

Russell Investments China Equity Fund



Kathrine Husvaeg
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 strong benchmark return. Negative stock selection within the consumer discretionary sector was the primary detractor this month. An underweight to Alibaba Group and overweight to MINISO Group Holding were key detractors at the stock level. Selection was also unrewarded within the information technology sector, although this was partially mitigated by effective sector positioning (overweight). Underweights to and positive selection within both the financials and consumer staples sectors limited additional 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	7.0	9.7	23.0	8.0	24.4	-7.5	-0.3	2.6	5.4
MSCI China All Shares Index Net	8.1	9.3	23.5	7.7	27.5	-3.2	0.4	0.2	3.0

All returns greater than 1 year are annualised

Rolling 12 Month Performance (%)

Returns shown in USD	31/12/23 31/12/24	31/12/22 31/12/23	31/12/21 31/12/22	31/12/20 31/12/21	31/12/19 31/12/20
Return net of management fee Class A	10.65	-17.29	-27.88	-8.90	50.19
MSCI China All Shares Index Net	16.38	-11.53	-23.61	-12.91	33.71

Returns shown in USD	31/12/18 31/12/19	31/12/17 31/12/18	31/12/16 31/12/17	31/12/15 31/12/16	31/12/14 31/12/15
Return net of management fee Class A	32.17	-25.65	38.81	-11.71	10.48
MSCI China All Shares Index Net	29.97	-26.65	30.28	-17.10	0.87

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 34.63m

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 26.26m

Russell Investments China Equity Fund

Portfolio Statistics

	Fund	Benchmark
Number of equity holdings	252	580
Price/Earnings	17.2	14.3
Dividend Yield	1.9	1.9
Price to Book	2.0	1.6
EPS Growth (1 Year)	76.1	24.9

3 years	Fund	Benchmark
Volatility	26.7	26.7
Tracking error	4.3	4.3
Sharpe ratio	-	-
Information ratio	-0.7	-0.7
3 year return (net)	-6.4%	-3.2%
3 year excess return (net)	-3.1%	-

Ten largest holdings by weight

Issuer	Fund	Benchmark
Tencent Holdings Ltd	9.1%	10.9%
Alibaba Group Holding Ltd	5.3%	7.3%
Xiaomi Corp	4.1%	2.8%
China Merchants Bank Co Ltd	3.1%	1.6%
Ping An Insurance Group Co of China Ltd	2.5%	1.7%
MINISO Group Holding Ltd	2.0%	0.1%
Contemporary Amperex Technology Co Ltd	1.9%	1.3%
Luxshare Precision Industry Co Ltd	1.6%	0.4%
BYD Co Ltd	1.6%	2.1%
Hong Kong Exchanges & Clearing Ltd	1.5%	0.0%

ESG Data

	Fund	Benchmark
ESG Score	24.1	26.5
Carbon Footprint	144.0	251.8

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	21.4%	23.6%
Information Technology	20.7%	11.6%
Financials	15.1%	19.1%
Communication Services	13.5%	14.5%
Industrials	11.9%	8.2%
Consumer Staples	4.8%	6.4%
Health Care	4.0%	4.4%
Materials	3.8%	4.9%
Real Estate	2.4%	1.6%
Utilities	1.3%	2.9%
Energy	1.1%	2.7%
Other	0.0%	0.0%

Russell Investments China Equity Fund

Fund structure

Manager/Strategy	Strategy	Target	Actual
Bin Yuan Capital (Cayman) Limited	Growth	34.0%	33.3%
Russell Investments Limited	China-A Shares	24.3%	19.8%
Keywise Capital Management (HK) Limited	Market-Oriented	24.3%	23.5%
Russell Investments	Positioning Strategies	17.6%	23.4%

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.

Important Information

This material does not constitute an offer or invitation to anyone in any jurisdiction in which such distribution is not authorised.

Unless otherwise specified, Russell Investments is the source of all data. All information contained in this material is current at the time of issue and, to the best of our knowledge, accurate. Any opinion expressed is that of Russell Investments, is not a statement of fact, is subject to change and does not constitute investment advice.

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.

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.

This is a marketing communication. Please refer to the prospectus of the UCITS and to the KIID/KID before making any final investment decisions.

In the UK this marketing document has been issued by Russell Investments Limited. Company No. 02086230. Registered in England and Wales with registered office at: Rex House, 10 Regent Street, London SW1Y 4PE. Telephone +44 (0)20 7024 6000. Authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN. In the EU this marketing document has been issued by Russell Investments Ireland Limited. Company No. 213659. Registered in Ireland with registered office at: 78 Sir John Rogerson's Quay, Dublin 2, Ireland. Authorised and regulated by the Central Bank of Ireland. In the Middle East this marketing document has been issued by Russell Investments Limited a Dubai International Financial Centre company which is regulated by the Dubai Financial Services Authority at: Office 4, Level 1, Gate Village Building 3, DIFC, PO Box 506591, Dubai UAE. Telephone +971 4 578 7097. This material should only be marketed towards Professional Clients as defined by the DFSA.

KvK number 67296386