

# Russell Investments

## Japan Equity Fund



**Portfolio Manager**  
Makiko Hakozaki

Russell Investments' Global Equity Team comprises over 23 experienced professionals, including portfolio managers, researchers, portfolio analysts, and strategists in Russell Investments offices around the globe.

The team manages a wide range of U.S., non-U.S developed, emerging market, frontier market, and global equity mandates.

### Fund facts

#### Share class; Dealing ccy

Class A Acc; JPY

#### Dealing frequency; Cut off

Daily; 2.00pm GMT

#### Domicile; Category

Ireland; UCITS

#### Fund size

JPY 12,046.65m

#### ISIN; Bloomberg

IE0003506866; FRIJPEI ID

#### Fund launch date

30 June 1995

#### Share class launch date

20 June 1995

#### Management fee

0.90%

#### Share class NAV

JPY 34,923.74

### Fund objective

The Fund aims to achieve long term growth by investing in the shares of Japanese companies. The Fund is broadly diversified across different Japanese companies and industry sectors. The Fund is actively managed with reference to the Topix Dividends Index (JPY) - Net Returns (the "Index") which it seeks to outperform by 1.75% over the medium to long term. Russell Investments/ Money Managers have full discretion to select investments for the Fund

### Fund update

The Fund outperformed the benchmark over the quarter. The Fund's value tilt and overweight to small and midcap stocks was favourable. Effective stock selection across most sectors drove positive returns. Selection was particularly rewarded within consumer discretionary and materials and included overweight (OW) allocations to Subaru Corp and Toray Industries, respectively. An underweight (UW) to and selection within technology (UW Tokyo Electron) was also additive. An overweight to utilities (OW Tokyo Gas) was also beneficial. However, selection within industrials (OW Mitsubishi Corp) detracted.

### Performance review (%)

Performance to period end Returns shown in EUR	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class A Acc	-3.8	-7.4	-12.6	-10.0	3.5	4.0	5.0
Return net of management fee Class A Acc	-3.8	-7.6	-12.9	-10.8	2.5	3.1	4.1
Topix Dividends Index (JPY) - Net Returns	-5.0	-8.4	-12.4	-9.0	3.4	2.9	2.5

\*Inception: 20 June 1995

All returns greater than 1 year are annualised

### Discrete rolling 12 month performance (%)

Returns shown in EUR	30/06/17 30/06/18	30/06/18 30/06/19	30/06/19 30/06/20	30/06/20 30/06/21	30/06/21 30/06/22
Return gross of management fee Class A Acc	13.1	-2.7	4.3	18.0	-10.0
Return net of management fee Class A Acc	12.1	-3.6	3.4	16.9	-10.8
Topix Dividends Index (JPY) - Net Returns	8.3	-3.6	4.0	16.9	-9.0

Past performance is not a guide to future performance.

The current benchmark is the Topix Dividends Index (JPY) - Net Returns converted in the currency displayed in the performance table above where applicable.

### Portfolio statistics

	Fund Benchmark		3 years		Fund Benchmark	
Number of equity holdings	255	2171	Volatility	14.0	13.4	
Price/earnings	14.8	15.2	Tracking error	2.9%	-	
Dividend yield	2.5	2.3	Sharpe ratio	0.3	0.3	
Price to book	1.2	1.5	Information ratio	-0.3	-	
EPS growth (1 year)	32.5	28.7	3 year return (net)	2.5%	3.4%	
			3 year excess return (net)	-0.9%	-	

Data as at 31 May 2022

Source: Factset

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## Japan Equity Fund (continued)

### Ten largest holdings by weight

Security	Fund	Benchmark
Mitsubishi UFJ Financial Group, Inc.	3.2%	1.7%
Sumitomo Mitsui Financial Group, Inc.	2.5%	1.0%
Mitsubishi Corp.	2.2%	1.2%
Nippon Steel Corp.	2.2%	0.4%
Fanuc, Ltd.	2.2%	0.7%
Kirin Brewery Co., Ltd.	1.9%	0.3%
Sony Group Corp.	1.9%	3.0%
Toray Industries, Inc.	1.8%	0.2%
Dai-ichi Life Holdings, Inc.	1.8%	0.5%
Kao Corp.	1.6%	0.4%

Data as at 31 May 2022

### Sector weights

	Fund	Benchmark
Industrials	22.7%	24.1%
Consumer Discretionary	16.4%	18.1%
Financials	15.0%	9.9%
Information Technology	12.3%	13.5%
Materials	9.1%	6.0%
Consumer Staples	7.0%	6.9%
Health Care	6.4%	8.5%
Communication Services	4.1%	8.5%
Real Estate	2.7%	2.2%
Utilities	2.5%	1.3%
Energy	1.0%	1.0%
Other	0.7%	-

Data as at 31 May 2022

### ESG data

	Fund	Benchmark
ESG Score	24.6	23.9
Carbon footprint	134.8	97.8

Data as at 31 May 2022

Source: The portfolio-level ESG Risk Rating is the weighted average of the Sustainalytics' Risk Rating for securities in the portfolio. The Sustainalytics Risk Rating details are available at <https://www.sustainalytics.com/esg-data>. Carbon footprint is the weighted average carbon intensity of the Scope 1 and 2 carbon emission intensity of companies in the portfolio. It is measured in tonnes of CO<sub>2</sub>e divided by revenue (USD \$M).

### Fund structure

Manager/Strategy	Role in fund	Target	Actual
Camui Capital	Fundamental research approach, focusing on both early stage and secular growth	10.0%	12.4%
CouplandCardiff	Concentrated, growth-focused approach, with a mid- and smaller-cap bias	10.0%	5.1%
Sompo	Value manager with a long-term dividend discount approach	30.0%	33.1%
Russell Investments	Positioning Strategy designed to access the Japanese equity value premium	10.0%	12.0%
Asset Management One	Growth-at-a-reasonable-price, seeks to exploit undervalued growth opportunities	25.0%	24.4%
SPARX	Concentrated portfolio of companies exhibiting long-term sustainable growth	15.0%	11.1%
Russell Investments (cash & other)		-	2.0%

Russell Investments may trade a portion of the Fund's assets based on a model portfolio provided by the investment advisor. By employing this emulated portfolio approach, the Fund leverages off the implementation capabilities of Russell Investments in order to manage the funds in an efficient manner.

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## Japan Equity Fund (continued)

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