

Russell Investments Emerging Markets Fund

Fund facts

Inception date

30 April 2007

Benchmark

MSCI Emerging Markets Index - Net

Currency

NZD

Rolling 1 year performance history

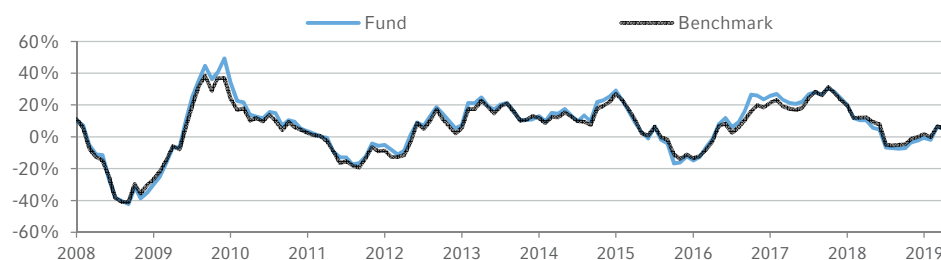


Chart data in AUD

Performance review

Period ending 31/07/2019	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Gross fund performance	0.6	-0.5	0.7	11.8	7.6	5.4
Benchmark return*	0.5	-1.7	0.9	11.3	7.3	4.3
Excess return	0.1	1.1	-0.2	0.5	0.2	1.0

Note: Past performance is not indicative of future performance. Performance data shown is gross of fees, charges or taxes and is not in any way an indicator of the net return to you as an investor.

* MSCI Emerging Markets Free Index 31/12/2008, MSCI Emerging Markets Net Index until 31/12/2010, Russell Emerging Markets - Net Index until 31/12/2017 and MSCI Emerging Markets Net Index thereafter.

The Fund outperformed the benchmark in July. The main drivers of benchmark-relative performance were:

- Factor positioning – Our tilt towards value went unrewarded this month.
- Country positioning – Overweights to Brazil, Turkey and Vietnam were key contributors as effective country positioning underpinned relative returns
- Stock selection – Positive stock selection within Brazilian industrials and Taiwanese IT names was also positive.

RWC outperformed in a period where exposure to volatility was rewarded. Effective selection within Taiwan (Win Semiconductors) underpinned excess returns. Positive country positioning included underweights to South Korea, South Africa and Mexico as well as overweights to Turkey, Greece and the United Arab Emirates.

Quant manager Numeric suffered from its value tilt and negative stock selection within China and India. This included exposure to state-owned telecommunications stock China Unicom, underweight to Tencent and overweights to Indian natural resource stocks Coal India and Oil & Natural Gas Corp. An underweight to South Korea also detracted. However, similar to the second quarter, overweights to Turkey and Russia suited the market environment and mitigated additional underperformance.

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Sector allocation

	Fund	Benchmark
Financials	27.7%	24.8%
Information Technology	14.7%	14.3%
Consumer Discretionary	11.3%	13.6%
Communication Services	8.9%	11.8%
Energy	8.3%	7.8%
Consumer Staples	7.2%	6.8%
Materials	7.0%	7.1%
Industrials	6.2%	5.3%
Real Estate	3.2%	3.0%
Utilities	2.7%	2.8%
Health Care	1.5%	2.6%
Other	1.4%	0.0%

Geographic exposure

	Fund	Benchmark
China	31.8%	31.8%
South Korea	12.2%	11.8%
Brazil	9.5%	8.1%
Taiwan	9.0%	11.2%
India	7.6%	8.6%
Russia	6.9%	4.0%
South Africa	4.9%	5.8%
Mexico	2.4%	2.5%
Indonesia	2.1%	2.2%
Other	13.5%	14.1%

Top ten holdings

Security
Taiwan Semiconductor Manufacturing Co., Ltd.
Tencent Holdings Ltd.
Samsung Electronics Co., Ltd.
Alibaba Group Holding Ltd. (ADR)
LUKOIL
Sberbank of Russia
Ping An Insurance (Group) Co. of China, Ltd. Class H
China Construction Bank Corp. Class H
ICICI Bank Ltd.
SK Hynix Inc.

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Portfolio structure

Manager	Style	Weight %
Alliance Bernstein	Value	13.0
Harding Loevner	Quality, growth	14.0
Neuberger Berman	Growth	14.0
Numeric	Value, momentum	16.0
Oaktree Capital	Market-oriented	14.0
Russell Investments	Positioning Strategy	10.0
RWC Partners	Opportunistic, focus on value & growth	9.0
Somerset Capital	Quality, value mid-cap & frontier	5.0
Westwood International Advisors	Quality, SMID cap	5.0

Footnotes

All information contained in this document is for the current reporting period unless otherwise stated.

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