

# The European Small Cap Fund



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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

The Fund underperformed against the benchmark in the second quarter in a negative period for midcap stocks. In sectors, stock selection within health care and industrials was unhelpful. Key detractors also included overweights to Bekaert and Ipsos within materials and communication services, respectively. However, selection within technology (overweight ASML, Comet Holding) was additive.

## 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	-4.2	0.2	6.2	6.2	9.4	-0.4	5.0	5.2	5.3
MSCI Europe Small Cap Index (EUR) - Net Returns	-3.3	1.5	5.0	5.0	12.0	-0.5	6.2	6.8	-

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 11.44m

#### 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 1.00m

# The European Small Cap Fund

## Portfolio Statistics

	Fund	Benchmark
Number of equity holdings	280	881
Price/Earnings	17.0	7.5
Dividend Yield	2.8	2.8
Price to Book	1.8	3.1
EPS Growth (1 Year)	25.1	36.9

3 years	Fund	Benchmark
Volatility	17.8	17.8
Tracking error	2.7	2.7
Sharpe ratio	-	-
Information ratio	1.0	1.0
3 year return (net)	-0.3%	-0.5%
3 year excess return (net)	0.2%	-

## Ten largest holdings by weight

Issuer	Fund	Benchmark
Balfour Beatty PLC	1.6%	0.2%
Pandora A/S	1.5%	0.0%
Bekaert SA	1.3%	0.1%
BAWAG Group AG	1.3%	0.4%
Royal Unibrew A/S	1.2%	0.3%
4imprint Group PLC	1.2%	0.2%
Saab AB	1.1%	0.0%
IPSOS SA	1.1%	0.2%
Cia de Distribucion Integral Logista Holdings SA	1.1%	0.1%
BPER Banca SPA	1.1%	0.4%

## Regional weights

	Fund	Benchmark
Europe ex UK	71.3%	67.7%
United Kingdom	26.9%	31.4%
Canada	0.9%	0.0%
Emerging Markets	0.8%	0.7%
Asia ex Japan	0.2%	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	24.1%	24.4%
Financials	15.7%	15.9%
Information Technology	12.9%	8.5%
Consumer Discretionary	11.7%	10.4%
Materials	8.8%	7.4%
Health Care	8.2%	7.2%
Communication Services	7.7%	4.7%
Consumer Staples	3.5%	5.3%
Real Estate	3.5%	9.1%
Energy	2.9%	4.4%
Utilities	1.2%	2.7%
Other	0.0%	0.0%

## ESG Data

	Fund	Benchmark
ESG Score	19.6	19.7
Carbon Footprint	116.4	102.2

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 CO<sub>2</sub>e divided by revenue (USD \$M).

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## Fund structure

Manager/Strategy	Strategy	Target	Actual
AllianceBernstein L.P.	Value	32.0%	28.4%
Joh. Berenberg, Gossler & Co. KG	Growth	25.0%	24.5%
Liontrust Investment Partners LLP	Market-Oriented	20.0%	21.4%
Russell Investments	Positioning Strategies	23.0%	25.7%

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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**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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