

# Russell Investments Emerging Markets Equity Fund

**Article 8**

**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 growth by investing in the shares of companies in emerging markets or companies that carry out a majority of their business in emerging markets. The Fund is actively managed with reference to the MSCI Emerging Markets Index (USD) - Net Returns (the Index) which it seeks to outperform by 2% over the medium to long term. Russell Investments/ Money Managers have full discretion to select investments for the Fund. This product is an Article 8 product, as defined under EU regulation - it promotes environmental or social characteristics and invests in companies that follow good governance practices. This product does not have sustainable investment as its objective.

## Fund Update

The Fund underperformed in a positive month for Emerging Markets. Positive returns from China ensured the benchmark outperformed most developed markets. The Fund's exposure to value suited the market environment. However, overweights to and negative selection within Brazil and Indonesia (Bank Rakyat Indonesia) weighed on relative returns. Selection within Taiwan and Mexico was also unrewarded this month. However, stock selection within South Korea remained a key positive contributor which helped mitigate additional underperformance.

## Performance Review %

| Performance to period end<br>Returns shown in GBP        | 1<br>month | 3<br>months | 6<br>months | Year to<br>Date | 1<br>year | 3<br>years | 5<br>years | 10<br>years | Since<br>inception |
|--|------------|-------------|-------------|-----------------|-----------|------------|------------|-------------|--------------------|
| Return net of management fee Class I<br>Acc              | 1.2        | 9.7         | 11.6        | 5.0             | 8.6       | -3.8       | 1.7        | -           | 8.9                |
| MSCI Emerging Markets Index (USD) -<br>Net Returns (GBP) | 1.3        | 9.7         | 11.8        | 4.7             | 10.3      | -2.5       | 2.7        | -           | 9.4                |

All returns greater than 1 year are annualised

## Rolling 12 Month Performance (%)

| Returns shown in GBP                                     | 31/03/23<br>31/03/24 | 31/03/22<br>31/03/23 | 31/03/21<br>31/03/22 | 31/03/20<br>31/03/21 | 31/03/19<br>31/03/20 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class I Acc                 | 3.40                 | -6.57                | -6.09                | 43.60                | -16.34               |
| MSCI Emerging Markets Index (USD) - Net<br>Returns (GBP) | 5.86                 | -4.91                | -7.12                | 42.34                | -13.50               |

| Returns shown in GBP                                     | 31/03/18<br>31/03/19 | 31/03/17<br>31/03/18 | 31/03/16<br>31/03/17 | 31/03/15<br>31/03/16 | 31/03/14<br>31/03/15 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class I Acc                 | -3.96                | 10.08                | 38.69                | -9.87                | 12.32                |
| MSCI Emerging Markets Index (USD) - Net<br>Returns (GBP) | -0.32                | 10.34                | 34.97                | -7.53                | 12.87                |

Past performance does not predict future returns.

The current benchmark is the MSCI Emerging Markets Index (USD) - Net Returns converted into the currency displayed in the performance table above where applicable. Prior to 1st January 2018 the benchmark was the Russell Emerging Markets NR Index. Prior to 1st April 2011 the benchmark was MSCI Emerging Markets Index NR, prior to 1st January 2009, it was gross. Prior to April 1999 it was ING Barings Extended EM Index. Between April 1999 & February 2003 the IFC Investable Index.

| Fund facts                        |
|-----------------------------------|
| <b>Share Class; Dealing ccy</b>   |
| I Acc; GBP                        |
| <b>Dealing frequency; Cut off</b> |
| Daily; 2:00 pm GMT                |
| <b>Domicile; Category</b>         |
| Ireland; UCITS                    |
| <b>Fund size</b>                  |
| USD 1,040.21m                     |
| <b>Fund launch date</b>           |
| 20 December 1994                  |
| <b>Share class launch date</b>    |
| 01 October 2003                   |
| <b>Management fee</b>             |
| 1.30%                             |
| <b>ISIN; Bloomberg</b>            |
| IE0007973468; FREMMIA ID          |
| <b>Share class NAV</b>            |
| GBP 170.89m                       |

