

SWIP Multi-Manager UK Equity Focus Fund

April 2009

Fund overview

The Multi-Manager UK Equity Focus Fund is designed to give investors higher performing exposure to the UK equity market by employing more aggressive managers. The fund aims to add value above the total return of the FTSE All-Share Index primarily through active stock selection. Factors that may contribute to risk, such as style, sector or market capitalisation bias, are monitored but managers are not too restricted.

Fund characteristics

The fund aims to outperform under different market conditions by employing managers with different and complementary approaches to finding good company stocks. Risks relative to the fund's benchmark are carefully monitored and controlled using the structure of diverse manager processes.

Jupiter

- **Mandate Inception** : Q1 2008
- **Location** : London

The portfolio manager, Ben Whitmore, runs a disciplined 'Best Ideas' product made up of stock picks selected by the firm's other highly regarded UK equity managers, Anthony Nutt, Ian McVeigh, Edward Bonham Carter and Philip Gibbs. Russell expects this manager's approach of investing into a small number of high conviction stocks selected by a group of highly experienced individuals to complement the other managers in the fund. The strategy is not expected to have any long-term style or cap biases but over the short-term will reflect where they see the best opportunities.

Managers in the fund

Selection of the underlying investment managers and ongoing management is delegated to Russell Investments by SWIP.

Manager	Fund Weight
Jupiter	10%
Aviva	20%
RCM	17%
Resolution (Cartesian)	20%
TT International	33%

Aviva

- **Mandate Inception** : Q3 2006
- **Location** : London

Stock selection is the primary driver of added value for this manager. In the first instance, fund manager David Lis seeks to identify companies with a long-term record of consistent, above-average profitability or earnings growth. However, he is not an out-and-out growth investor, this means he uses a variety of additional criteria to select stocks including: emerging growth – young or blue-sky companies with the prospect of dynamic growth, value – undervalued stocks across the whole of the market and special situations – recovery stories.

RCM

- **Mandate Inception** : Q4 2005
- **Location** : London

The UK high alpha fund is managed by two experienced individuals who, supported by a team of analysts, seek to cover the breadth of the equity market. They focus on identifying high quality companies with the potential to grow profits through the cycle. The two managers divide the market between large-caps and small to mid-caps, each taking responsibility in their respective area. The cap bias of the fund can fluctuate as the opportunities dictate, but the fund will retain a quality growth bias.

Resolution (Cartesian)

- **Mandate Inception** : Q3 2007
- **Location** : Edinburgh

Cartesian uses a broad-based approach to considering value. It looks for anomalies between the actual value of a company (based on Cartesian's quantitative analysis) and the share prices. In terms of quality, Cartesian considers earnings quality and financial strength important.

TT International

- **Mandate Inception** : Q4 2004
- **Location** : London

TT International's approach is focused on identifying the impact of market and economic cycles on the prospects for individual stocks. As a result the portfolio shows no consistent style biases as it evolves in response to the different cycles. The group has a short-term horizon which is significantly shorter than other investors.

This material does not constitute an offer or invitation to anyone in any jurisdiction to invest in any Russell product or use any Russell services where such offer or invitation is not lawful, or in which the person making such offer or invitation is not qualified to do so; or to anyone to whom it is unlawful to make such offer or invitation, and has not been prepared in connection with any such offer or invitation.

This material is not intended for distribution to retail clients. Unless otherwise specified, Russell is the source of all data. Unless otherwise specified, all information contained in this material is current at the time of issue and to the best of our knowledge all information presented is accurate, however this cannot be guaranteed. Any opinions expressed are those of Russell Investments Limited and not a statement of fact and they do not constitute investment advice and are subject to change. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested.

Copyright © 2007 - 2009 Russell Investments Limited.

Issued by Russell Investments Limited. Company No. 02086230. Registered in England and Wales with registered office at: Rex House, 10 Regent Street, London SW1Y 4PE. Telephone 020 7024 6000. Authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.