

Henderson Gartmore Continental European Fund



John Bennett

Fund particulars

Status

Sub-fund of Luxembourg SICAV (UCITS III)

ISIN code LU0201071890 (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 Continental European equity markets, by investing at any given time at least two thirds of its net assets in: - companies having their registered office in Continental Europe, - companies that do not have their registered office in Continental Europe but either (i) carry out a predominant proportion of their business activity in Continental Europe, or (ii) are holding companies which predominately own companies with registered offices in Continental Europe. The return will be a combination of capital and income returns. For full details, please refer to the fund prospectus.

Launch date September 2000

Benchmark MSCI Europe (ex UK) Index

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

Contrarian approach exploits mispricing

The belief that stock prices and profitability are mean reverting means that careful attention is paid to relative valuations between stocks and sectors. The fund seeks to identify sectors of the market that are unjustly unloved and individual stocks where a positive earnings outlook has been overlooked or is not fully reflected in the share price. Research is therefore concentrated on identifying industry themes and catalysts for growth amongst blue chip stocks and under-researched mid-cap stocks.

A flexible yet measured investment approach

The fund blends top-down sector decisions with bottom-up stock selection to construct the portfolio. Each team member contributes at the stock and sector level by studying industry dynamics (particularly the observed tendency for trends to travel around the globe), analysing company fundamentals and conducting company meetings.

The strategy emphasises decisive deviation from benchmark index weightings but with an investment horizon that gives ideas the scope to come to fruition. Whilst the team is prepared to react quickly and exploit opportunities, the preference is for taking positions in companies that offer identifiable strong long-term growth potential, avoiding the frenetic trading that can be expensive to overall returns. The portfolio is diversified across sectors and stocks to help to reduce risk. Please note, however, that the value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.

Distinctive approach to European equities

In summary, the fund differentiates itself from other European equity strategies in the following ways:

- blend of sector/stock specific themes that looks beyond Europe's borders for clues about earnings and price drivers;
- fundamental research is conducted on under-researched and unloved areas of the market to generate added value;
- focus on investing in change is the mechanism through which the team invests early enough, aiming to maximize gains.

To place an order

RBC Dexia

Investor Services Bank S.A.

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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'Avanches, 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 (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.

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 by correctly anticipating change and inflection points in companies and industries – either for the better or for the worse;
- **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 expertise

John joined Henderson in April 2011 from Gartmore. He has a 23-year track record of managing Continental and Pan European equities. During his time at Gartmore, John assumed responsibility for managing their Continental and Pan European equity retail funds. He joined Gartmore from GAM, where he spent 17 years.

For further information

please visit our website on
www.henderson.com

