

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 outperformed the positive benchmark return. Strong stock selection was the key driver of outperformance. This was effective among high growth stocks and across numerous sectors. Selection within information technology, communication services, consumer discretionary and industrials contributed positively. An overweight to Bilibili was the main contributor at the stock level. Factor positioning was also rewarded. Positive exposure towards high quality and high momentum and a tilt towards small caps suited the market environment. An overweight to materials was a further positive, although an underweight to energy and selection within health care weighed on additional outperformance.

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	7.3	7.2	25.0	7.3	45.1	6.9	-3.9	7.1	7.4
MSCI China All Shares Index Net	4.1	2.2	14.8	4.1	34.7	7.6	-2.9	5.0	5.1

All returns greater than 1 year are annualised

Rolling 12 Month Performance (%)

Returns shown in USD	31/01/25 31/01/26	31/01/24 31/01/25	31/01/23 31/01/24	31/01/22 31/01/23	31/01/21 31/01/22
Return net of management fee Class A	45.11	26.50	-33.50	-14.40	-21.50
MSCI China All Shares Index Net	34.68	28.82	-28.26	-10.39	-22.42

Returns shown in USD	31/01/20 31/01/21	31/01/19 31/01/20	31/01/18 31/01/19	31/01/17 31/01/18	31/01/16 31/01/17
Return net of management fee Class A	70.05	14.42	-25.92	47.46	14.14
MSCI China All Shares Index Net	46.70	14.50	-26.44	38.08	10.00

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 19.87m
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 19.13m

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Portfolio Statistics

	Fund	Benchmark
Number of equity holdings	244	560
Price/Earnings	20.7	15.2
Dividend Yield	1.5	1.5
Price to Book	2.6	1.8
EPS Growth (1 Year)	36.5	28.6

3 years	Fund	Benchmark
Volatility	22.4	22.4
Tracking error	4.1	4.1
Sharpe ratio	0.1	0.1
Information ratio	-0.2	-0.2
3 year return (net)	6.9%	7.6%
3 year excess return (net)	-0.7%	-

Ten largest holdings by weight

Issuer	Fund	Benchmark
Tencent Holdings Ltd	8.3%	10.8%
Alibaba Group Holding Ltd	7.8%	8.1%
Ping An Insurance Group Co of China Ltd	3.5%	2.0%
Bilibili Inc	3.4%	0.2%
Zijin Mining Group Co Ltd	3.2%	1.5%
China Merchants Bank Co Ltd	2.3%	1.3%
China Construction Bank Corp	1.9%	2.3%
Eoptolink Technology Inc Ltd	1.8%	0.4%
Foxconn Industrial Internet Co Ltd	1.6%	0.7%
Guizhou Aviation Technical Development Co Ltd	1.6%	0.0%

Sector weights

	Fund	Benchmark
Industrials	17.3%	8.5%
Information Technology	16.4%	13.4%
Communication Services	15.7%	14.8%
Consumer Discretionary	15.5%	20.0%
Financials	15.0%	18.8%
Materials	11.3%	8.3%
Health Care	3.2%	4.7%
Consumer Staples	2.2%	4.9%
Energy	1.4%	2.9%
Utilities	0.9%	2.4%
Real Estate	0.9%	1.3%
Other	0.0%	0.0%

ESG Data

	Fund	Benchmark
ESG Score	24.6	25.3
Carbon Footprint	145.6	295.7

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).

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Fund structure

Manager/Strategy	Strategy	Target	Actual
Bin Yuan Capital (Cayman) Limited	Growth	34.0%	37.8%
Russell Investments Limited	China-A Shares	24.3%	22.7%
Keywise Capital Management (HK) Limited	Market-Oriented	24.3%	21.0%
Russell Investments	Positioning Strategies	17.6%	18.5%

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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