

Russell Investments

Emerging Markets Equity Fund



Portfolio Manager
Kathrine Husvaeg

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; USD

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 1,296.49m

ISIN; Bloomberg

IE0003507054; FRIEMEI ID

Fund launch date

31 December 1994

Share class launch date

31 December 1994

Management fee

1.30%

Share class NAV

USD 426.25

Fund objective

The Fund aims to achieve long term growth by investing in the shares of companies in emerging markets or companies that carry out a majority of their business in emerging markets. The Fund is actively managed with reference to the MSCI Emerging Markets Index (USD) - Net Returns (the "Index") which it seeks to outperform by 2% over the medium to long term. Russell Investments/ Money Managers have full discretion to select investments for the Fund.

Fund update

The Fund underperformed the negative benchmark return. High inflation, slowing economic growth and interest rate hikes by global central banks weighed caused a widespread sell-off across asset classes. However, Emerging Markets outperformed developed markets after positive performance from China. This suited the Fund's overweight positioning to the country. However, the Fund's underweight to large cap internet platforms within China, including Meituan, Alibaba and Tencent, weighed on relative returns. An overweight to Brazil and a tilt towards the materials sector (most notably copper names) also detracted.

Performance review (%)

Performance to period end Returns shown in GBP	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class A Acc	-4.1	-5.3	-9.5	-14.9	2.5	3.2	7.7
Return net of management fee Class A Acc	-4.3	-5.6	-10.1	-16.0	1.2	1.9	6.3
MSCI Emerging Markets Index (USD) - Net Returns	-3.1	-4.0	-8.1	-15.0	2.1	3.5	6.9

*Inception: 31 December 1994

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

Returns shown in GBP	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	4.5	4.0	-1.8	29.0	-14.9
Return net of management fee Class A Acc	3.1	2.7	-3.0	27.4	-16.0
MSCI Emerging Markets Index (USD) - Net Returns	6.2	5.0	-0.5	26.0	-15.0

Past performance is not a guide to future performance.

The current benchmark is the MSCI Emerging Markets Index (USD) - Net Returns converted into the currency displayed in the performance table above where applicable. Prior to 1st January 2018 the benchmark was the Russell Emerging Markets NR Index. Prior to 1st April 2011 the benchmark was MSCI Emerging Markets Index NR, prior to 1st January 2009, it was gross. Prior to April 1999 it was ING Barings Extended EM Index. Between April 1999 & February 2003 the IFC Investable Index.

Portfolio statistics

	Fund	Benchmark	3 years	Fund Benchmark
Number of equity holdings	591	1392	Volatility	14.6 13.4
Price/earnings	19.0	18.0	Tracking error	2.5% -
Dividend yield	2.0	2.0	Sharpe ratio	0.1 0.2
Price to book	2.3	2.5	Information ratio	-0.3 -
			3 year return (net)	1.2% 2.1%
			3 year excess return (net)	-0.9% -

Data as at 31 May 2022
Source: Factset

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Emerging Markets Equity Fund (continued)

Ten largest holdings by weight

Security	Fund	Benchmark
Taiwan Semiconductor Manufacturing Co., Ltd.	3.4%	6.8%
Tencent Holdings Ltd.	3.0%	3.8%
Samsung Electronics Co., Ltd.	2.6%	3.7%
Alibaba Group Holding Ltd.	1.5%	2.7%
Reliance Industries Ltd.	1.5%	1.4%
SK Hynix Inc	1.5%	0.7%
Hana Financial Group Inc.	1.4%	0.2%
Taiwan Semiconductor Manufacturing Co Ltd	1.3%	-
Kia Corp.	1.2%	0.3%
KB Financial Group Inc.	1.1%	0.3%

Data as at 31 May 2022

Country weight

	Fund	Benchmark
China	31.6%	32.5%
Korea, Republic of	12.6%	12.6%
Taiwan	11.3%	15.6%
India	9.1%	12.6%
Brazil	7.2%	5.5%
South Africa	3.1%	3.6%
Mexico	3.1%	2.3%
Hong Kong	2.6%	0.1%
Indonesia	2.5%	1.8%
Others	17.0%	13.4%

The numbers may not add up to 100% due to rounding
Data as at 31 May 2022

Sector weights

	Fund	Benchmark
Financials	21.7%	20.9%
Information Technology	17.3%	20.8%
Consumer Discretionary	12.5%	12.3%
Materials	10.6%	9.0%
Communication Services	7.7%	12.4%
Consumer Staples	6.4%	5.9%
Energy	6.0%	4.9%
Industrials	5.9%	5.4%
Real Estate	4.2%	2.0%
Utilities	3.6%	2.7%
Health Care	3.4%	3.6%
Other	0.7%	-

The numbers may not add up to 100% due to rounding
Data as at 31 May 2022

ESG data

	Fund	Benchmark
ESG Score	26.3	25.3
Carbon footprint	351.0	333.0

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 CO₂e divided by revenue (USD \$M).

Fund structure

Manager/Strategy	Role in fund	Target	Actual
Axiom	Focused on positive earnings revision with consistent growth characteristics	13.0%	12.9%
Barrow Hanley	Contrarian value opportunities with quality characteristics	10.0%	12.3%
Numeric	Value and momentum exposure delivered through a quantitative approach	12.0%	13.6%
Oaktree	Market-oriented, employing a mix of growth and valuation criteria	12.0%	10.6%
Russell Investments	Positioning strategy to align Fund characteristics with preferred positioning	13.0%	10.5%
Neuberger Berman	Seeks cash-generative, higher growth companies trading at reasonable valuations	12.0%	10.7%
RWC	Opportunistic approach, focusing on value and growth	10.0%	10.5%
Alliance Bernstein	Deep value, contrarian approach focusing on out-of-favour companies	13.0%	13.0%
Bin Yuan Capital	Pan China manager investing in quality companies trading at reasonable valuations	5.0%	4.2%
Russell Investments (cash & other)		-	1.7%

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.

Cash is equitized using MSCI Emerging Markets Equity Futures contracts.

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Emerging Markets Equity Fund (continued)

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Any past performance is not necessarily a guide to future performance.

Potential investors in Emerging Markets should be aware that investment in these markets can involve a higher degree of risk.

Any reference to returns linked to currencies may increase or decrease as a result of currency fluctuations. Tax treatments depend on the circumstances of the individual client and may be subject to change in the future.

Decisions to invest should be based on the fund's prospectus, ex-ante costs & charges document and key investor information document (KIID), with consideration to risk warnings. Copies available free of charge from Russell Investments.

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