

EMERGING



Russell Investments Emerging Markets Equity Fund

*Seizing the full range of
emerging opportunities*



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. It employs a multi-strategy investments approach and is broadly diversified across countries, sectors, investment styles and individual stocks.

The Fund is actively managed with reference to the MSCI Emerging Markets Index (USD) - Net Returns. The Fund's performance will be measured against the Index which it seeks to outperform by 2% over the medium to long term.

We use a disciplined investment process to design, construct and manage the Fund. It is designed

using our strategic beliefs for this asset class, derived from extensive research and experience. It is constructed by combining skillful third-party specialist investment managers with factor strategies and overlays. We manage the resulting asset mix dynamically, using our tactical insights and advanced systems to manage risk and capture opportunities.

What do you need for success in emerging markets?

Emerging markets have the capacity to be the standout performer in a prospective low return environment. However, the asset class has grown substantially since it was defined 30 years ago and with this growth has come significant complexity. In order to succeed, investors need to understand a diverse range of political, social and economic market drivers and translate these in terms of the impact on countries, currencies, sectors and stocks. This is not an easy task.

The potential opportunity set in emerging markets has become so broad and diverse that it is now very hard to capture. Investors can under-estimate the sheer scale of the task and thereby miss out on the outsized returns presented by this inefficient asset class. A well-constructed multi-strategy multi-manager fund

that combines complementary investment strategies is the most effective way to exploit the breadth of opportunity on offer. We can smooth the ride in this volatile asset class by dynamic management of the strategy and factor exposures in the fund.

Fund facts



Senior Portfolio Manager
Kathrine Husvaeg

Share class; Dealing currency:	Multiple share classes available; base currency class USD
Dealing frequency; Cut off:	Daily; 2.00pm GMT cut-off
Domicile; Category:	Ireland; UCITS
Fund size:	\$1,618.49m (as at 31 December 2021)
ISIN; Bloomberg codes:	Class A; USD; IE0003507054; FRIEMEI ID
Fund launch date:	31 December 1994

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product.

Russell Investments

Emerging Markets Equity Fund

The Fund aims to address the significant challenges facing emerging markets investors. The investable universe is extremely broad, covering a diverse range of geographies, economies, industry sectors and market capitalisations. Faced with a daunting task, it is necessary to employ all the tools at your disposal. It is not enough simply to hire good managers. You also need to combine them effectively and manage the mix actively through time, taking into account the trade-off between risk and reward. We approach the task from first principles using:



WELL-FOUNDED STRATEGIC BELIEFS

There are certain factor exposures that over the course of a market cycle will deliver higher returns than the broad market. We believe that growth and value are dominant and we tilt the strategy towards these factors over the long term.



BEST-IN-CLASS MANAGERS FROM AROUND THE WORLD

We employ an open-architecture approach using best-in-class investment manager strategies from around the globe, giving investors access to a truly unconstrained breadth of managers.



SMART BETA FACTOR STRATEGIES

We incorporate customised exposures directly managed by Russell Investments that allow our portfolio managers to reflect our strategic and dynamic insights in an active manner.



DYNAMIC MANAGEMENT TO EXPLOIT MARKET INEFFICIENCIES

We leverage the insights both of Russell Investments' team of strategists and those of the managers that we employ, together with external research sources and our own tactical factor views, in order to take advantage of market opportunities.



TIMELY AND EFFECTIVE IMPLEMENTATION

Russell Investments' Implementation Services Team employs sophisticated techniques to transition between managers and strategies, minimise trading costs and manage liquidity in order to ensure that our investment insights are captured efficiently.



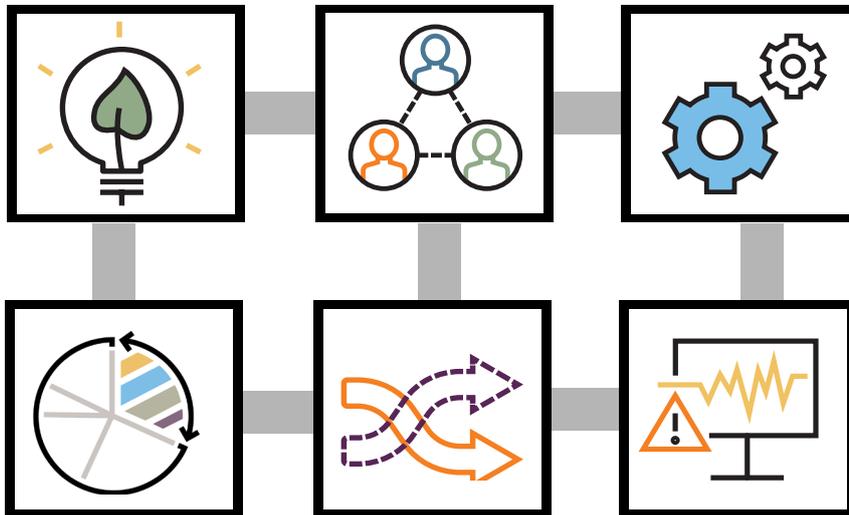
MANAGEMENT OF TOTAL PORTFOLIO RISK

We use customised risk analysis tools to understand, evaluate and manage exposures within the strategy. We target our preferred positions and minimise unwanted risks. Full visibility and control makes this possible.

