

**SHINING A LIGHT ON THE.....
ASI Europe ex UK Fund**

AT A GLANCE

Investment Objective
To generate growth over the long term (5 years or more) by investing in European equities (company shares). The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there. European countries can include the emerging markets of Europe, but excludes the UK.

Inception Date	8 th November 1991
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F0000045EX

Management	
Manager Name	Start Date
Ben Ritchie	1 st September 2015
Kurt Cruickshank	1 st September 2015
Roseanna Ivory	1 st June 2020

FUND PERFORMANCE

Performance from 1st January 2016 to 31st May 2022:

	2016	2017	2018	2019	2020	2021	2022
ASI Europe ex UK Fund	19.30%	17.44%	-3.92%	28.04%	14.67%	15.16%	-16.76%
FTSE World Eur Ex UK TR GBP	19.69%	17.53%	-9.45%	20.45%	8.62%	17.40%	-8.55%

Performance over 12 months, 3 years, and new fund manager:

	1 year	3 years	Since new fund manager
ASI Europe ex UK Fund	-6.24%	19.53%	99.03%
FTSE World Eur Ex UK TR GBP	-1.46%	27.19%	83.69%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

LWM Consultants Ltd

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
4.99	78.63	108.27	107.15	55.56	1.04	0.44	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	16.38%
3-Yr Mean Return (average)	1.78%

Investment Style Details	
Giant	29.41%
Large	42.00%
Medium	27.22%
Small	0.00%
Micro	0.00%

Top 5 Holdings – 30 Holdings		
ASML Holding Nv	Technology	7.05%
Novo Nordisk A/S Class B	Healthcare	6.13%
Nestle SA	Consumer Defensive	4.60%
Pernod Ricard SA	Consumer Defensive	4.33%
Deutsche Boerse AG	Financial Services	4.28%

Top 5 Sectors	
Technology	17.75%
Financial Services	17.21%
Healthcare	15.15%
Consumer Defensive	14.49%
Industrials	11.05%

Top 5 Countries	
France	24.24%
Netherlands	18.91%
Switzerland	17.06%
Germany	16.05%
Denmark	9.78%

UPDATE....

This is a strategy we have held for a couple of years and therefore important for us to have an update with the manager. The manager started by considering Europe and he explained that there are rarely reasons to be positive about Europe but there are always good reasons to be positive about individual companies.

If we focus on the macro picture it is relatively negative. Whether its inflation, lower growth, or central bank policy it doesn't look easy. However, European companies have improving earnings, better dividends and are doing share buybacks. Europe also scores strongly on ESG and offers sector divergence reflecting digitisation of industries, changing demographics and consumer trends.

LWM Consultants Ltd

The strategy has a quality focus and the team look to invest in their very best ideas. We discussed whether holding 30 stocks adds risk to the portfolio. They feel that as they know the companies well it reduces the risk. The more companies they invest in the more stretched they become, and chances of mistakes being made.

The fund will be more expensive than the index, but the valuations have come down recently to where they were around 10 years ago. They want to invest in companies that have resilient earnings and can weather whatever storms come up in the market.

The sell-off has provided opportunities to add to holding. They added Orsted when the shares had dropped to around 30 to 40% from their highs, and they have added to this. They added Allfunds and have been purchasing more shares in LVMH which had sold-off following the invasion of the Ukraine. They have been selling the likes of Nestle to fund these purchases.

For investors this is all about the companies and less about what is happening in Europe. Over 60% of revenues from these companies comes from outside of Europe. They want to find 30 different businesses that offer compelling returns. They know that Europe can be out of favour, and this can create volatility, but great businesses still grow, and as they are finding currently, when the market ignores company fundamentals it opens up opportunities.

They are very optimistic and more than they have been for over 10 years. The companies they hold have good earnings growth and opportunity upside is strong.

In summary, we continue to see this as a core European Fund. Performance has dropped back but the quality of the companies they invest in remains strong. The team have stuck their process and are using this opportunity to add to existing holdings, or fund new purchases at attractive valuations.

The source of information in this note has been provided by ASI and is correct as of June 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.