

This fact sheet shows current information. The information may be different to that shown in literature, which will contain information at the time it was produced. Our systems which produce quotations, annual statements and provide online customer services may also differ while we update them. Fund holdings, asset allocation and past performance information should not be relied upon for buying and selling decisions.

**Fund aim**

The fund aims for capital growth by investing in any European stockmarket except the UK. Although the bulk of investment will take place in the major markets, the fund manager believes that the smaller markets also offer interesting opportunities from time to time and should be represented in the fund. The fund mainly invests in equities, but there may be periods when European fixed interest securities are an attractive investment for part of the portfolio. The fund may invest indirectly through other permitted investment vehicles. Any direct investment in derivatives will be for the purpose of efficient portfolio management and risk reduction.

**Risk warnings**

These are the risk warnings that apply to this fund. For a full explanation, refer to page 3.  
**A, B, C, E, F, G, H, M, P**

Top holdings as at 31 Dec 2011	%
NOVARTIS AG	3.47
TOTAL S.A	3.20
SANOFI	2.96
CRH	2.90
SVENSKA HANDELSBANKEN	2.76
KERRY GROUP PLC	2.74
F&C PORTFOLIO EUROPEAN SMALL CAP A	2.60
SIEMENS AG	2.56
NOKIA CORP	2.42
REED ELSEVIER	2.36

Asset allocation as at 31 Dec 2011	%
Netherlands	15.40
France	14.80
Germany	13.70
Switzerland	11.10
Ireland	9.30
Sweden	7.90
Italy	5.30
Money Market	22.50

**Risk rating**



**High -** : As an adventurous investor, you will accept above average but below high risk for the prospect of high returns.

Fund facts	
Launch date	January 1987
Fund size as at 30/12/2011	£54.7m
Fund manager	David Moss
Investment sector	ABI Europe Ex UK Equities
Standard deviation	24.0%
SEDOL/MEXID code	353630/FPEU
Indicative net charge	0.8%
Additional expenses	0.05%

**Standard deviation** is a measure of a fund's risk and volatility. It gives an indication of how much a fund's price goes up and down in value. So the higher the volatility measure, the greater the risk. The above figure is an annualised figure over a three-year time period.

The **indicative net charge** represents the most common yearly charge experience for new customers investing in the fund. We review the figure each year. Any past performance figures shown overleaf assume we've made this yearly charge.

Most fund managers have to pay expenses, such as fees to auditors, trustees and valuers. Any **additional expenses** are taken from the underlying fund and are reflected in the unit price. They are reviewed regularly and can change.

The **risk rating** is an indication of the volatility and the change in value of the fund from day-to-day. Our risk ratings are based on both past performance and an assessment of the make-up of the fund. We review risk ratings twice a year and because of this they may change.

**Underlying fund information**

Launch date	February 1981
Fund size as at 20/01/2012	£512.3m

This fact sheet shows current information. The information may be different to that shown in literature, which will contain information at the time it was produced. Our systems which produce quotations, annual statements and provide online customer services may also differ while we update them. Fund holdings, asset allocation and past performance information should not be relied upon for buying and selling decisions.

The information shown refers to the past. Past performance is not a reliable guide to future performance.

The performance figures show actual fund performance assuming the indicative net charge has been taken. They are on a single price, income reinvested basis and sourced from Financial Express.

Five year past performance information showing percentage increase or decrease					
	31/12/2006 - 31/12/2007	31/12/2007 - 31/12/2008	31/12/2008 - 31/12/2009	31/12/2009 - 31/12/2010	31/12/2010 - 31/12/2011
FL European	11.5%	-25.0%	20.9%	7.5%	-15.3%
ABI Europe Ex UK Equities sector average	11.6%	-22.9%	17.7%	8.8%	-14.3%

Data will not exist for some periods if the fund was launched less than 5 years ago.

Cumulative past performance showing percentage increase or decrease					
	1 year to 31/12/2011	3 years to 31/12/2011	5 years to 31/12/2011	10 years to 31/12/2011	Since launch to 31/12/2011
FL European	-15.3%	10.1%	-7.9%	19.2%	476.3%
ABI Europe Ex UK Equities sector average	-14.3%	9.8%	-5.5%	46.4%	-
Rank	5/8	3/8	2/6	2/3	-
Quartile	3	2	1	2	-

Data will not exist for some periods if the fund was launched less than 10 years ago.

