

Russell Investments

Continental European Equity Fund

Article 8



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 I Acc; GBP

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

EUR 116.52m

ISIN; Bloomberg

IE0031277357; FRUCEII ID

Fund launch date

29 March 1996

Share class launch date

28 January 2002

Management fee

0.65%

Share class NAV

GBP 44.14

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 is actively managed with reference to the MSCI Europe ex UK Index (Eur) Net Returns (the "index") which it seeks to outperform by 1.75% over the medium to long term. Russell Investments/ Money Managers have full discretion to select investments for the Fund. This product is an Article 8 product, as defined under EU regulation - it promotes environmental or social characteristics and invests in companies that follow good governance practices. This product does not have sustainable investment as its objective.

Fund update

The Fund underperformed against the benchmark in the final quarter. The tilt towards small cap and value stocks was unfavourable. In sectors, stock selection within financials (overweight Bank of Ireland) detracted. An underweight to and selection within materials (underweight Sika) was also unrewarded. However, an underweight to Nestle within consumer staples, contributed positively.

Performance review (%)

Performance to period end Returns shown in USD	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class I Acc	5.2	11.5	21.0	21.0	7.0	10.9	7.3
Return net of management fee Class I Acc	5.2	11.3	20.2	20.2	6.3	10.1	6.5
MSCI Europe ex UK Index (Eur) - Net Returns	5.1	12.3	21.7	21.7	4.9	9.8	6.7

*Inception: 28 January 2002

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

Returns shown in USD	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 gross of management fee Class I Acc	21.0	-15.6	20.1	10.9	23.3
Return net of management fee Class I Acc	20.2	-16.2	19.3	10.2	22.4
MSCI Europe ex UK Index (Eur) - Net Returns	21.7	-18.0	15.7	10.9	24.8

Returns shown in USD	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 gross of management fee Class I Acc	-16.0	26.0	4.8	1.9	-4.8
Return net of management fee Class I Acc	-16.6	25.0	4.0	1.1	-5.5
MSCI Europe ex UK Index (Eur) - Net Returns	-15.1	27.2	0.6	-1.5	-5.6

Past performance does not predict future returns.

The current benchmark is the MSCI Europe ex UK Index (Eur) - Net Returns converted into the currency showing in the performance table above where applicable. Prior to 1st January 2018 the benchmark was the Russell Dev Europe Large cap NR Index. Prior to 1st April 2011 the benchmark was MSCI Europe NR.

The Management Fee is 0.65%, prior to October 1st 2019 the Management Fee was 0.80%

Russell Investments

Continental European Equity Fund (continued)

Portfolio statistics

	Fund	Benchmark
Number of equity holdings	295	345
Price/earnings	17.1	21.5
Dividend yield	3.1	3.0
Price to book	2.4	3.0
EPS growth (1 year)	8.2	8.4

Data as at 30 November 2023
Source: Factset

3 years	Fund	Benchmark
Volatility	18.6	19.0
Tracking error	1.9%	-
Sharpe ratio	0.3	0.2
Information ratio	0.7	-
3 year return (net)	6.3%	4.9%
3 year excess return (net)	1.4%	-

Ten largest holdings by weight

Security	Fund	Benchmark
Novo Nordisk A/S-B	3.2%	4.2%
ASML Holding NV	2.2%	3.5%
Sap Se	2.2%	2.1%
Roche Holding AG	1.9%	2.4%
TotalEnergies SE	1.9%	1.9%
Novartis AG	1.8%	2.6%
Sanofi SA	1.7%	1.4%
Nestle SA	1.6%	3.9%
Caixabank Sa	1.3%	0.2%
Infineon Technologies AG	1.3%	0.6%

Data as at 30 November 2023

Sector weights

	Fund	Benchmark
Industrials	19.5%	16.6%
Financials	18.0%	17.8%
Health Care	16.0%	16.2%
Consumer Discretionary	11.0%	12.1%
Information Technology	9.7%	9.0%
Consumer Staples	9.1%	10.1%
Energy	4.7%	3.7%
Materials	4.0%	6.0%
Communication Services	3.8%	3.4%
Utilities	3.7%	4.3%
Other	0.3%	-
Real Estate	0.2%	0.9%

Data as at 30 November 2023

Country weight

	Fund	Benchmark
France	22.6%	23.8%
Germany	18.2%	17.0%
Switzerland	13.8%	19.5%
Netherlands	9.0%	9.9%
Sweden	6.9%	6.4%
Spain	5.8%	5.4%
Denmark	5.7%	6.7%
Italy	5.6%	4.8%
Finland	3.2%	1.7%
Others	9.3%	4.8%

Data as at 30 November 2023

ESG data

	Fund	Benchmark
ESG Score	19.3	19.3
Carbon footprint	66.3	89.8

Data as at 30 November 2023

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).

Russell Investments

Continental European Equity Fund (continued)

Fund structure

Manager/Strategy	Role in fund	Target	Actual
Invesco	Market-oriented, employing a mix of quality, growth and valuation criteria	14.0%	12.1%
Liontrust	Cashflow-based approach, focusing on quality of earnings and earnings surprise	14.0%	12.0%
Pzena	Fundamental research focusing on unrecognised value and earnings recovery	14.0%	10.5%
Berenberg	Aims to identify high quality companies with long-term sustainable growth	14.0%	15.6%
Numeric	Low volatility portfolio utilising value, quality and information flow signals	24.0%	26.3%
Russell Investments	Positioning Strategy designed to provide defensive, income generating exposure	20.0%	19.1%
Russell Investments (cash & other)		-	4.5%

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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Past performance does not predict future returns.

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

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