

# manager change

March 2007

An update on Investment Managers in the Ventura Funds

## Two Global Managers hired in Ventura International Shares Fund

Russell is pleased to announce the appointment of Altrinsic Global Advisors LLC ("Altrinsic") and Alliance Capital Management L.P. ("Alliance") as new managers in the Ventura International Shares Fund ("the Fund"). Altrinsic will manage approximately 10% of the Fund with a global value mandate. Alliance will manage approximately 10% of the fund with a global growth mandate. Coincident with this appointment, Marvin & Palmer as well as The Boston Company are no longer managers in the Fund. As a result of these manager changes the weighting of global mandates in the fund has increased to 30% while the weighting of EAFE and US mandates have both decreased to 35%.

### Why did we make this change?

There are two reasons why Russell has chosen to make these enhancements to the Fund:

#### 1. Bringing in 2 high confidence managers into the Fund

Russell is constantly researching investment managers and is on the lookout for ways to enhance the Funds. Russell feels the addition of Altrinsic and Alliance, two highly regarded managers, will improve the current manager line up in the Fund.

### QUICK OVERVIEW

- Altrinsic and Alliance have been hired in the Ventura International Shares Fund
- Altrinsic will manage 10% of the Fund according to a global value mandate
- Alliance will manage 10% of the Fund according to a global growth mandate
- The substantial increase in good global managers allows us to take advantage of the opportunities presented by global strategies
- Marvin & Palmer and The Boston Company are no longer managers in the Fund

*"The cross-border approach by global managers offers a different and complementary source of excess returns to the regional strategies already employed in the Fund."*

**Phil Hoffman**  
PORTFOLIO MANAGER  
RUSSELL INVESTMENT GROUP



Company focus, industry depth, and global frame of reference are pillars of Altrinsic’s investment process. Altrinsic has a skilled group of portfolio managers with a depth of experience in international stock selection. The portfolio management team, is made up of Rehan Chaudhri, John De Vita and John Hock, with strong leadership provided by Hock. The time spent at global financial firms of varying sizes and structures, has caused the professionals to strongly believe that a focused, experienced, and well-connected team of investment professionals has a sustainable advantage in global equity management. To determine its stock selection and portfolio construction, Altrinsic employs a bottom-up and fundamentals-focused discipline, which emphasises drivers of operating returns and stock valuation.

Alliance’s competitive advantage is the breadth and depth of the fundamental research team. The members of the research team bring together regional and global expertise as well as material experience working together at Alliance. Regionally based research teams, focusing on company and industry analysis around the globe provide for perspective at both a local and global level. The Global Research Growth portfolios are managed by a six person team of sector leaders. The team benefits from frequent access to a broad group of regional analysts, directors of research and other portfolio managers in the firm. The team’s members all have a great deal of experience in terms of research and portfolio management skills. A team of senior professionals, including the Director of Research, Paul Rissman, provide oversight

on the portfolios. Company visits are a key aspect of successful fundamental research and this is expedited by having analysts located within their regions of focus.

**2. Increasing the weighting to Global strategies in Fund**

The addition of Altrinsic and Alliance, both at 10% weights along with the Fund’s 10% allocation to the Russell Global Opportunities Fund brings the weight of Global strategies in the Fund up to 30%. Through continued manager research Russell is finding more and more managers that we believe can add value consistently in global equity markets. Seven years ago there were only five global equity products on our hire list but now this has risen to over 20.

This substantial increase in good global managers has allowed us to take advantage of the opportunities presented by global strategies in our International Funds.

As opposed to regional managers, global equity managers have shifted their focus from country lines to sector lines allowing them to pick the best ideas on a global basis. Global managers also typically take more aggressive positions on stocks and sectors, offering the potential for higher returns. The cross-border approach by global managers offers a different and complementary source of excess returns to the regional strategies already employed in the Fund.

The following table shows the new target weights.

Manager	Role	Prior Weight	New Weight
<b>US</b>		<b>42.5%</b>	<b>35%</b>
Jacobs Levy	Market Oriented	15.5%	12.6%
ICAP	Value	14%	11.6%
Ark	Growth	6.5%	5.4%
Turner	Growth	6.5%	5.4%
<b>Non-US</b>		<b>42.5%</b>	<b>35%</b>
Boston Company	Value	10.6%	
Bernstein	Value	10.6%	17.5%
Marvin & Palmer	Growth	8.5%	
MFS	Growth	12.8%	17.5%
<b>Global</b>		<b>15%</b>	<b>30%</b>
Global Opps Fund	Market Oriented	15%	10%
Altrinsic	Value		10%
Alliance	Growth		10%

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