

31 December 2013

Russell Continental European Equity Fund



Portfolio Manager
Ronnie Sabel

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; EUR

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

EUR 456.87m

ISIN; Bloomberg

IE0007356250; FRUCEAI ID

Fund launch date

29 March 1996

Share class launch date

29 March 1996

Management fee

0.80%

Share class NAV

EUR 33.26

Fund objective

The Fund aims to achieve long term growth by investing in the shares of European companies (excluding UK), or companies that carry out a majority of their business in Europe. The Fund uses a multi-strategy investment approach and is broadly diversified across European countries, sectors and by market-capitalisation.

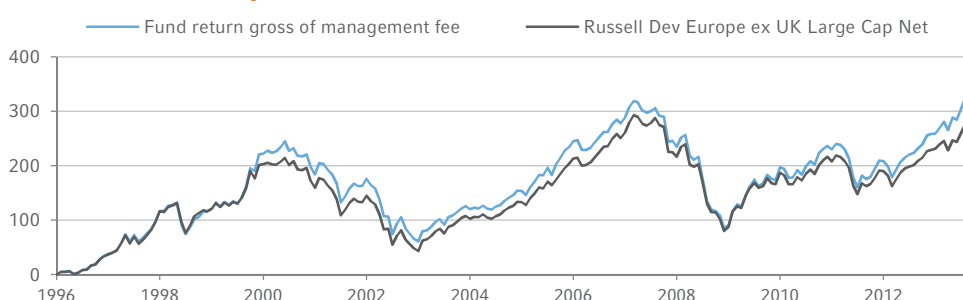
Russell fund update

The Fund capped off a strong year of relative returns by outperforming in the fourth quarter. Stock selection was the prominent driver of performance, as selection within the financials and consumer discretionary sectors extended their 2013 gains. The positive selection of French and Swiss based stocks was notable, despite strong factor headwinds. Our thematic manager THS and Numeric's market-oriented strategy both lead returns at the manager level. Going into 2014, we observe that valuations are no longer as attractive as they were one year ago, and we continue to reign in higher risk where possible.

Performance review

Performance to period end	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception
Returns shown in EUR	%	%	%	%	%p.a.	%p.a.	%p.a.
Return gross of management fee Class A Acc	1.5	8.1	29.0	29.0	10.7	15.2	8.7
Return net of management fee Class A Acc	1.4	7.9	28.0	28.0	9.8	14.3	7.8
Benchmark							
Russell Dev Europe ex UK Large Cap Net	1.0	6.4	22.0	22.0	8.4	12.4	7.9

Performance history



The current benchmark is Russell Dev Europe ex UK Large Cap Net Index. Prior to 1st April 2011 the benchmark was FTSE World Europe ex UK (Net), prior to 1st January 2009 it was gross of withholding tax, total return.

Portfolio statistics

	Fund	Benchmark
Number of equity holdings	248	510
Price/earnings	16.7	17.0
Dividend yield	3.2	3.1
Price to book	1.6	1.7
EPS growth (1 year)	2.2	2.2

	Fund	Benchmark
Volatility	14.3	13.6
Tracking error	1.9%	-
Sharpe ratio	0.8	0.6
Information ratio	1.2	-
3 year return	10.7%	8.4%
3 year excess return	2.3%	-

Data as at 30 November 2013

31 December 2013

Russell Continental European Equity Fund (continued)

Ten largest holdings by weight

Security	Fund Benchmark	
Roche Holding AG	3.5%	2.9%
Novartis AG	2.7%	3.1%
ING Groep NV	2.0%	0.8%
BNP Paribas	1.9%	1.2%
UPM-Kymmene Oyj	1.8%	0.1%
Actelion Ltd.	1.6%	0.1%
Vivendi Universal SA	1.5%	0.5%
Allianz AG	1.5%	1.2%
Basf Ag	1.4%	1.4%
Statoil ASA	1.4%	0.4%

Country weight

	Fund Benchmark	
Germany	19.8%	19.3%
France	18.8%	20.6%
Switzerland	16.0%	18.5%
Spain	9.1%	6.8%
Netherlands	6.7%	7.7%
Sweden	6.0%	6.6%
Norway	5.5%	1.5%
Italy	4.4%	5.0%
Denmark	3.2%	2.8%
Others	10.5%	11.2%

Sector weights

	Fund Benchmark	
Financials	20.7%	21.1%
Industrials	14.6%	14.3%
Health Care	14.5%	13.8%
Consumer Discretionary	12.3%	10.4%
Materials	8.6%	7.6%
Energy	7.7%	8.8%
Consumer Staples	6.9%	11.2%
Telecommunication Services	6.4%	4.3%
Information Technology	6.2%	4.9%
Utilities	2.0%	3.6%

Portfolio structure

Manager	Style	Target weight	Actual weight
Invesco Perpetual	Stock selection, mix of quality, growth and valuation	17.5%	16.7%
Liontrust	Quality of earnings / earnings surprise	20.0%	19.5%
Metropole Gestion	Value-oriented stock selection	12.5%	12.6%
Numeric	Multi-factor quantitative model	27.5%	26.8%
Russell	Select Exposures, Defensive income	10.0%	9.7%
THS	Growth At a Reasonable Price	12.5%	11.7%
Cash & Other		-	3.2%

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