RIC Continental European Equity Fund

Performance Review

	Three Months %	Year to Date %	One Year %[1]	Three Years %	Five Years %	Ten Years %	Fifteen Years %	Since Inception %[2]
RIC Continental European Equity Fund (€ Gross of Fees)	7.4	-13.5	-13.5	9.0	-5.7	0.6	6.0	6.9
RIC Continental European Equity Fund (€ Net of Class A Fees)	7.2	-14.3	-14.3	8.0	-6.6	-0.4	5.0	5.9
RIC Continental Europe Equity Fund Benchmark (€)[3]	7.6	-11.5	-11.5	7.6	-5.3	1.1	5.6	6.4
Morningstar Median Manager (€)[4]	6.2	-13.5	-13.5	6.6	-6.4	-0.4	3.8	4.5
Quartile Ranking	2	3	3	2	3	2	2	2
Fund Size € 463m								

[1] Returns greater than one year are annualised.
[2] Inception date 29/03/1996
[3] Prior to 1st April 2011 the benchmark was FTSE World Europe ex UK (Net), prior to 1st January 2009 it was gross of withholding tax, total return. The benchmark is currently the Russell Developed Europe ex UK Large Cap Net Index.
[4] Morningstar Offshore & International Equity Europe Ex UK Universe

Market Performance

Overview

European markets finished in positive territory during the final quarter of 2011, with the Russell Developed Europe ex-UK Large Cap Net Index gaining 7.6%. Share prices benefited as EU policymakers made strides to deal with the debt crisis. The key development was when EU leaders agreed to sign a treaty that would require stricter financial and fiscal discipline. Despite political progress, the pressure on the banking sector remained constant. A number of European banks saw their credit ratings downgraded, thereby seeing their cost of borrowing increase. UniCredit swung to a quarterly net loss of €10bn, caused by writedowns on its Greek bond holdings, while Deutsche Bank warned on profits for the same reason. The economic situation remained difficult, with flagging economic growth a particular worry. The Markit Eurozone PMI index signalled contraction for the fourth successive month in December. The jobless rate across the eurozone reached a record high, soaring to 16.3m in October, its highest level since records began in 1995. And the OECD lowered its 2012 GDP growth estimate for the eurozone from 2% to 0.3%. The fallout from Europe's debt crisis also impacted the real economy. For example, economic bellwether Infineon fell after it said sales are falling more sharply than expected, while PSA Peugeot Citroen produced its second profit warning this year. From a sector and style perspective, energy stocks sustained positive momentum throughout the quarter, as speculation that sanctions against Iran would curb crude supplies countered concern that Europe's debt crisis would worsen and slow demand. Small and mid-caps underperformed their larger peers as investors moved out of risky stocks into more stable large cap names.

Fund Performance

Performance History(1)

(1) Performance is quoted gross of management fees.

Key Drivers

The Fund finished marginally flat during the fourth quarter, as its marginal cyclical tilt and bias towards smaller-cap stocks proved unfavourable in the risk-averse environment. However, the Fund remains ahead over longer time-periods such as three years where it has gained 1.5% p.a.

From the manager perspective, while Liontrust's focus on companies that possess robust cashflow characteristics went rewarded, this was offset by thematic growth manager THS's overweight position to financials.

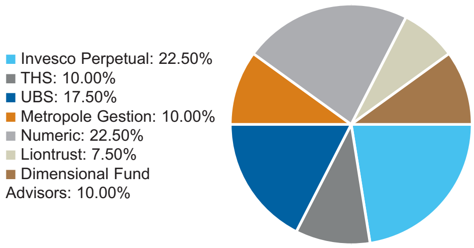
Elsewhere, modest gains were made by UBS, which benefited from it preference for quality companies with good growth prospects.

