

# RIC US Equity (Dublin) Fund

## Performance Review

**\*Due to an Irish bank holiday on 31st October 2011, month end fund prices have been adjusted using the benchmark performance on that day.**

	One Month %	Three Months %	Year to Date %	One Year % <sup>1</sup>	Three Years %	Five Years %	Ten Years %	Since Inception % <sup>2</sup>
RIC US Equity (Dublin) Fund (\$ Gross of Fees)	12.8	-4.0	-1.0	6.3	11.8	0.5	3.8	2.7
RIC US Equity (Dublin) Fund (\$ Net of A Fees)	12.7	-4.2	-1.7	5.4	10.8	-0.4	2.9	1.8
Russell 1000 Index Net of Withholding Tax (\$) <sup>3</sup>	11.2	-3.2	0.5	7.4	11.5	-0.1	3.6	3.4
Morningstar Median Manager (\$) <sup>4</sup>	11.1	-3.2	-0.6	5.9	9.9	-1.8	1.6	1.8
Quartile Ranking	1	3	3	3	2	1	1	2
Fund Size \$ 757m								

<sup>1</sup> Returns greater than one year are annualised.

<sup>2</sup> Inception date 30/01/1998

<sup>3</sup> Prior to 1st January 2009, benchmark was gross of withholding tax, total return. Benchmark currently net of withholding tax.

<sup>4</sup> Morningstar Offshore & International Equity North America Universe

## Market Performance

### Overview

After a very negative third quarter, fears of a double dip recession in the U.S. and of sovereign debt contagion in Europe seemed to abate during the month of October as the Russell 1000 Index finished up 11.2%, its highest one-month return since December of 1991. Many market pundits saw the move as a natural reversion from the historically depressed valuations that were exhibited at the end of September. In sharp contrast to what happened during the second and third quarters of 2011, the U.S. equity market was led by the more cyclically-oriented energy, materials and processing sectors. The more defensively-oriented utilities and consumer staples sectors, which held up well in previous months, lagged the market during October. Stocks with high beta and high earnings variability and those with low price-to-book and low-price to-earnings values were also rewarded during the period. The largest cap stocks faced a more difficult factor environment as investors were rotating toward riskier securities during the month. As measured by Russell indexes, value outperformed growth. After consistently falling throughout 2011, yields on Treasuries modestly rose during the month of October.

## Fund Performance

### Performance History (1)



(1) Performance is quoted gross of management fees.

### Key Drivers

The Fund outperformed during October, largely driven by Suffolk's stellar performance. Stock selection across the majority of sectors and an underweight to the lagging utilities sector were the key drivers of returns. Selection proved most efficient in the energy sector, with Occidental Petroleum finishing the best performing stock overall. The fourth-largest US oil company posted a jump in third-quarter profit on Thursday as oil prices climbed over the past year and as its output increased. Another key contributing stock was US largest life insurer Metlife following a late rally by the whole industry as fears eased about losses on their European assets.

## Manager Review

Manager	Approach / Process	Excess Return	Russell Analysis
MFS Institutional Advisors	Value	0.5%	MFS finished ahead of the benchmark over the period, mainly driven by its underweight to the more defensive utilities sector in the risk-on environment. Stock selection within financials was also a notable contributor, in particular an overweight to insurer MetLife, whose share price rallied on positive news from the European leaders in relation to the sovereign debt crisis.
Montag & Caldwell	Growth	-2.6%	Montag & Caldwell was the worst-performing manager this month due to poor stock selection. This was largely attributable to the overweight to the consumer staples. Procter & Gamble was the largest detracting stock after reporting a slight dip in quarterly profits as the household products maker had to raise prices. Elsewhere in the portfolio, the overweight to healthcare, inefficient stock selection in the consumer staples sector and the underweight to materials all contributed negatively to performance.
Institutional Capital Corporation	Value	-0.7%	ICAP endured a difficult month as its more defensive stance did not pay off in a risk-on month. Being overweight healthcare and consumer staples, while holding an under exposure to financials, weighed most significantly on performance. Within the former, the beverage industry (PepsiCo, Coca-Cola) weighed most significantly on returns while pharmaceuticals (Johnson & Johnson, Hospira) also proved detrimental.
Columbus Circle	Growth	0.6%	Columbus Circle outperformed during October due to positive stock selection effects. The manager's preference for riskier assets proved beneficial as investors' appetite for more volatile names strengthened over the period. Stock selection was most successful in the energy sector where National Oilwell Varco led the gains. The largest maker of oilfield equipment was the best performer after its third quarter earnings topped estimates, lifted by the industry move to upgrade rig fleets for tougher reservoirs. Selection was also beneficial in the producer durables (Caterpillar) and technology (IBM, SanDisk) sectors.
Cornerstone	Growth	3.0%	Cornerstone outperformed the benchmark over the month. Cornerstone's smaller cap and higher beta exposures were both beneficial during the month. An overweight to stocks with low price-to-book values paid off during the month as investors began rotating toward the stocks that had lost value during the second and third quarters. An overweight to stocks with high forecast growth was also beneficial. Stock selection contributed positively to returns in the producer durables (Terex) and energy (Weatherford International) sectors.
First Eagle	Market - Oriented	2.8%	First Eagle's event-driven strategy outperformed significantly during October due to the sizeable contribution from the energy sector in which the manager holds its biggest overweight. Stock selection added to the benefit of the over exposure, largely driven by the holding El Paso. Its share price surged following the announcement that Kinder Morgan would buy the natural gas company for about \$38 billion in cash, creating the largest natural gas pipeline network.
Levin	Market - oriented with value bias	1.1%	Levin outperformed over the period, due to its effective stock selection. From the sector perspective selection within financials was the largest additive, notably holding insurer Metlife as the industry rallied towards the end of the month as fears eased about losses on their European assets. Elsewhere, selection in technology (Seagate Technology, EMC) and energy (Williams Cos, Devon Energy) were positive contributors.

