

# Russell Investments Japan 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 growth by investing in the shares of Japanese companies. The Fund is broadly diversified across different Japanese companies and industry sectors. The Fund is actively managed with reference to the Topix Index (JPY) - Net Returns (the Index) which it seeks to outperform by 1.75% 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

We continue to see some interesting investment opportunities from a fundamental and value perspective in the Japanese market. In the current market environment, the Fund maintains a positive exposure to both growth and value with increasing risk budget to stock specifics. By diversifying Fund positions in both defensive and dynamic styles, while maintaining market sensitivity close to the benchmark, the Fund is well positioned for continued economic and earnings growth, but with reasonable downside protection.

## Performance Review %

| Performance to period end<br>Returns shown in EUR | 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 E Accum        | -0.6       | 0.8         | 12.6        | 9.1             | 15.5      | 4.1        | 6.2        | 8.3         | 6.3                |
| Topix Index (JPY) - Net Returns (EUR)             | -0.2       | -0.8        | 11.5        | 7.9             | 15.8      | 6.4        | 7.6        | 6.3         | 6.3                |

All returns greater than 1 year are annualised

## Rolling 12 Month Performance (%)

| Returns shown in EUR                       | 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 E Accum | 23.25                | -4.01                | -6.33                | 34.84                | -8.63                |
| Topix Index (JPY) - Net Returns (EUR)      | 24.60                | -1.59                | -2.28                | 29.23                | -5.43                |

| Returns shown in EUR                       | 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 E Accum | -0.58                | 9.56                 | 24.92                | -9.74                | 39.09                |
| Topix Index (JPY) - Net Returns (EUR)      | -0.42                | 5.24                 | 22.85                | -10.61               | 43.62                |

Past performance does not predict future returns.

The current benchmark is the Topix Index (JPY) - Net Returns converted to Euro.

| Fund facts                        |
|-----------------------------------|
| <b>Share Class; Dealing ccy</b>   |
| E Accum; EUR                      |
| <b>Dealing frequency; Cut off</b> |
| Daily; 2:00 pm GMT                |
| <b>Domicile; Category</b>         |
| Ireland; UCITS                    |
| <b>Fund size</b>                  |
| JPY 13,734.92m                    |
| <b>Fund launch date</b>           |
| 20 June 1995                      |
| <b>Share class launch date</b>    |
| 13 June 2003                      |
| <b>Management fee</b>             |
| 1.00%                             |
| <b>ISIN; Bloomberg</b>            |
| IE0033163407; FRIJPEE ID          |
| <b>Share class NAV</b>            |
| EUR 1.80m                         |

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## Portfolio Statistics

|                           | Fund | Benchmark |
|---------------------------|------|-----------|
| Number of equity holdings | 322  | 2140      |
| Price/Earnings            | 17.3 | 16.5      |
| Dividend Yield            | 2.1  | 2.1       |
| Price to Book             | 1.3  | 1.4       |
| EPS Growth (1 Year)       | 32.5 | 23.4      |

| 3 years                    | Fund  | Benchmark |
|----------------------------|-------|-----------|
| Volatility                 | 11.7  | 11.7      |
| Tracking error             | 3.1   | 3.1       |
| Sharpe ratio               | -0.3  | -0.3      |
| Information ratio          | -0.3  | -0.3      |
| 3 year return (net)        | 4.1%  | 6.4%      |
| 3 year excess return (net) | -2.2% | -         |

## Ten largest holdings by weight

| Issuer                              | Fund | Benchmark |
|-------------------------------------|------|-----------|
| Hitachi Ltd                         | 3.1% | 2.0%      |
| Sumitomo Mitsui Financial Group Inc | 2.7% | 1.8%      |
| Seven & i Holdings Co Ltd           | 2.3% | 0.6%      |
| ORIX Corp                           | 2.2% | 0.5%      |
| Recruit Holdings Co Ltd             | 2.1% | 1.5%      |
| Honda Motor Co Ltd                  | 2.0% | 1.1%      |
| Mitsubishi UFJ Financial Group Inc  | 1.9% | 2.5%      |
| Toyota Motor Corp                   | 1.9% | 4.8%      |
| Tokyo Electron Ltd                  | 1.7% | 1.8%      |
| NIDEC CORP                          | 1.6% | 0.4%      |

## ESG Data

|                  | Fund | Benchmark |
|------------------|------|-----------|
| ESG Score        | 23.0 | 23.2      |
| Carbon Footprint | 62.2 | 83.1      |

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).

## Sector weights

|                        | Fund  | Benchmark |
|------------------------|-------|-----------|
| Industrials            | 26.0% | 25.1%     |
| Financials             | 18.2% | 13.8%     |
| Consumer Discretionary | 16.0% | 17.8%     |
| Information Technology | 14.2% | 13.5%     |
| Materials              | 6.8%  | 5.5%      |
| Consumer Staples       | 6.7%  | 6.1%      |
| Communication Services | 3.7%  | 6.7%      |
| Health Care            | 3.2%  | 6.9%      |
| Real Estate            | 3.0%  | 2.1%      |
| Utilities              | 1.5%  | 1.6%      |
| Energy                 | 0.7%  | 1.0%      |
| Other                  | 0.0%  | 0.0%      |

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## Fund structure

| Manager/Strategy                 | Strategy               | Target | Actual |
|----------------------------------|------------------------|--------|--------|
| Asset Management One Co., Ltd.   | Growth                 | 17.9%  | 15.2%  |
| M&G Investments (USA) Inc.       | Market-Oriented        | 16.6%  | 15.2%  |
| Polymer Capital Japan Limited    | Growth                 | 7.2%   | 9.3%   |
| Sompo Asset Management Co., Ltd. | Value                  | 29.1%  | 25.5%  |
| SPARX Asset Management Co., Ltd. | Growth                 | 16.6%  | 15.3%  |
| Russell Investments              | Positioning Strategies | 12.7%  | 19.4%  |

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.

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