

31 December 2013

Russell Emerging Markets Equity Fund



Portfolio Manager
Scott Crawshaw

Russell's global equity team comprises 60 experienced professionals, including Portfolio Managers, Analysts, Strategists, Researchers and Market Forecasters. The team is based in 7 global locations – Seattle, New York, Toronto, London, Paris, Sydney and Tokyo, and runs over USD 49bn.

The team's current research focus is on strategies that offer upside potential with a measure of downside protection.

Fund facts

Share class; Dealing ccy

Class A Acc; USD

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 4,897.87m

ISIN; Bloomberg

IE0003507054; FRIEMEI ID

Fund launch date

31 December 1994

Share class launch date

31 December 1994

Management fee

1.30%

Share class NAV

USD 372.28

Fund objective

The Fund aims to achieve long term growth by investing in the shares of companies in emerging markets or companies that carry out a majority of their business in emerging markets. The Fund uses a multi-strategy investment approach and is broadly diversified across different countries worldwide and industry sectors.

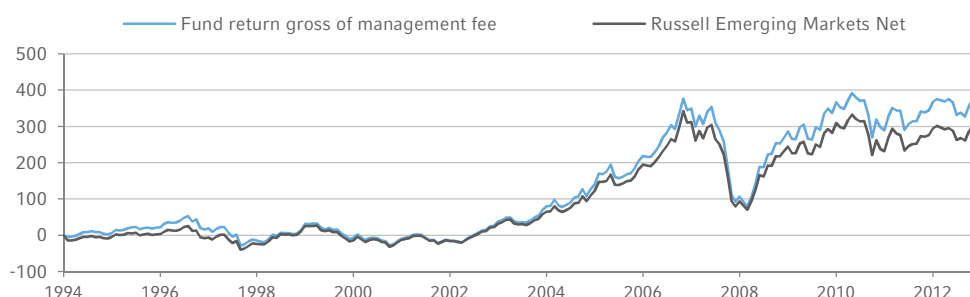
Russell fund update

The Fund outperformed with UBS generating the strongest returns. In Q4, we completed the transition from Arrowstreet to Numeric, hiring Westwood International Advisors and implementing a Select Exposure custom portfolio. In changing from Arrowstreet to Numeric, we are transitioning to a similar strategy, but using a manager at an earlier stage of asset growth in emerging markets equities. Westwood will be employing a Small & Mid cap strategy. Meanwhile, the Russell Select Exposure portfolio provides control over specific factor exposures, allowing us to manage these more precisely and efficiently.

Performance review

| Performance to period end | 1 month | 3 months | Year to date | 12 months | 3 years | 5 years | Since inception |
|--|---------|----------|--------------|-----------|---------|---------|-----------------|
| Returns shown in USD | % | % | % | % | %p.a. | %p.a. | %p.a. |
| Return gross of management fee Class A Acc | -0.7 | 2.6 | 0.0 | 0.0 | 0.1 | 17.8 | 8.5 |
| Return net of management fee Class A Acc* | -0.8 | 2.2 | -1.2 | -1.2 | -1.2 | 16.3 | 7.1 |
| Benchmark | | | | | | | |
| Russell Emerging Markets Net | -0.8 | 2.4 | 0.0 | 0.0 | -1.2 | 15.4 | 7.5 |

Performance history



The current benchmark is the Russell Emerging Markets Net Index. Prior to 1st April 2011 the benchmark was MSCI EMF (Net), prior to 1st January 2009, it was gross. Prior to April 1999 it was ING Barings Extended EM Index. Between April 1999 & February 2003 the IFC Investable Index.

Past performance is not necessarily indicative of future performance.

*Returns are calculated on a single pricing basis. Returns are presented net of total expense ratio. Source: Russell Investments.

Portfolio statistics

| | Fund | Benchmark |
|---------------------------|------|-----------|
| Number of equity holdings | 663 | 2922 |
| Price/earnings | 11.9 | 12.1 |
| Dividend yield | 2.3 | 2.5 |
| Price to book | 1.7 | 1.6 |

| | Fund | Benchmark |
|----------------------|------|-----------|
| Volatility | 18.8 | 19.0 |
| Tracking error | 2.3% | - |
| Sharpe ratio | 0.0 | -0.1 |
| Information ratio | 0.6 | - |
| 3 year return | 0.1% | -1.2% |
| 3 year excess return | 1.3% | - |

Data as at 30 November 2013

31 December 2013

Russell Emerging Markets Equity Fund (continued)

Ten largest holdings by weight

| Security | Fund | Benchmark |
|--|------|-----------|
| Samsung Electronics Co., Ltd. | 4.7% | 3.4% |
| Lukoil Holdings | 1.9% | 1.0% |
| Taiwan Semiconductor Manufacturing Co., Ltd. | 1.8% | 1.8% |
| Gazprom Oao | 1.6% | 1.0% |
| Sberbank of Russia-Regist | 1.3% | 0.7% |
| China Construction Bank Corp | 1.2% | 1.4% |
| Sabmiller Plc | 1.1% | - |
| Hyundai Motor Co. | 1.1% | 0.9% |
| Cia Vale do Rio Doce | 1.1% | 1.0% |
| Hynix Semiconductor, Inc. | 1.1% | 0.4% |

Country weight

| | Fund | Benchmark |
|--------------|-------|-----------|
| China | 20.8% | 20.8% |
| Korea | 14.6% | 14.5% |
| Brazil | 9.6% | 9.5% |
| Taiwan | 8.9% | 12.0% |
| Russia | 7.5% | 6.4% |
| India | 7.3% | 6.6% |
| South Africa | 6.9% | 6.9% |
| Mexico | 3.3% | 4.4% |
| Thailand | 3.2% | 2.3% |
| Others | 17.9% | 16.6% |

Sector weights

| | Fund | Benchmark |
|------------------------|-------|-----------|
| Financial Services | 25.8% | 26.2% |
| Technology | 18.2% | 15.5% |
| Consumer Discretionary | 12.6% | 10.7% |
| Materials & Processing | 10.5% | 10.4% |
| Energy | 8.8% | 11.2% |
| Consumer Staples | 8.1% | 7.6% |
| Producer Durables | 6.5% | 6.9% |
| Utilities | 6.5% | 9.2% |
| Health Care | 3.0% | 2.2% |

Portfolio structure

| Manager | Style | Target weight | Actual weight |
|-----------------------------|---------------------------|---------------|---------------|
| Bernstein | Deep value | 18.0% | 18.6% |
| Genesis | Market-oriented | 15.0% | 14.5% |
| Harding Loevner | Market-oriented | 16.0% | 15.6% |
| Numeric | Value, quant | 14.0% | 12.6% |
| Russell EM Value Custom | Custom Value | 6.0% | 4.7% |
| Somerset Capital Management | Quality SMID Cap | 10.0% | 8.6% |
| UBS Global | Momentum growth | 8.0% | 8.0% |
| Victoria | Market-oriented, thematic | 8.0% | 7.3% |
| Westwood | GARP, SMID Cap | 5.0% | 4.7% |

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