

# Russell Investments

## Continental European Equity Fund



**Portfolio Manager**  
Patrick Egan

Russell Investments' Global Equity Team comprises over 90 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 I Acc; GBP

#### Dealing frequency; Cut off

Daily; 2.00pm GMT

#### Domicile; Category

Ireland; UCITS

#### Fund size

EUR 499.46m

#### ISIN; Bloomberg

IE0031277357; FRUCEII ID

#### Fund launch date

29 March 1996

#### Share class launch date

28 January 2002

#### Management fee

0.80%

#### Share class NAV

GBP 30.51

### 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.

### Fund update

The Fund outperformed in another positive month for equity markets. In contrast to the previous quarter, our value tilt suited the market environment this month. An overweight to and strong selection among small cap stocks drove positive relative returns. The overweight to and effective stock picking within the industrials sector, coupled with an underweight to health care, underpinned excess returns. While leading indicators have come off from the extreme levels seen early last year, we retain a positive medium-term outlook for the European economy.

### Performance review (%)

Performance to period end Returns shown in GBP	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class I Acc	4.6	8.3	12.2	-1.4	12.3	8.4	7.5
Return net of management fee Class I Acc	4.5	8.1	11.9	-2.1	11.4	7.6	6.7
MSCI Europe ex UK Index Net	4.0	9.0	12.3	2.3	11.9	7.3	7.0

\*Inception: 28 January 2002

All returns greater than 1 year are annualised

### Discrete rolling 12 month performance (%)

Returns shown in GBP	31/03/14 31/03/15	31/03/15 31/03/16	31/03/16 31/03/17	31/03/17 31/03/18	31/03/18 31/03/19
Return gross of management fee Class I Acc	6.1	-0.3	31.1	4.4	-1.0
Return net of management fee Class I Acc	5.3	-1.1	30.1	3.6	-1.8
MSCI Europe ex UK Index Net	7.2	-5.2	27.7	3.6	2.2

Past performance is not a guide to future performance.

The current benchmark is the MSCI Europe ex UK Index Net. Prior to 1st January 2018 the benchmark was the Russell Dev Europe Large cap Net Index. Prior to 1st April 2011 the benchmark was MSCI Europe Net and prior to 1st January 2009 was gross of withholding tax, total return.

### Portfolio statistics

	Fund	Benchmark	3 years	Fund	Benchmark
Number of equity holdings	291	343	Volatility	11.1	10.4
Price/earnings	17.8	19.8	Tracking error	2.2%	-
Dividend yield	3.1	2.9	Sharpe ratio	1.0	1.1
Price to book	1.8	2.5	Information ratio	-0.2	-
EPS growth (1 year)	11.6	6.6	3 year return (net)	11.4%	11.9%
			3 year excess return (net)	-0.6%	-

Data as at 31 March 2019  
Source: Factset

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## Continental European Equity Fund (continued)

### Ten largest holdings by weight

Security	Fund	Benchmark
Roche Holding Ltd.	3.0%	2.9%
Nestle SA	2.2%	4.6%
Total SA	1.8%	2.1%
A.P. Moller - Maersk A/S Class B	1.8%	0.1%
Kering SA	1.6%	0.7%
Allianz SE	1.5%	1.6%
Novartis AG	1.4%	2.7%
Sap Se	1.4%	2.0%
Schneider Electric SE	1.3%	0.7%
Enel SPA	1.3%	0.8%

Source: Factset

### Sector weights

	Fund	Benchmark
Financials	18.3%	18.0%
Industrials	18.2%	15.0%
Consumer Discretionary	11.7%	10.7%
Health Care	10.7%	13.5%
Energy	9.4%	4.5%
Information Technology	7.3%	7.5%
Consumer Staples	7.0%	13.3%
Communication Services	6.4%	4.5%
Materials	6.0%	6.9%
Utilities	3.6%	4.4%
Real Estate	1.4%	1.5%

Source: Factset

### Country weight

	Fund	Benchmark
France	25.6%	24.8%
Germany	16.2%	19.3%
Switzerland	12.2%	18.9%
Italy	7.8%	5.1%
Spain	7.0%	6.5%
Netherlands	6.8%	7.9%
Denmark	6.3%	3.7%
Sweden	5.4%	5.8%
Norway	3.6%	1.5%
Others	9.1%	6.5%

Source: Factset

### Fund structure

Manager/Strategy	Role in fund	Target	Actual
Invesco	Market-oriented, employing a mix of quality, growth and valuation criteria	15.0%	14.4%
Liontrust	Cashflow-based approach, focusing on quality of earnings and earnings surprise	15.0%	14.4%
Pzena	Fundamental research focusing on unrecognised value and earnings recovery	15.0%	17.0%
SW Mitchell	Aggressive, growth-oriented approach, with an absolute-return focus	15.0%	12.8%
Numeric	Value and momentum exposure delivered through a quantitative approach	25.0%	24.3%
Russell Investments	Positioning Strategy designed to provide defensive, income generating exposure	15.0%	14.5%
Russell Investments (cash & other)		-	2.6%

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## Continental European Equity Fund (continued)

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