of opportunity.

## Investment expertise

John Bennett joined Henderson in April 2011 as part of Henderson's acquisition of Gartmore. John has a 23-year track record of managing Continental and Pan European Equities and joined Gartmore from GAM where he spent the previous 17 years. At GAM John managed the GAM Star Continental European Equity Fund and the GAM Star European Equity Fund.

## For further information

please visit our website  
[www.henderson.com](http://www.henderson.com)

