

Russell Investments China Equity Fund



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Portfolio Manager

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 Objective

The Fund aims to achieve long term capital growth, by investing in the shares of companies established or operating in the People's Republic of China (PRC). The Fund will invest predominantly in Chinese Companies listed on exchanges in the PRC and Hong Kong and will also include other China companies listed offshore. The Fund is actively managed with reference to the MSCI China All Shares Index (USD) - Net Returns (the Index) and seeks to outperform by 3% over the medium to long term.

Fund Update

The Fund underperformed the benchmark in July. An underweight to and selection within financials (capital markets, banks) was a key detractor this period. Selection was also negative within the consumer discretionary (Miniso Group, Alibaba), health care (Sinopharm Group), industrials and information technology (BYD Electronic) sectors. Effective selection within real estate and materials limited further underperformance.

Performance Review %

Performance to period end Returns shown in USD	1 month	3 months	6 months	Year to Date	1 year	3 years	5 years	10 years	Since inception
Return net of management fee Class A	-2.3	-2.5	10.6	-2.3	-16.3	-18.1	-3.2	3.6	3.9
MSCI China All Shares Index Net	-0.7	-2.0	12.8	1.6	-12.9	-13.3	-2.8	2.2	2.0

All returns greater than 1 year are annualised

Rolling 12 Month Performance (%)

Returns shown in USD	30/06/23 30/06/24	30/06/22 30/06/23	30/06/21 30/06/22	30/06/20 30/06/21	30/06/19 30/06/20
Return net of management fee Class A	-8.38	-21.15	-28.79	42.30	19.84
MSCI China All Shares Index Net	-4.39	-18.05	-25.48	32.22	12.86

Returns shown in USD	30/06/18 30/06/19	30/06/17 30/06/18	30/06/16 30/06/17	30/06/15 30/06/16	30/06/14 30/06/15
Return net of management fee Class A	-0.53	10.35	15.30	-23.02	84.67
MSCI China All Shares Index Net	-1.13	2.98	13.08	-34.19	106.73

Past performance does not predict future returns.

The current benchmark is MSCI China All Shares Index (USD) - Net Returns. Prior to 15th January 2020, the benchmark was MSCI China All Series. Prior to 26th of November 2019, the benchmark was MSCI All China NR Index. Prior to the 27th of June 2017, the benchmark was China Securities 300 Index. Performance prior to 27th of June 2017 was achieved under circumstances that no longer apply (namely, prior to a merger, the Fund operated as an Irish authorised qualifying investor alternative investment fund).

Fund facts

Share Class; Dealing ccy

A; USD

Dealing frequency; Cut off

Daily; 2:00 pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 45.85m

Fund launch date

27 June 2017

Share class launch date

24 July 2012

Management fee

1.00%

ISIN; Bloomberg

IE00BF5LKK26; RIC2EQA ID

Share class NAV

USD 37.90m

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Portfolio Statistics

	Fund	Benchmark
Number of equity holdings	242	657
Price/Earnings	12.0	11.6
Dividend Yield	2.6	2.6
Price to Book	1.6	1.3
EPS Growth (1 Year)	27.0	22.0
Volatility 3 Year		22.6%
Volatility 5 Year		21.9%

3 years	Fund	Benchmark
Volatility	22.6	22.6
Tracking error	4.7	4.7
Sharpe ratio	-	-
Information ratio	-0.8	-0.8
3 year return (net)	-17.1%	-13.3%
3 year excess return (net)	-3.8%	-

Ten largest holdings by weight

Issuer	Fund	Benchmark
Tencent Holdings Ltd	9.3%	10.1%
Alibaba Group Holding Ltd	3.5%	5.1%
China Merchants Bank Co Ltd	2.7%	1.5%
BYD Co Ltd	2.1%	1.6%
PDD Holdings Inc	2.0%	2.5%
Ping An Insurance Group Co of China Ltd	2.0%	1.6%
MINISO Group Holding Ltd	1.8%	0.1%
iRay Technology Co Ltd	1.6%	0.0%
Kweichow Moutai Co Ltd	1.5%	2.4%
Luxshare Precision Industry Co Ltd	1.4%	0.4%

ESG Data

	Fund	Benchmark
ESG Score	25.4	27.8
Carbon Footprint	170.1	299.8

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).

Sector weights

	Fund	Benchmark
Consumer Discretionary	20.3%	20.5%
Information Technology	17.0%	9.4%
Communication Services	13.7%	14.4%
Financials	13.7%	18.6%
Industrials	10.5%	9.1%
Health Care	6.4%	5.1%
Consumer Staples	6.3%	7.4%
Materials	6.1%	6.4%
Utilities	2.4%	3.8%
Real Estate	1.8%	1.6%
Energy	1.7%	3.9%
Other	0.0%	0.0%

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Fund structure

Manager/Strategy	Strategy	Target	Actual
Bin Yuan Capital (Cayman) Limited	Growth	34.0%	29.5%
Keywise Capital Management (HK) Limited	Market-Oriented	24.3%	26.0%
Russell Investments	Positioning Strategies	17.6%	24.8%

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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Past performance does not predict future returns.

The net assets of the fund are likely to have high volatility.

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.

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