

MSMM European Small Cap Fund



Portfolio Manager
Patrick Egan

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 facts

Share class; Dealing ccy

Class A Acc; EUR

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

EUR 12.13m

ISIN; Bloomberg

IE0004307934; SGRESAI ID

Fund launch date

15 July 1998

Share class launch date

31 July 1998

Management fee

1.90%

Share class NAV

EUR 3,470.92

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 | Year to date | 12 months | 2 years | 3 years | 4 years | 5 years | Since inception* |
|--|------------|-------------|-----------------|--------------|------------|------------|------------|------------|---------------------|
| Return net of management fee Class A Acc | 1.1 | 7.0 | 1.2 | 0.5 | -1.8 | 2.0 | 5.4 | 4.4 | 5.2 |
| MSCI Europe Small Cap Index (EUR) - Net Returns | 0.0 | 6.1 | -0.8 | 1.3 | -1.6 | 1.0 | 5.6 | 5.5 | 6.8 |

*Inception: 31 July 1998

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

| Returns shown in EUR | 31/12/23 31/12/22 | 31/12/22 31/12/21 | 31/12/21 31/12/20 | 31/12/20 31/12/19 | 31/12/19 31/12/18 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class A Acc | 9.9 | -23.1 | 28.3 | -0.6 | 28.0 |
| MSCI Europe Small Cap Index (EUR) - Net Returns | 12.7 | -22.5 | 23.8 | 4.6 | 31.4 |

| Returns shown in EUR | 31/12/18 31/12/17 | 31/12/17 31/12/16 | 31/12/16 31/12/15 | 31/12/15 31/12/14 | 31/12/14 31/12/13 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class A Acc | -20.0 | 17.7 | -1.2 | 20.6 | 4.6 |
| MSCI Europe Small Cap Index (EUR) - Net Returns | -15.9 | 17.1 | 3.4 | 22.7 | 5.7 |

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).

MSMM European Small Cap Fund (continued)

Portfolio statistics

| | Fund Benchmark | |
|---------------------------|----------------|------|
| Number of equity holdings | 277 | 916 |
| Price/earnings | 14.6 | 17.3 |
| Dividend yield | 2.5 | 2.5 |
| Price to book | 1.8 | 2.0 |
| EPS growth (1 year) | 9.1 | 8.6 |

Data as at 31 January 2024
Source: BNY Mellon

| 3 years | Fund Benchmark | |
|----------------------------|----------------|------|
| Volatility | 17.7 | 18.1 |
| Tracking error | 2.7% | - |
| Sharpe ratio | 0.2 | 0.2 |
| Information ratio | 0.4 | - |
| 3 year return (net) | 2.0% | 1.0% |
| 3 year excess return (net) | 1.1% | - |

Ten largest holdings by weight

| Security | Fund | Benchmark |
|------------------------------|------|-----------|
| Pandora A/S | 2.0% | - |
| Bekaert SA | 1.8% | 0.1% |
| Balfour Beatty | 1.7% | 0.2% |
| Bank of Ireland Group Plc | 1.5% | - |
| Ipsos SA | 1.5% | 0.2% |
| Rexel Sa | 1.4% | 0.5% |
| 4Imprint Group Plc | 1.3% | 0.2% |
| Ringkjoebing Landbobank A/S | 1.3% | 0.4% |
| Saab AB Class B | 1.2% | - |
| Cia De Distribucion Integral | 1.2% | 0.1% |

Data as at 31 January 2024

Sector weights

| | Fund | Benchmark |
|------------------------|-------|-----------|
| Industrials | 23.9% | 25.0% |
| Financials | 15.1% | 15.0% |
| Consumer Discretionary | 13.4% | 10.9% |
| Information Technology | 13.1% | 8.9% |
| Materials | 8.6% | 7.3% |
| Health Care | 8.2% | 7.2% |
| Communication Services | 6.7% | 5.2% |
| Consumer Staples | 3.7% | 4.8% |
| Real Estate | 3.5% | 9.4% |
| Energy | 2.6% | 4.0% |
| Utilities | 1.1% | 2.5% |
| Other | 0.2% | - |

Data as at 31 January 2024

Country weights

| | Fund | Benchmark |
|----------------|-------|-----------|
| United Kingdom | 23.8% | 30.1% |
| Sweden | 14.4% | 11.4% |
| France | 10.6% | 8.0% |
| Germany | 8.4% | 8.8% |
| Denmark | 7.7% | 4.4% |
| Switzerland | 6.9% | 9.2% |
| Italy | 6.6% | 6.7% |
| Spain | 5.1% | 3.9% |
| Norway | 2.9% | 4.6% |
| Others | 13.6% | 13.0% |

Data as at 31 January 2024

ESG data

| | Fund | Benchmark |
|------------------|-------|-----------|
| ESG Score | 19.7 | 19.9 |
| Carbon footprint | 125.2 | 114.0 |

Data as at 31 January 2024

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).

MSMM European Small Cap Fund (continued)

Fund structure

| Manager/Strategy | Role in fund | Target | Actual |
|------------------------------------|--|--------|--------|
| AllianceBernstein | Fundamental-based approach that seeks relative value within an IRR framework | 32.0% | 28.7% |
| Berenberg | Aims to identify high quality companies with long-term sustainable growth | 25.0% | 24.5% |
| Liontrust | Growth with a quality bias | 20.0% | 22.6% |
| Russell Investments | Positioning strategy designed to manage the overall risk profile of the fund | 23.0% | 20.6% |
| Russell Investments (cash & other) | | - | 3.5% |

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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