Product profile

The Fund is much more than just a selection of managers. Rather, it represents a total outsourced solution to emerging markets equity management. It integrates our capital markets insights, risk management capabilities and trading and

implementation skills, together with dynamic management of the asset mix, monitoring, hiring and firing of third-party managers, and our own smart beta custom portfolios.



- Strategic beliefs
- Best-in-class managers
- Smart beta factor strategies
- Dynamic management
- Effective implementation
- Management of total portfolio risk

Combining the strategies

The Fund's asset mix combines third-party specialist managers with smart beta factor strategies that are designed, constructed and managed by Russell

Investments. As at 31 December 2021, the Fund incorporated eight managers and an overlay strategy designed to manage country risk.

STRATEGY	MANDATE	TARGET WEIGHT
Value	Numeric: Value and momentum exposure delivered through a quantitative approach	12%
Core	Oaktree: Market-oriented, employing a mix of growth and valuation criteria	12%
Growth	Axiom: Focused on positive earnings revision with consistent growth characteristics	13%
Small Cap	Barrow Hanley: Contrarian value opportunities with quality characteristics.	10%
Small Cap	Bin Yuan Capital: Pan China manager investing in quality companies trading at reasonable valuations	5%
Value	Alliance Bernstein: Deep value, contrarian approach focusing in out-of-favour companies	13%
Growth	Neuberger Berman: Seeks cash-generative, higher growth companies trading at reasonable valuations	12%
Value; Growth	RWC: Opportunistic approach, focusing on value and growth	10%
	Russell Investments: Positioning strategy to align Fund characteristics with preferred positioning	13%
Total exposure		100%

Russell Investments may trade a portion of the Fund's assets based on a model portfolio provided by the investment adviser. 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 equitised using MSCI Emerging Markets Equity Futures contracts.

Targets weights do not take into account any fees or charges on investment returns.

Key benefits

Global: Puts together a team of global specialist managers and strategies to work for you.

Performance consistency: Provides attractive risk adjusted performance when compared to traditional investment approaches employed in emerging markets.

Access to experts: Uses a best-in-class approach to identify the leading specialist third-party managers in each style segment. Through our intensive research process we identify the best specialists and gain valuable insights into the success of different emerging markets equity strategies. Our extensive experience and relationships allow us to select niche specialist capabilities and customise strategies to complement our portfolios.

Capacity: Hires managers that have scope to succeed. Single-manager propositions operating in emerging markets are typically capacity constrained and their performance can deteriorate when they absorb too much cash-flow. Our best-in-class approach is well positioned to adapt to this challenge, constantly looking for new skilled strategies with capacity.

Dedicated frontier market and small cap exposure: Accesses significant active management opportunity in segments of the asset class with increasing breadth and higher levels of inefficiency.

Targeted exposures: Invests in customised segregated mandates identified through research, rather than off-the-shelf products, thereby taking full advantage of each manager's

key strengths and retaining full control of their overall positioning.

Integrated: We employ a straightforward but powerful process based on business cycle, market valuation and investor sentiment factors (Cycle, Value and Sentiment or CVS), together with a consistent methodology to design, construct and manage portfolios (DCM). Our CVS and DCM approaches link the work of our portfolio management, research and strategy teams, providing them with a common language and analytical framework. This allows our teams to combine top-down and bottom-up research, to generate more penetrating insights and to maintain constant market awareness. Importantly, this integrated capability underpins our ability to allocate the Fund's assets dynamically in the light of changing markets and new opportunities.

Nimble: Real-time management and powerful analytics help manage risk exposures, make for greater agility in a constantly changing environment, and create flexibility to respond to what's going on in the marketplace.

Governance: The Fund's performance includes time-consuming and expensive market set-up costs and the cost of all manager changes. We take away the need for beauty parades, allowing investors to focus on more critical governance aspects. In addition, Russell Investments' Manager Oversight Team undertakes comprehensive, on-site due diligence reviews for all managers, thereby reducing operational risks.

Why Russell Investments?

We believe Russell Investments has a crucial advantage. We can combine our capital markets insights, manager research expertise, tactical asset allocation capabilities and factor capture skills in one integrated and dynamic process, on a truly global basis. We don't just find a good manager. We look at the manager's strategy and see whether it is appropriate for the current market environment, how it interacts with the overall portfolio, and whether the timing is right to invest now. Additionally, we look at the best way to implement our views – should we do this actively, passively or through smart beta?

Lastly, we constantly re-evaluate each manager's place in the asset mix in the light of market movements. The emerging markets universe is extremely broad, and it is rare to find the multitude of skillsets required for success in just one manager. With thousands of stocks available for investment across the asset class, it is not possible to be an expert in them all. Our 30 years of experience researching managers and styles, and understanding country and sector return drivers, allows us to rapidly deploy world-class talent in a nimble, targeted and effective manner in order to exploit the multitude of opportunities provided by this volatile and inefficient asset class.

For more information:

Call Russell Investments on +44 (0)20 7024 6000 or visit russellinvestments.com

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Past Performance does not predict future returns. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product.

Any reference to returns linked to currencies may increase or decrease as a result of currency fluctuations. Potential investors in Emerging Markets should be aware that investment in these markets can involve a higher degree of risk.

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