

# SWIP Multi-Manager International Equity Fund

April 2009

## Fund overview

The Multi-Manager International Equity Fund gives investors exposure to specialist global equity managers. These managers seek to take advantage of the best global investment opportunities available outside the UK. They can pick the best stocks in any company or sector anywhere in the world outside the UK as they are not limited to a single country or region.

## 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.

### Arrowstreet

- **Mandate Inception** : Q2 2007
- **Location** : Cambridge, M.A

Arrowstreet is one of the leading quantitative specialists managing global equity portfolios and employs sophisticated computer models to identify investment opportunities. It emphasises both valuation and momentum criteria. Arrowstreet's global strategy is based on complex, proprietary computer models that seek to exploit behavioural and fundamental inefficiencies within markets, which have caused target companies to become temporarily undervalued. Its portfolios are likely to exhibit active country and sector positions.

## Managers in the fund

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

Manager	Fund Weight
Arrowstreet	25%
Harris	15%
Marsico	20%
McKinley	10%
MFS	30%

### Harris Associates

- **Mandate Inception** : Q3 2008
- **Location** : Chicago

Harris focuses on stocks selling at significant discounts to their true worth. They like companies that are run by good management teams that focus on strong cash flow generation and efficient allocation of capital. This draws them towards high quality value situations with strong balance sheets.

Harris' deep understanding of the key business drivers of their holdings provides them with a competitive advantage.

### Marsico Capital Management

- **Mandate Inception** : Q3 2008
- **Location** : Denver

The firm seeks to identify macroeconomic themes, based on its economic, political and social analysis, which will drive earnings growth and price appreciation. Fundamental research is performed to identify attractive stocks likely to benefit from exposure to the themes. A key strength of Marsico is their depth of knowledge of industries, companies and management teams which can be attributed to the quality and experience of its close-knit team of four portfolio managers and dedicated team of global industry analysts.

## McKinley

- **Mandate Inception** : Q1 2008
- **Location** : Anchorage, Alaska

Russell has researched McKinley, a boutique growth manager, based in Anchorage, Alaska for over six years. The portfolio is managed by Rob Gillam, who heads up a team of portfolio managers and quantitative professionals. McKinley uses quantitative analysis on stocks with a qualitative overlay and has been adept at combining these approaches, successfully identifying future winners over time. Although McKinley is a growth manager, its strategy has performed consistently well through both growth and value market environments.

## MFS

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

MFS's approach is market-orientated, with a particular emphasis on high quality, cash generative companies where growth appears sustainable over the longer-term. Portfolios are managed by a small team of seasoned investors, each with over 10 years of experience in global investing. The team is supported by over 70 analysts based around the world, providing it with research across the broad universe of global companies. Portfolios tend to feature country and sector positions that diverge meaningfully from the index.

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