

31 December 2013

Russell US Small Cap Equity Fund



Portfolio Manager
Jon Egging

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 196.67m

ISIN; Bloomberg

IE0003512708; FRUSSCA ID

Fund launch date

13 June 1997

Share class launch date

16 June 1997

Management fee

0.90%

Share class NAV

USD 39.08

Fund objective

The Fund aims to achieve long term growth by investing in the shares of small US companies, using a multi-strategy investment approach. The Fund is broadly diversified across different US companies and industry sectors, and may also invest in the shares of newly listed companies.

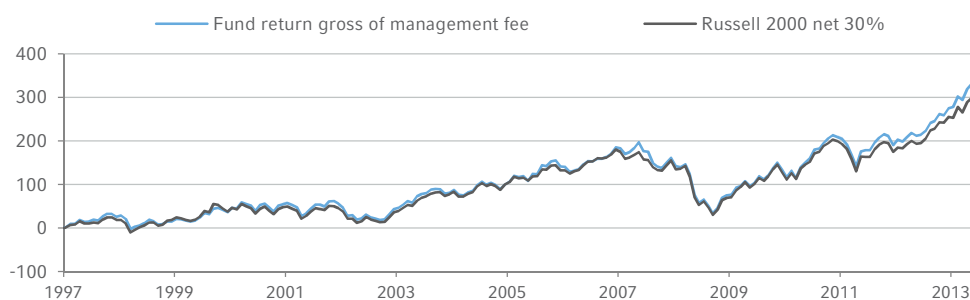
Russell fund update

The Russell 2000 had another strong quarter, gaining 8.7% and capping off a strong year for US small cap equities. At the forefront was a preference for value and smaller companies of the Russell 2000. This environment was a moderate headwind for the Fund, leading to mixed results at the manager-level. However, positive stock selection in the energy sector and underweight allocations in the biotechnology and real-estate investment trusts industries helped the Fund keep pace during the rising tide. We remain optimistic of further positive performance within the US equity market as we move into 2014.

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	2.3	8.2	40.4	40.4	17.4	22.4	9.6
Return net of management fee Class A Acc	2.3	8.0	39.1	39.1	16.3	21.3	8.6
Benchmark							
Russell 2000 net 30%	1.9	8.6	38.3	38.3	15.9	21.3	9.1

Performance history



The current benchmark is the Russell 2000 Net 30%. Prior to 1 October 2012 the benchmark was Russell 2500 Net 30%.

Portfolio statistics

	Fund	Benchmark
Number of equity holdings	424	1969
Price/earnings	22.9	21.9
Dividend yield	1.3	1.2
Price to book	2.2	2.3
EPS growth (1 year)	10.6	7.6

	Fund	Benchmark
Volatility	15.4	15.9
Tracking error	2.3%	-
Sharpe ratio	1.0	0.9
Information ratio	0.5	-
3 year return	17.4%	15.9%
3 year excess return	1.5%	-

Data as at 30 November 2013

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Russell US Small Cap Equity Fund (continued)

Ten largest holdings by weight

Security	Fund	Benchmark
CoStar Group, Inc.	1.0%	0.3%
Advisory Board Co. (The)	0.9%	0.1%
Shutterfly Inc.	0.9%	0.1%
Aspen Technology, Inc.	0.9%	0.2%
Buffalo Wild Wings Inc.	0.8%	0.2%
Mwi Veterinary Supply Inc	0.8%	0.1%
Dealertrack Holdings Inc	0.8%	0.1%
Akorn Inc	0.8%	0.1%
Granite Construction, Inc.	0.8%	0.1%
Interactive Intelligence Group Inc.	0.7%	0.1%

Sector weights

	Fund	Benchmark
Technology	21.6%	14.3%
Producer Durables	19.2%	14.3%
Financial Services	18.0%	23.8%
Consumer Discretionary	16.5%	14.4%
Health Care	9.9%	13.3%
Materials & Processing	5.6%	7.2%
Utilities	3.8%	4.0%
Energy	3.6%	5.3%
Consumer Staples	1.8%	3.4%

Portfolio structure

Manager	Style	Target weight	Actual weight
ClariVest	Value	22.0%	19.4%
DePrince, Race & Zollo Inc.	Value	25.0%	25.9%
Next Century Growth Investors	Growth	14.0%	16.0%
RBC Global Asset Mgmt	Market - oriented	21.0%	15.6%
Summit Creek Advisors	Growth	18.0%	18.9%
Russell (cash & other)		-	4.2%

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