



## UNLOCKING EUROPE'S POTENTIAL

by Mark DENHAM  
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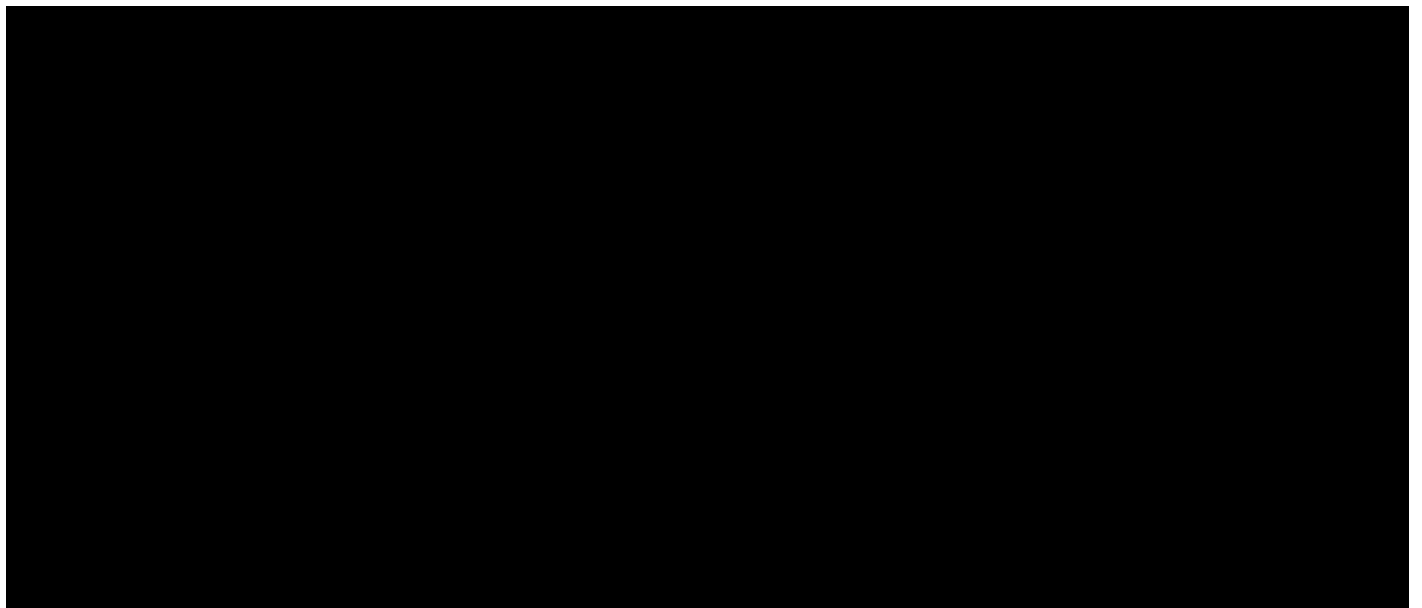
**In the recently launched FP Carmignac European Leaders OEIC fund, Mark Denham, Carmignac's Head of European Equities, has delivered top decile performance to investors with a 1-year return of 14.0% versus -6.7% for its comparator benchmark<sup>1</sup>.**

<sup>1</sup> Performance of the A GBP share class from 15/05/2019 to 15/05/2020. Comparator benchmark: MSCI Europe ex-UK net total return USD. Past performance is not necessarily indicative of future performance. Performances are net of fees (excluding possible entrance fees charged by the distributor). The return may increase or decrease as a result of currency fluctuations, for the shares which are not currency hedged.

### 5 minutes with Mark Denham

In his recent presentation at Citywire's UK Virtual Event, Mark explains **what to look out for in Europe** and how to identify companies with attractive long-term prospects. Watch the key takeaways in 5 minutes.

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“ You can't follow the index in Europe – you have to be highly active ”

## Is Europe worth looking at?

As an analyst, Fund Manager and Head of Team, Mark Denham has been covering European equities since 1993. He believes **Europe provides fertile ground for investment, if one takes the right approach**: 'There's no getting away from the fact that Europe is a region of modest economic growth, [...] **the emphasis has got to be on secular growth** – invest in companies that can grow under their own steam'.

Whilst Europe may not boast the tech giants such as the FAANGs, it is home to a multitude of innovative companies. '**Contrary to what you might read in the press, innovation is alive and kicking in Europe**'. Europe leads the way in what Mark regards as the next mega-trend – renewable energy. 'Offshore windfarm development is growing more than twice the forecast rate for renewable energy, at more than 20% per annum<sup>2</sup> ". The FP Carmignac European Leaders fund also owns a selection of biotech stocks.

## A well-oiled investment approach

The key to unlocking Europe's potential lies in Mark's well-oiled and disciplined investment process, fine-tuned over the last sixteen years: 'To achieve a high conviction portfolio, we don't assume even our best ideas have intrinsic merit – **only through a rigorous and repeatable investment process** can we be sure'.

Mark seeks companies with attractive long-term prospects which exhibit two characteristics – **high, long-term profitability and the reinvestment of profits for future growth**. The initial financial screening focuses on five key metrics and acts as a starting point for in-depth fundamental analysis.

### Holdings must also have strong social responsibility credentials:

- A negative screening eliminates companies that appear on both Carmignac's, and the Fund's, exclusion lists
- Environment, social and governance criteria are integrated at both the analysis and decision-making stages
- A positive screening assesses companies' contribution to society and the planet as per the specific UN

SDGs<sup>3</sup>.

The fund is focused with 30 to 40 stocks and typically has an active share of 90%<sup>4</sup>.

FIND OUT MORE

## FP Carmignac European Leaders

### Main risks of the Fund

**EQUITY:** The Fund may be affected by stock price variations, the scale of which is dependent on external factors, stock trading volumes or market capitalization.

**CURRENCY:** Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.

**DISCRETIONARY MANAGEMENT:** Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected. The Fund presents a risk of loss of capital.

Recommended  
minimum investment  
horizon:

5 years



\*A GBP Acc share class ISIN code: GB00BJHPHZ49. Risk Scale from the KIID (Key Investor Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time.

<sup>2</sup> Source: Bloomberg New Energy Finance New Energy Outlook, June 2018.

<sup>3</sup> United Nations' Sustainable Development Goals.

<sup>4</sup> As of 30/04/2020, the portfolio held 38 invested stock assets. As of 30/04/2020, the fund's active share was of 82%. Portfolio composition may change at any time and without previous notice. The active share is a number between 0% and 100% which assesses how active Funds are versus their reference indicator, measured by the differences of positions and weightings in their respective portfolios.

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