


# Allianz Continental European Fund Class A Shares Acc

GB0031382988

**Morningstar Analyst Rating**  
 2 Nov 2016  
 23:00, UTC-0500

**Morningstar Category**  
 Europe ex-UK Large-Cap Equity

**Category Index**  
 MSCI Europe Ex UK NR EUR

**Total Assets**  
 120.66  
 Mil GBP

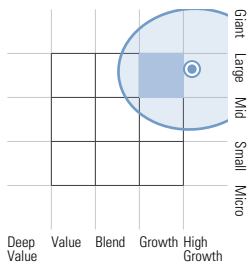
**Current Yield %**  
 0.20

**Inception Date**  
 21/02/73

**Domicile/Currency**  
 GBR/GBP

**Morningstar Rating**  
 ★★★★★

## Equity Style Map

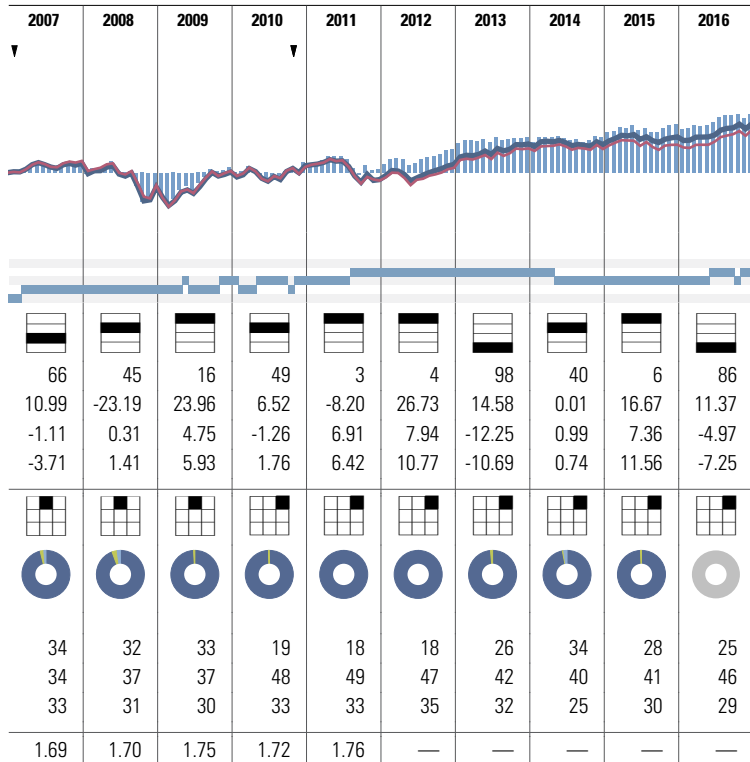


## People

Matthias Born	10/10
Thorsten Winkelmann	10/10
Total Named Managers	2

## Morningstar Pillars

Process	Positive
Performance	Positive
People	Positive
Parent	Neutral
Price	Neutral



## Performance 31/01/17

Growth of 10,000 Annualized	Value GBP	Ret %
Fund	20,008	7.12
Category	18,810	6.46
Index	16,505	5.09

▼ Full Manager Change  
 ▼ Partial Manager Change

## Morningstar Rating

★★★★★

Quartile Rank in Category

Percentile Rank in Category

Total Return GBP

+/- Category

+/- Index

## Process

### Equity Style Box

Asset Allocation  
 ● Stock ● Bond ● Cash ● Other

### Equity Supersectors

📈 Cyclical  
 📉 Sensitive  
 ➡ Defensive

**Price** TER/OGC

## Analyst View

Barbara Claus, Analyst

## A compelling option for growth stocks.

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### Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

### Analyst Rating Spectrum

🏆 Gold 🥈 Silver 🥉 Bronze Neutral Negative

The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years). Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term (defined as a full market cycle or at least five years) and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term (defined as a full market cycle or at least five years). Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>

01 Jan, 1000 | We are sticking to our positive assessment.

In October 2010, Allianz Continental European switched to a long-established, proven, and successful growth strategy. The focus since then has been on growth stocks. The fund's regional orientation, which excludes the United Kingdom, has remained unchanged.