**Rank-** shows the fund's relative positioning when its performance is compared to the other funds in its investment sector. The second figure shows the number of funds available over the period shown.

**Quartile-** if a fund is ranked in the top 25% of funds available within its investment sector over the period shown, it is 'Quartile 1'. Funds ranked in the next 25% are 'Quartile 2', funds ranked in the next 25% are 'Quartile 3' and funds in the bottom 25% are 'Quartile 4'.

**Five year performance**



29/12/2006 - 31/12/2011 Powered by data from FE

**This fact sheet shows current information. The information may be different to that shown in literature, which will contain information at the time it was produced. Our systems which produce quotations, annual statements and provide online customer services may also differ while we update them. Fund holdings, asset allocation and past performance information should not be relied upon for buying and selling decisions.**

### Explanation of risk warnings

A description of all the risk warnings is below. For the risk warnings that apply to this fund please see the relevant section on page 1.

<b>A</b> The value of an investment is not guaranteed and can go up and down depending on performance. You could get back less than you have paid in.	<b>B</b> At times, a fund may need to change the way its price is calculated, to ensure that those moving into and out of the fund are treated fairly. This can have a negative effect on a fund's price and performance.
<b>C</b> Fund managers have the ability, in exceptional circumstances, to suspend trading in their funds for as long as necessary. When this occurs we will need to delay the 'cashing in' or switching of units in the relevant fund. You may not be able to access your money during this period.	<b>D</b> Where a fund aims to generate an income, we reinvest any income back into the fund to increase the value of the units.
<b>E</b> Where a fund invests overseas, the value can go up and down simply because of changes in currency exchange rates.	<b>F</b> Where a fund invests in emerging markets it is likely to be more volatile than one that invests in developed markets. These markets can be unstable and less liquid, so the fund may carry more risk.
<b>G</b> Some funds invest in the shares of smaller companies. These shares can be more volatile and less liquid than larger company shares, so the funds may carry more risk.	<b>H</b> Where a fund invests in fixed interest securities, such as company or government bonds, the value may go up and down as interest rates change. If interest rates rise, the value is likely to fall. Some high yielding bonds are known as junk bonds. These carry an increased risk that the issuer of the bond will be unable to continue the interest payments or return the capital at maturity.
<b>I</b> Funds that invest in specific industry sectors may carry more risk than those spread across several sectors. These funds can be more volatile and higher risk due to their limited exposure.	<b>J</b> Derivatives are complex and funds that use them for investment purposes may be more volatile. These funds are considered to be higher risk than funds that invest only in shares.
<b>K</b> Cash funds are not cash deposit accounts and can fall in value. In a low interest rate environment the charges applied to the fund may be greater than its return, so you may not get back all of your original investment.	<b>L</b> Property funds mainly invest in commercial properties which are not easy to sell. In exceptional circumstances, we may need to delay the 'cashing in' or switching of units in the fund. You may not be able to access your money during this period.
<b>M</b> Where a fund is involved in the temporary transfer of securities, there is always the risk that the borrower may not be able to return the security to its owner. This may have a negative effect on the performance of the fund.	<b>N</b> Where a fund invests in index linked bonds, the value may go up and down as the rate of inflation changes. If inflation falls, the value is likely to fall.
<b>O</b> Some funds invest in the shares of property investment trusts, which may own commercial and residential properties. Property investment trusts are stock market listed companies, and their shares can be affected by the performance of global stock markets.	<b>P</b> Due to the way some funds are managed there may be periods when they have large cash holdings. This can be a deliberate asset allocation decision or while suitable investment opportunities are researched and selected. A fund's growth potential may be less during this period.

Friends Life Limited

Registered Office: Pixham End, Dorking, Surrey RH4 1QA

Incorporated company limited by shares and registered in England and Wales number 4096141

Authorised and regulated by the Financial Services Authority

[www.friendslife.com](http://www.friendslife.com) Telephone 0845 602 9189

Friends Life is a registered trade mark of the Friends Life group

