

# fundstalk-bulletin

December 2009

## Manager change – Fidelity European Fund

From 1 January 2010, Sam Morse will take over as portfolio manager of the Fidelity European Fund from Tim McCarron. This will affect two of our life and pension fund links – the SW Fidelity European Fund and the Clerical Medical Fidelity European Fund.

### Background

After 16 years with Fidelity, the manager of the Fidelity European Fund, Tim McCarron, has decided to take some time away from the industry. As a result, Sam Morse, currently portfolio manager of the Fidelity MoneyBuilder Growth Fund, will take over responsibility for the Fidelity European Fund from 1 January 2010.

Scottish Widows links to this fund as part of its guided pension fund range. The fund is also available through Clerical Medical life products.

### About Sam Morse

Sam has more than 20 years' investment experience, 12 of those at Fidelity:

**2004-present:** Portfolio Manager, Fidelity

**1997-2003:** Head of Equities, M&G

**1990-1997:** Research Analyst, Assistant Portfolio Manager and Portfolio Manager, Fidelity

**1988-1990:** MBA, INSEAD

**1986-1988:** Far East Equity Sales, Hoare Govett

Although Sam has primarily run UK funds in his career, these UK mandates have allowed him to invest up to 20% of the funds' net asset value into European stocks. In addition to this, research shows that 70% of the revenues of FTSE 100 companies come from overseas, so Sam already looks at his stocks in an international context.

Sam is an experienced investor with a strong track record. As at 31 October 2009, he had an AA rating from Citywire, and the Fidelity MoneyBuilder Growth Fund had an AA Standard & Poor's rating. Over the last three years (30 November 2006 to 31 October 2009), the Fidelity MoneyBuilder Growth Fund has also beaten 84% of its peers.\*

\*Source for all performance information and ratings: Fidelity, December 2009.

## Another manager, another investment approach?

Fidelity describes the move from Tim McCarron to Sam Morse as 'evolution', not 'revolution', with most of the current portfolio meeting Sam's criteria:

- Sam sees internal research as a key part of building a portfolio.
- Sam will continue to use a bottom-up approach, focusing on individual stocks rather than on industry sectors or how the economy is performing.
- Like Tim, Sam combines elements from both growth and value investing to find individual stocks.
- Sam will continue to run the fund in a conservative way and retain a similar risk profile.

However, there will be a few differences in approach:

- Sam will look to diversify more at market capitalisation and industry sector levels.
- Sam tends to hold fewer stocks in his portfolios than Tim.
- Sam typically holds stocks for longer than Tim currently does (three-five years), meaning there will probably be a lower turnover of stocks within the fund.

## Our European funds

The Scottish Widows guided pension fund range offers a comprehensive range of European funds:

- Scottish Widows European Fund
- Scottish Widows European Real Estate Fund
- SW JPM Europe Dynamic (ex UK) Fund
- SW Fidelity European Fund
- SW Schroder European Alpha Plus Fund
- SW SSgA Europe ex UK Equity Index Fund

In addition, the following Clerical Medical Investment Solutions (CMIS) funds are available through life products, for OEIC and ISA investments, and through the fund supermarket link on Retirement Account:

- CMIS European Fund
- CMIS European Focus Fund
- CMIS European Special Situations Fund
- CMIS European Strategic Fund

These Clerical Medical funds are also available through life products:

- Clerical Medical Fidelity European Fund
- Clerical Medical Schroder European Alpha Fund

For more information on all these funds, including factsheets and fund prices, visit

[www.scottishwidows.co.uk/fundinformation](http://www.scottishwidows.co.uk/fundinformation)

### Past performance is not a reliable indicator of future results.

Views, opinions and forecasts expressed in this document are those of the fund manager as at December 2009. Investment markets and conditions can change rapidly and, as such, should not be taken as statement of fact, nor should reliance be placed on these views when making investment decisions.



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