## Manager Review (...Continued...)

Manager	Approach / Process	Excess Return	Russell Analysis
Suffolk Capital Management	Market - Oriented	5.4%	Suffolk enjoyed a stellar month of October as stock selection proved positive across all sectors while its preference for cyclical sectors (underweight healthcare and consumer staples) was in line with investors' appetite for risk. The consumer discretionary sector led returns by a wide margin (Tiffany, CBS, Coach, Johnson Controls, Starwood Hotels & Resorts Worldwide), lifted by another more positive earnings reports. At the stock level, business software maker Citrix rose after reporting third quarter profits that beat estimates amid a jump in new product licenses.
Select Holdings	"Best" Ideas	1.3%	The Select Holdings strategy outperformed as both stock selection and sector positioning proved beneficial. Holding a zero exposure to the lagging utilities sector was a notable contributor as markets favoured risk. Being underweight financials, combined with poor stock selection within that sector, also added to gains.
Sound Shore	Value	2.3%	Sound Shore significantly outperformed over the month as both stock selection and sector allocation proved efficient. Being underweight the lagging utilities and consumer staples added to gains, as did stock selection in the materials & processing and the energy sectors. Selection was most efficient within financials where the asset management (Invesco, State Street) and the insurance industries (Metlife) drove returns. Money manager Invesco was the best-performer after reporting an 8% rise in third-quarter profits despite tough markets as customer's added money to fixed income and balanced funds.
Pzena	Deep value, long-term view	3.2%	Pzena outperformed over the period due to its effective sector positioning and positive stock selection. The manager's underweight position to more defensive sectors such as health care, utilities and consumer staples were key contributors as investors moved away from riskier assets during the period. At a stock level, electronic component and telecoms provider TE Connectivity was the largest contributor, as the share price rose on various news including a broker upgrade from 'underweight' to 'overweight.'

Fund Statistics

Manager Weights	Characteristics	Fund	Benchmark
<ul style="list-style-type: none"> <li>■ Suffolk Capital Management: 11%</li> <li>■ MFS Institutional Advisors: 10%</li> <li>■ Montag &amp; Caldwell: 11%</li> <li>■ Select Holdings: 5%</li> <li>■ Institutional Capital Corporation: 12%</li> <li>■ Sound Shore: 8%</li> <li>■ Columbus Circle: 11%</li> <li>■ Cornerstone: 10%</li> <li>■ First Eagle: 6%</li> <li>■ Pzena: 7%</li> <li>■ Levin: 9%</li> </ul> 	Sector Deviation	4.69	--
	Market Cap Weighted Nlog	0.15	--
	Price/Earnings (excl negative earnings)	12.75	12.89
	Dividend Yield	2.30	2.29
	Price to Book	1.72	1.89
	EPS Growth (1 Year)	17.15	20.48
	Tracking Error	Fund	Average Manager
	One Year	2.4	3.4
	Three Years	2.4	5.1
	Five Years	2.6	5.5

Fund Analysis

Sector Exposure <sup>1</sup>	Fund%	Benchmark %	Sector Returns
Consumer Discretionary	16.2	13.2	12.2
Consumer Staples	8.8	8.7	4.1
Energy	11.9	11.9	17.3
Financial Services	16.5	15.9	13.7
Health Care	11.6	11.2	5.5
Materials & Processing	3.7	4.5	17.6
Producer Durables	9.9	11.3	14.4
Technology	17.8	17.0	11.6
Utilities	3.4	6.4	3.7

<sup>1</sup> Sector Weights may not sum to 100% due to rounding.

Top Ten Holdings

Company Name	Fund%	Benchmark %	Country	Sector
JPMorgan Chase & Co.	2.4	1.1	United States	Financial Services
Pfizer, Inc.	2.4	1.2	United States	Health Care
Apple, Inc.	2.2	2.8	United States	Technology
MetLife, Inc.	2.1	0.2	United States	Financial Services
Microsoft Corp.	1.8	1.5	United States	Technology
Qualcomm, Inc.	1.7	0.7	United States	Technology
Google, Inc.	1.4	1.1	United States	Technology
Coca-Cola Co. (The)	1.4	1.0	United States	Consumer Staples
Procter & Gamble Co. (The)	1.3	1.4	United States	Consumer Staples
Abbott Laboratories	1.3	0.6	United States	Health Care

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