Manager Review

Manager	Approach / Process	Excess Return	Russell Analysis
Invesco Perpetual	Stock selection, mix of quality, growth and valuation	-1.1%	Invesco finished behind the benchmark over the quarter, as its pragmatic positioning and stock picking (notably among undervalued quality stocks) within the energy sector pared gains from stock picking across a range of sectors. From a stock perspective, holding Portugal's Galp Energia was the most detrimental after the purchase deal made by Sinpec (One of China's major petroleum producers) disappointed in terms of value. Nevertheless, the manager remains optimistic and believes that its holdings offer quality characteristics and are oversold.
THS	Growth At a Reasonable Price	-4.8%	Thematic growth manager THS underperformed the benchmark over the period, as its significant overweight to the financials sector drove down returns. THS's key position among German real estate exposure was the prominent detractor on performance, as problems in the eurozone had a negative impact on investor confidence in the real estate sector. Elsewhere, the manager's stock selection in energy stocks was detrimental, notably among oil gas & consumable fuels (North Energy).
UBS	Growth / Momentum	2.2%	UBS finished ahead of the benchmark over the period, adding to its strong three-year performance where it has gained 3.4% p.a. Performance was driven by an underweight to and stock selection within industrials (machinery). The manager is optimistic and continues to favour stocks that it believes are fundamentally sound and that possess good growth prospects, notably within cyclical consumer stocks. Although, it also believes that there are improving opportunities in more defensive growth areas, such as health care where the manager increased its exposure over the quarter.
Metropole Gestion	Value-oriented stock selection	0.1%	Metropole's valuation-driven holdings in the financials and materials sectors contributed to returns over the period. In a reversal to the third-quarter, holding commercial banks was beneficial after the region's leaders struck a deal to enact measures to contain the sovereign debt crisis following months of negotiations. In contrast to this, the manager's positioning and stock picking within information technology stocks pared gains somewhat, notably among IT services.
Numeric	Multi-factor quantitative model	-0.3%	Quant manager Numeric finished broadly in line with the benchmark during the quarter. Whilst the manager's multi-factor stock picking among consumer staples added to performance, gains were pared by its negative positioning among information technology, notably among IT services. However, the manager remains well ahead over longer time periods, such as two years where it has gained 2.3% p.a.
Liontrust	Quality of earnings / earnings surprise	3.2%	Liontrust's outperformance over the quarter added to its strong three year performance where it has gained 9.4% p.a. The manager's stock selection and quality bias offset headwinds from the portfolio's bias to small cap which underperformed in the broader market over the quarter. Its rotation away from cyclical consumer stocks and focus on companies that possess robust cashflow characteristics in the energy and industrials sectors was the main driver of returns. In the former, exposure to Lundin Petroleum had the largest positive impact as the Swedish oil company jumped after Statoil (subsidiary of Lundin) doubled its estimate for a North Sea discovery.
Dimensional Fund Advisors	Deep Value	-3.2%	Despite performing well during a more risk-tolerant October, DFA's deep value bias proved unfavourable to the fourth quarter's market environment overall. An underweight to and insufficient stock picking within rallying energy holdings was the prominent detractor over the period; a zero weight to Royal Dutch Shell had the largest negative impact as the oil major lead gains among other oil producers.

Fund Statistics

Manager Weights



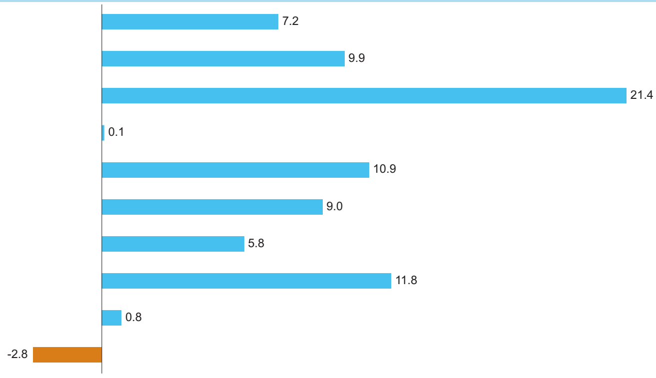
Characteristics	Fund	Benchmark
Sector Deviation	8.55	--
Market Cap Weighted Nlog	-0.55	--
Price/Earnings (excl negative earnings)	9.36	9.76
Dividend Yield	4.39	4.45
Price to Book	1.13	1.19
EPS Growth (1 Year)	17.52	14.53

Tracking Error	Fund	Average Manager
One Year	1.7	7.1
Three Years	2.6	6.4
Five Years	2.6	6.2

Fund Analysis

Sector Exposure[1]	Fund %	Benchmark %
Consumer Discretionary	10.3	9.2
Consumer Staples	8.0	11.5
Energy	9.9	11.9
Financials	18.8	17.6
Health Care	13.4	12.6
Industrials	20.5	13.4
Information Technology	3.9	4.1
Materials	7.0	8.9
Telecommunication Services	5.6	5.9
Utilities	2.6	4.9

Sector Returns



[1] Sector Weights may not sum to 100% due to rounding.

Top Ten Holdings

Company Name	Fund %	Benchmark %	Country	Sector
Novartis AG	4.2	3.3	Switzerland	Health Care
Roche Holding AG	2.7	2.6	Switzerland	Health Care
Nestle SA	2.4	4.1	Switzerland	Consumer Staples
Total SA	2.1	2.4	France	Energy
ING Groep NV	2.0	0.6	Netherlands	Financials
Sanofi-Aventis	1.6	1.8	France	Health Care
BNP Paribas	1.5	0.9	France	Financials
Allianz AG	1.5	0.9	Germany	Financials
Bayer AG	1.4	1.1	Germany	Health Care
Vivendi Universal SA	1.3	0.6	France	Telecommunication Services

Russell Investments