



ST. JAMES'S PLACE
WEALTH MANAGEMENT

Continental European

Unit Trust

28 February 2013

Investment objective

Specifically selecting companies in mainland Europe, excluding the UK, the fund aims to invest in undervalued companies offering the potential for capital growth over the medium to long term.

Manager commentary as at 31 December 2012

We believe that we are approaching the point where we can see a possible way through the crisis. Bold action by the ECB, varying degrees of austerity across the region and the beginnings of closer regulatory and fiscal harmonization auger well for the European project. Combined with a healthy corporate sector and valuations that we haven't seen for decades, European equities appear very compelling. The most significant change to the fund that we have made recently has been to increase our exposure to the banking sector. The recent financial crisis has driven bank valuations to levels that we haven't seen for decades. At the same time the outlook appears to be improving in a number of important ways. Firstly, aggressive action by the ECB has enabled banks to refinance more elusive wholesale funding until they can deleverage further. Regulators also seem to be coming 'down from the mountains'. At a micro level, banks have also worked very hard to reduce costs and deleverage balance sheets. Most importantly, perhaps, the longer term outlook for retail banking has not been harmed by the crisis. The dominant franchises should be able to generate 20% ROEs again.

Fund performance

Five years cumulative performance



29/02/2008 - 28/02/2013 Powered by data from FE

Cumulative performance (%)

	3 mth	6 mth	1 yr	3 yr	5 yr
Fund	12.0	21.1	16.9	25.6	24.2

Discrete annual calendar performance (%)

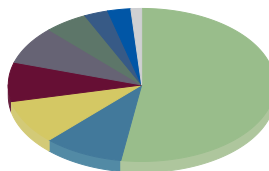
	YTD	2012	2011	2010	2009	2008
Fund	10.2	20.2	-23.3	22.1	14.0	-20.7

Top 10 holdings

1 Assa Abloy AB	5.2%	6 Dassault Systemes SA	4.8%
2 SGS SA	5.1%	7 LVMH Moet Hennessy Louis	4.8%
3 Volkswagen AG (Pref)	4.9%	8 BASF SE	4.8%
4 BNP Paribas	4.9%	9 Edenred	4.7%
5 Legrand SA	4.9%	10 Essilor International	4.6%

Asset allocation

France	52.5%
Germany	9.7%
Switzerland	9.3%
Italy	8.3%
Spain	8.0%
Sweden	5.2%
Denmark	2.9%
Netherlands	2.8%
Cash	1.3%



Manager



Stuart Mitchell
S.W. Mitchell

Fund facts

Fund manager start date

01 October 2007

Units Acc / Inc

Currency classes GBP

Inception date of the fund

01 October 2007

Fund size £43m (at 28 February 2013)

Mandate size* £246m

Yield 0.5%

Distribution dates November

Sector IMA Europe Excluding UK

Risk rating Medium - High

Bloomberg -

ISIN GB00B249JZ41

SEDOL B249JZ4

MEX BPCTAC

Source: Financial Express. All figures are percentage growth on a bid to bid basis for accumulation units, income reinvested and in fund currency. Please be aware that past performance is not indicative of future performance. Equities do not include the security of capital characteristic of a deposit with a bank or building society. The price of units and the income from them may go down as well as up. You may not get back the amount invested.

*This is the total funds under management for the investment mandate across all of the product wrappers.

Unit Trust Yields: The yield is calculated as a percentage of the mid-market unit price as at 28 February 2013. The yield is a historic yield and reflects distributions over the past twelve months. It does not include any preliminary charge and investors may be subject to tax on distributions. It is shown net of tax for a basic rate taxpayer. Yields can fluctuate and therefore are not guaranteed.

Your St. James's Place Partner can provide you with a copy of 'Understanding the balance between risk and reward', which explains investment risk and our risk ratings in more detail.