

The European Small Cap Fund



Patrick Egan
Portfolio Manager

Russell Investments' Global Equity Team comprises over 23 experienced professionals, including portfolio managers, researchers, portfolio analysts, and strategists in Russell Investments offices around the globe. The team manages a wide range of U.S., non-U.S developed, emerging market, frontier market, and global equity mandates.

Fund Objective

The Fund aims to achieve long term growth by investing in the equities of smaller-sized European companies. The Fund is broadly diversified across different European countries and industry sectors. The Fund is actively managed with reference to the MSCI Europe Small Cap Index (EUR) - Net Returns (the Index) which seeks to outperform by 2% over the medium to long term. Russell Investments has full discretion to select investments for the Fund.

Fund Update

Russell Investments, as the Investment Manager, adopts and executes the ideas of the selected third-party specialist investment managers through our in-house implementation team. The Fund is dynamically managed in alignment with our cycle, valuation, sentiment (CVS) framework as well as to take advantage of tactical opportunities within each manager's excess return cycle. The Fund is tilted towards growth, quality and momentum.

Performance Review %

Performance to period end Returns shown in EUR	1 month	3 months	6 months	Year to Date	1 year	3 years	5 years	10 years	Since inception
Return net of management fee Class A Roll-Up	-0.6	-1.4	8.0	9.3	12.8	-2.2	6.4	5.7	5.4
MSCI Europe Small Cap Index (EUR) - Net Returns	-0.3	0.4	10.0	9.1	16.0	-1.6	7.4	7.3	-

All returns greater than 1 year are annualised

Rolling 12 Month Performance (%)

Returns shown in EUR	30/06/23 30/06/24	30/06/22 30/06/23	30/06/21 30/06/22	30/06/20 30/06/21	30/06/19 30/06/20
Return net of management fee Class A Roll-Up	9.42	8.57	-16.86	43.95	-10.25
MSCI Europe Small Cap Index (EUR) - Net Returns	12.00	6.74	-17.70	43.05	-4.14

Returns shown in EUR	30/06/18 30/06/19	30/06/17 30/06/18	30/06/16 30/06/17	30/06/15 30/06/16	30/06/14 30/06/15
Return net of management fee Class A Roll-Up	-7.75	4.96	28.35	-14.46	21.88
MSCI Europe Small Cap Index (EUR) - Net Returns	-4.41	7.91	25.93	-7.18	18.85

Past performance does not predict future returns.

The current benchmark is the MSCI Europe Small Cap Index (EUR) - Net Returns. Prior to 30th November 2017 the benchmark was the S&P Europe Under USD 3B NR. Prior to June 2007 the benchmark was CG Europe BMI (capped at \$1bn).

Fund facts

Share Class; Dealing ccy

A Roll-Up; EUR

Dealing frequency; Cut off

Daily; 2:00 pm GMT

Domicile; Category

Ireland; UCITS

Fund size

EUR 10.70m

Fund launch date

10 June 1999

Share class launch date

31 July 1998

Management fee

1.90%

ISIN; Bloomberg

IE0004307934; SGRESAI ID

Share class NAV

EUR 0.91m

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Portfolio Statistics

	Fund	Benchmark
Number of equity holdings	290	875
Price/Earnings	21.6	18.1
Dividend Yield	2.8	2.8
Price to Book	1.9	3.1
EPS Growth (1 Year)	31.9	31.9

3 years	Fund	Benchmark
Volatility	17.6	17.6
Tracking error	2.5	2.5
Sharpe ratio	-	-
Information ratio	0.7	0.7
3 year return (net)	-2.0%	-1.6%
3 year excess return (net)	-0.4%	-

Ten largest holdings by weight

Issuer	Fund	Benchmark
Balfour Beatty PLC	2.2%	0.2%
Pandora A/S	1.7%	0.0%
BAWAG Group AG	1.5%	0.4%
Bankinter SA	1.3%	0.4%
Bekaert SA	1.2%	0.1%
Vistry Group PLC	1.2%	0.4%
Royal Unibrew A/S	1.1%	0.3%
LOGISTA	1.1%	0.1%
Fugro NV	1.1%	0.2%
BPER Banca SPA	1.1%	0.4%

Regional weights

	Fund	Benchmark
Europe ex UK	71.6%	67.3%
United Kingdom	26.9%	31.9%
Canada	0.8%	0.0%
Emerging Markets	0.5%	0.6%
Asia ex Japan	0.1%	0.2%
United States	0.0%	0.0%
Australia/New Zealand	0.0%	0.0%
Japan	0.0%	0.0%

Sector weights

	Fund	Benchmark
Industrials	24.3%	24.5%
Financials	14.9%	16.1%
Consumer Discretionary	13.3%	10.3%
Information Technology	11.7%	8.1%
Materials	8.8%	7.0%
Health Care	8.5%	7.5%
Communication Services	7.8%	4.6%
Real Estate	3.5%	9.5%
Consumer Staples	3.1%	5.4%
Energy	2.8%	4.1%
Utilities	1.2%	2.8%
Other	0.0%	0.0%

ESG Data

	Fund	Benchmark
ESG Score	18.8	18.8
Carbon Footprint	112.2	95.8

Source: The portfolio-level ESG Risk Rating is the weighted average of the Sustainalytics' Risk Rating for securities in the portfolio. The Sustainalytics Risk Rating details are available at <https://www.sustainalytics.com/esg-data>. Carbon footprint is the weighted average carbon intensity of the Scope 1 and 2 carbon emission intensity of companies in the portfolio. It is measured in tonnes of CO₂e divided by revenue (USD \$M).

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Fund structure

Manager/Strategy	Strategy	Target	Actual
AllianceBernstein L.P.	Value	32.0%	28.1%
Joh. Berenberg, Gossler & Co. KG	Growth	25.0%	24.9%
Liontrust Investment Partners LLP	Market-Oriented	20.0%	21.6%
Russell Investments	Positioning Strategies	23.0%	25.4%

Russell Investments may trade a portion of the Fund's assets based on a model portfolio provided by the investment advisor. By employing this emulated portfolio approach, the Fund leverages off the implementation capabilities of Russell Investments in order to manage the funds in an efficient manner.

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The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested.

Past performance does not predict future returns.

The net assets of the fund are likely to have high volatility.

Potential investors in Emerging markets should be aware that investment in these markets can involve a higher degree of risk.

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KvK number 67296386

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