The fund has been managed since October 2010 by Matthias Born in close collaboration with Thorsten Winkelmann. The fund managers have a good track record in managing European equity portfolios. They are supported by four other colleagues who, together with the two managers, make up the growth team for European equities at Allianz Global Investors. The team was strengthened in 2013 by the addition of a junior portfolio manager and a product specialist.

The focus of the strategy lies in stock selection; the fund managers look for high-quality companies that benefit from strong structural growth. In its country and sector allocations, the portfolio may differ substantially from its index and the Europe ex-UK large-cap equity Morningstar Category, especially given that neither the index nor the category is focused on growth companies. The managers tend to find stocks that

they like mainly in the consumer, manufacturing, and technology sectors. They stay true to their strategy regardless of the market environment, which means that the fund can underperform when the market is moving the other way, as was the case in 2013. (However, it's worth noting that unsuccessful stock-picking also played a role in that year's underperformance.)

Even though the weak results in 2013 had a significant impact on three-year performance, since the change of strategy, the results produced by the stock selection have been impressive overall, while volatility has remained below the category average.

Winkelmann and Born are both experienced managers and are supported by a well-staffed and focused team. We confirm our Silver Morningstar Analyst Rating.

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## Morningstar Analyst Rating

	2015	2016	2017
 Gold			
 Silver			
 Bronze			
Neutral			
Negative			
Under Review			
Not Ratable			

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## The Five (5) Pillars

Morningstar has identified five key areas that we believe are crucial to predicting the future success of funds: People, Parent, Process, Performance, and Price. Each pillar is evaluated when assessing a fund as well as the interaction between the pillars, which we believe is crucial to understanding a fund's overall merit.

### People

The overall quality of a fund's investment team is a significant key to its ability to deliver superior performance relative to its benchmark and/or peers. Evaluating a fund's investment team requires that analysts assess several relevant items including how key decisions are made.

### Parent

We believe the parent organization is of utmost importance in evaluating funds. The fund's management set the tone for key elements of our evaluation, including capacity management, risk management, recruitment and retention of talent, and incentive pay. Beyond these operational areas, we prefer firms that have a culture of stewardship and put investors first to those that are too heavily weighted to salesmanship.

### Process

We look for funds with a performance objective and investment process (for both security selection and portfolio construction) that is sensible, clearly defined, and repeatable. In addition, the portfolio should be constructed in a manner that is consistent with the investment process and performance objective.

### Performance

We do not believe past performance is necessarily predictive of future results, and this factor accordingly receives a relatively small weighting in our evaluation process. In particular, we strive not to anchor on short-term performance. However, we do believe that the evaluation of long-term return and risk patterns is vital to determining if a fund is delivering to our expectations.

### Price

To reflect actual investor experience, price is evaluated within the context of the relevant market or cross-border region—for example, the United States, Australia, Canada, or Europe. In recognition of differences in scale and distribution costs in various markets, the level at which a fund is penalised for high fees or rewarded for low fees can vary with region. In Europe, for example, funds are penalised if they land in the most expensive quintile of their Morningstar category and are rewarded if they land in the cheapest quintile. The assessment is made using annual expense ratios, but in the case of funds with performance fees, expenses are evaluated excluding any performance fees and then the structure of the performance fee is evaluated separately.

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Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken.

**Gold**

Represents funds that our analyst has the highest-conviction in for that given investment mandate. By giving a fund a Gold rating, we are expressing an expectation that it will outperform its relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years). To earn a Gold rating, a fund must distinguish itself across the five pillars that are the basis for our analysis.

**Silver**

Represents funds our analyst has high-conviction in, but not in all of the five pillars. With those fundamental strengths, we expect these funds will outperform their relevant performance benchmark and/or peer group within the context of the level of risk taken over the long term (defined as a full market cycle or at least five years).

**Bronze**

Represents funds that have advantages that clearly outweigh any disadvantages across the pillars, giving analyst the conviction to award them a positive rating. We expect these funds to beat their relevant performance benchmark and/or peer group within the context of the level of risk taken over a full market cycle (or at least five years).

**Neutral**

Represents funds in which our analysts don't have a strong positive or negative conviction. In our judgment, these funds are not likely to deliver standout returns, but they aren't likely to seriously underperform their relevant performance benchmark and/or peer group either.

**Negative**

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**Not Ratable**

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