

IM Russell ICVC International Growth Assets Fund

December 2011

Portfolio manager



"The fund gives access to some of the best global advisers each pursuing a different and therefore complementary approach to picking stocks. The combination of these approaches produces a compelling investment strategy targeting outperformance with low risk."

Phil Hoffman

Portfolio Manager,
Russell Investments

Key details

Launch Date:	12 January 2010
Benchmark:	Russell Developed Large Cap ex-UK (GBP Hedged)
Sector: (IMA/ABI)	Unclassified
No. of Stocks:	308
AMC [^] : A Class (B, C Class)	1.70% (1.20%, 0.95%)
SEDOL A Class acc.	B4JQN30

[^]Note: Initial charge is 3%. Accumulation and income options available for all share classes. Please contact Russell Investments for other SEDOLs. At this time B Class is not launched.

Fund overview

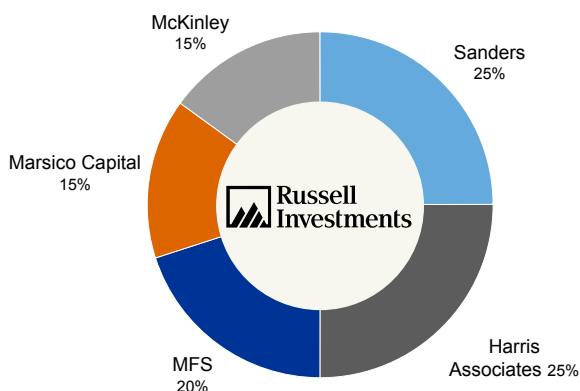
The IM Russell ICVC International Growth Assets Fund ("Fund") aims to offer investors access to international growth assets, predominantly equities. The investment manager of the Fund, Russell Investments Limited, will be advised by multiple international equity specialists that it selects. The investment advisers aim to find some of the best investment opportunities available outside of the UK. They can pick stocks from any company or sector and are not limited to benchmark weights within a single country or region. Russell Investments seeks to implement the investments in the most efficient way possible. The Fund is hedged back to sterling, cushioning the impact of exchange rate volatility.

Process

Optimal stock views from advisers with complementary investment processes are aggregated into a single international equity portfolio which is then implemented by Russell Investments. This improves trading efficiency, better manages risk and reduces potential costs. An example benefit is that stocks chosen by the advisers may offset against each other at the fund level and trading of any remaining inconsequential positions may then become unnecessary.

Fund diversification

The skills of 5 expert investment advisers are used within this fund.



Data as at 30 November 2011

Top 10 overweights (absolute weights in fund)	Country	Weight %
Nestle S.A.	Switzerland	2.5
Intel Corp.	United States	2.2
Accenture PLC	United States	1.7
Oracle Corp.	United States	1.6
Compagnie Financiere	Switzerland	1.5
Linde AG.	Germany	1.5
Akzo Nobel N.V.	Netherlands	1.4
International Business Machines Corp.	United States	1.4
Visa Inc.	United States	1.3
Walt Disney Co.	United States	1.3

Data as at 30 November 2011

Advisor details

Sanders 25%

- **Mandate Inception** : Q2 2011
- **Location** : New York



Sanders' investment philosophy rests on proven behavioural finance principles, the most important of which is the strong tendency of investors to overreact to adversity, depressing asset prices in relation to their past and potential future cash flows. Sanders is willing to invest in companies with sustainable earnings but which the market is undervaluing in the belief that the earnings are not sustainable. They will also invest in companies that are undervalued due to short-term distress but which they believe will recover to normalised levels of profitability. This broadens the opportunity set relative to other value strategies and provides a solid foundation for above average excess returns.

Harris Associates 25%

HARRIS ASSOCIATES L.P.

- **Mandate Inception** : Q1 2010
- **Location** : Chicago

Harris focuses on stocks selling at significant discounts to the underlying companies' intrinsic value. They invest in companies that are run by management teams that think and act as owners. Harris prefers management teams that focus on strong cash flow generation and efficient allocation of capital. Harris' deep understanding of the key business drivers of their holdings provides them with a competitive advantage.

MFS 20%

- **Mandate Inception** : Q1 2010
- **Location** : Boston



MFS' 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. The team is supported by over 70 analysts based around the world, providing research across the broad universe of global companies. Portfolios tend to feature country and sector positions that diverge meaningfully from the index.

Marsico Capital Management 15%

- **Mandate Inception** : Q1 2010
- **Location** : Denver



Marsico seeks to identify macroeconomic themes, based on its economic, political and social analysis, which drive earnings growth and price appreciation. Fundamental research is performed to identify attractive stocks likely to benefit from exposure to such 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 team of four portfolio managers and dedicated team of global industry analysts.

McKinley 15%

- **Mandate Inception** : Q1 2010
- **Location** : Alaska



Russell has researched McKinley Capital, a global growth manager, for over six years. The portfolio is advised by a team of professionals led by Robert A. Gillam, Chief Investment Officer. Using both a quantitative screening process and qualitative overlay to construct and manage portfolios, McKinley has been adept at combining these approaches, successfully identifying future winners over time. This strategy has performed consistently well through both growth and value market environments.

Important information

IM Russell ICVC (the "Company") is an Investment Company with variable capital incorporated in England and Wales under registered number IC000708 and is authorised by the Financial Services Authority (the "FSA") with effect from 22 October 2008. IFDS Managers Limited is the Authorised Corporate Director (the "ACD") of the IM Russell ICVC and is authorised and regulated by the Financial Services Authority. Registered Office: IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS. Russell Investments Limited has been appointed as the Investment Manager and distributor in respect of the Company. Applications for units in the Company are subject to the terms and conditions set out in the Principal prospectus, Simplified Prospectus, Instrument of Incorporation and latest annual and half-yearly long reports of the Company. Investors and potential investors are advised to read these documents (and in particular the risk warnings) before making an investment in the Company. Copies are available free of charge on request from the ACD and Russell Investments Limited.

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