

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 A Acc; EUR

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

EUR 104.90m

ISIN; Bloomberg

IE0007356250; FRUCEAI ID

Fund launch date

29 March 1996

Share class launch date

29 March 1996

Management fee

0.80%

Share class NAV

EUR 64.85

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 outperformed the benchmark in the third quarter. The tilt towards value was favourable. In sectors, an underweight to and selection within consumer discretionary (underweight LVMH) was a key contributor to excess returns. Selection within industrials was also rewarded. However, selection within consumer staples (overweight Jeronimo Martins) detracted.

Performance review (%)

Performance to period end Returns shown in EUR	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class A Acc	-2.3	-2.5	9.3	21.3	13.3	6.9	8.4
Return net of management fee Class A Acc	-2.4	-2.7	8.7	20.4	12.4	6.1	7.6
MSCI Europe ex UK Index - Net Returns	-2.5	-3.1	9.2	20.4	9.5	6.3	7.4

* Inception: 29 March 1996

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

Returns shown in EUR	30/09/23 30/09/22	30/09/22 30/09/21	30/09/21 30/09/20	30/09/20 30/09/19	30/09/19 30/09/18
Return gross of management fee Class A Acc	21.3	-13.0	37.9	-5.1	1.1
Return net of management fee Class A Acc	20.4	-13.7	36.8	-5.8	0.3
MSCI Europe ex UK Index - Net Returns	20.4	-14.6	27.6	-3.0	6.6

Returns shown in EUR	30/09/18 30/09/17	30/09/17 30/09/16	30/09/16 30/09/15	30/09/15 30/09/14	30/09/14 30/09/13
Return gross of management fee Class A Acc	1.3	21.8	5.2	7.0	17.5
Return net of management fee Class A Acc	0.5	20.8	4.4	6.1	16.6
MSCI Europe ex UK Index - Net Returns	1.0	18.9	3.2	3.1	14.7

Past performance does not predict future returns.

The current benchmark is the MSCI Europe ex UK Index (Eur) - Net Returns. 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.

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Continental European Equity Fund (continued)

Portfolio statistics

	Fund	Benchmark
Number of equity holdings	293	346
Price/earnings	17.4	22.0
Dividend yield	3.2	2.8
Price to book	2.2	3.1
EPS growth (1 year)	9.0	8.2

Data as at 31 August 2023
Source: Factset

3 years	Fund	Benchmark
Volatility	16.3	16.1
Tracking error	2.2%	-
Sharpe ratio	0.8	0.7
Information ratio	1.2	-
3 year return (net)	12.4%	9.5%
3 year excess return (net)	2.9%	-

Ten largest holdings by weight

Security	Fund	Benchmark
Novo Nordisk A/S Class B	3.4%	3.9%
ASML Holding NV	2.3%	3.4%
Novartis AG	2.1%	2.7%
Sanofi SA	2.0%	1.6%
Roche Holding AG	1.9%	2.7%
Sap Se	1.8%	1.9%
Nestle SA	1.7%	4.2%
TotalEnergies SE	1.5%	1.9%
Hermes International S.A.	1.4%	0.8%
Industria de Diseno Textil, S.A.	1.3%	0.5%

Data as at 31 August 2023

Sector weights

	Fund	Benchmark
Industrials	19.1%	16.1%
Financials	17.7%	17.2%
Health Care	17.5%	16.9%
Consumer Discretionary	11.3%	12.9%
Consumer Staples	9.4%	10.4%
Information Technology	8.4%	8.3%
Materials	4.7%	6.5%
Energy	4.2%	3.6%
Utilities	3.9%	4.2%
Communication Services	3.7%	3.2%
Real Estate	0.2%	0.8%
Other	0.1%	-

Data as at 31 August 2023

Country weight

	Fund	Benchmark
France	23.8%	24.2%
Germany	17.6%	16.8%
Switzerland	14.1%	20.0%
Netherlands	8.8%	9.5%
Denmark	6.1%	6.4%
Sweden	6.0%	6.1%
Spain	6.0%	5.2%
Italy	5.9%	4.7%
Finland	3.1%	1.7%
Others	8.6%	5.3%

Data as at 31 August 2023

ESG data

	Fund	Benchmark
ESG Score	19.5	19.4
Carbon footprint	78.8	95.6

Data as at 31 August 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).

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Fund structure

Manager/Strategy	Role in fund	Target	Actual
Invesco	Market-oriented, employing a mix of quality, growth and valuation criteria	14.0%	11.8%
Liontrust	Cashflow-based approach, focusing on quality of earnings and earnings surprise	14.0%	12.2%
Pzena	Fundamental research focusing on unrecognised value and earnings recovery	14.0%	10.6%
Berenberg	Aims to identify high quality companies with long-term sustainable growth	14.0%	14.1%
Numeric	Low volatility portfolio utilising value, quality and information flow signals	24.0%	28.3%
Russell Investments	Positioning Strategy designed to provide defensive, income generating exposure	20.0%	19.5%
Russell Investments (cash & other)		-	3.4%

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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Past performance does not predict future returns.

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

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