# Russell Investments Emerging Markets Equity Fund

## Portfolio Statistics

|                           | Fund | Benchmark |
|---------------------------|------|-----------|
| Number of equity holdings | 537  | 1374      |
| Price/Earnings            | 12.7 | 14.0      |
| Dividend Yield            | 2.8  | 2.8       |
| Price to Book             | 1.6  | 1.7       |
| EPS Growth (1 Year)       | 41.1 | 40.3      |

| 3 years                    | Fund  | Benchmark |
|----------------------------|-------|-----------|
| Volatility                 | 17.7  | 17.7      |
| Tracking error             | 1.9   | 1.9       |
| Sharpe ratio               | -0.4  | -0.4      |
| Information ratio          | 0.0   | 0.0       |
| 3 year return (net)        | -3.8% | -2.5%     |
| 3 year excess return (net) | -1.3% | -         |

## Ten largest holdings by weight

| Issuer                                    | Fund | Benchmark |
|---|------|-----------|
| Taiwan Semiconductor Manufacturing Co Ltd | 6.1% | 8.3%      |
| Samsung Electronics Co Ltd                | 3.5% | 4.2%      |
| Tencent Holdings Ltd                      | 3.2% | 4.1%      |
| Alibaba Group Holding Ltd                 | 1.8% | 2.1%      |
| SK Hynix Inc                              | 1.8% | 1.0%      |
| MediaTek Inc                              | 1.1% | 0.6%      |
| KB Financial Group Inc                    | 1.0% | 0.3%      |
| Petroleo Brasileiro SA                    | 0.9% | 1.0%      |
| MercadoLibre Inc                          | 0.9% | 0.0%      |
| PTT Exploration & Production PCL          | 0.9% | 0.1%      |

## Country weight

|                    | Fund  | Benchmark |
|--------------------|-------|-----------|
| China/Hong Kong    | 28.3% | 26.8%     |
| Taiwan             | 13.6% | 17.1%     |
| India              | 13.5% | 18.1%     |
| Korea, Republic of | 12.2% | 12.1%     |
| Brazil             | 8.0%  | 5.0%      |
| Thailand           | 3.2%  | 1.5%      |
| South Africa       | 2.7%  | 2.6%      |
| Mexico             | 2.5%  | 2.6%      |
| Indonesia          | 2.2%  | 1.7%      |
| United States      | 2.2%  | 0.0%      |

## Sector weights

|                        | Fund  | Benchmark |
|------------------------|-------|-----------|
| Financials             | 21.8% | 22.3%     |
| Information Technology | 21.7% | 22.8%     |
| Consumer Discretionary | 13.9% | 12.9%     |
| Materials              | 8.2%  | 7.2%      |
| Communication Services | 8.1%  | 9.1%      |
| Industrials            | 7.7%  | 7.0%      |
| Consumer Staples       | 5.5%  | 5.6%      |
| Energy                 | 4.6%  | 5.4%      |
| Health Care            | 3.3%  | 3.4%      |
| Real Estate            | 3.2%  | 1.6%      |
| Utilities              | 2.0%  | 2.9%      |
| Infrastructure         | 0.0%  | 0.0%      |
| Other                  | 0.0%  | 0.0%      |

## ESG Data

|                  | Fund  | Benchmark |
|------------------|-------|-----------|
| ESG Score        | 23.1  | 23.7      |
| Carbon Footprint | 168.6 | 331.7     |

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 CO<sub>2</sub>e divided by revenue (USD \$M).

# Russell Investments Emerging Markets Equity Fund

## Fund structure

| Manager/Strategy                         | Strategy               | Target | Actual |
|--|------------------------|--------|--------|
| Axiom Investors LLC                      | Growth                 | 12.0%  | 14.1%  |
| Barrow, Hanley, Mewhinney & Strauss, LLC | Value                  | 12.0%  | 9.8%   |
| Bin Yuan Capital (Cayman) Limited        | Growth                 | 5.0%   | 4.1%   |
| Numeric Investors LLC                    | Market-Oriented        | 18.0%  | 19.3%  |
| Oaktree Capital Management, L.P.         | Market-Oriented        | 14.0%  | 13.9%  |
| Pzena Investment Management, LLC         | Value                  | 10.0%  | 8.2%   |
| RWC Asset Advisors (US) LLC              | Market-Oriented        | 8.0%   | 8.1%   |
| Sands Capital Management, LLC            | Growth                 | 8.0%   | 6.8%   |
| Russell Investments                      | Positioning Strategies | 13.0%  | 15.6%  |

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.

Cash is equitized using MSCI Emerging Markets Equity Futures contracts.

## 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

© 1995-2024 Russell Investments Group, LLC. All rights reserved.