

Russell Investments World Equity Fund II



William Pearce
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 on your investment by investing at least 80% of its assets in the equities and investments similar to equities of companies worldwide. the Fund may invest up to 20% of its assets in emerging markets (developing countries). The Fund is actively managed with reference to the MSCI ACWI (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 the benchmark return. Its value and small cap exposure did not benefit in the market environment. In sectors, underweight exposure to and stock selection within technology (underweight Advanced Micro Devices, SK Hynix) was a key detractor albeit an overweight to Samsung Electronics contributed positively. An overweight to and stock selection within materials was detrimental (off-benchmark position in FMC). Elsewhere, stock selection within consumer discretionary was ineffective, notably an overweight to AutoZone. However, exposure to financials was helpful (off-benchmark position in Grupo Financiero Galicia, underweight Berkshire Hathaway). Overweight exposure to Alphabet in communication services was also beneficial.

Performance Review %

| Performance to period end Returns shown in EUR | 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 EU-U Acc | 1.3 | 7.7 | 18.6 | 13.9 | 15.1 | 13.6 | 10.4 | 6.6 | 6.3 |
| MSCI ACWI (EUR Hdg) - Net Returns (EUR) | 2.7 | 8.2 | 20.7 | 17.3 | 20.0 | 18.9 | 13.6 | 9.8 | 9.1 |

All returns greater than 1 year are annualised

Fund facts

Share Class; Dealing ccy

EU-U Acc; EUR

Dealing frequency; Cut off

Daily; 2:00 pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 643.44m

Fund launch date

29 September 2006

Share class launch date

20 April 2010

Management fee

2.80%

ISIN; Bloomberg

IE00B3MLK904; RUSWEHU ID

Share class NAV

EUR 2.09m

Rolling 12 Month Performance (%)

| Returns shown in EUR | 30/09/24 30/09/25 | 30/09/23 30/09/24 | 30/09/22 30/09/23 | 30/09/21 30/09/22 | 30/09/20 30/09/21 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class EU-U Acc | 11.18 | 21.88 | 13.09 | -19.02 | 27.75 |
| MSCI ACWI (EUR Hdg) - Net Returns (EUR) | 15.44 | 28.25 | 16.93 | -17.93 | 26.11 |

| Returns shown in EUR | 30/09/19 30/09/20 | 30/09/18 30/09/19 | 30/09/17 30/09/18 | 30/09/16 30/09/17 | 30/09/15 30/09/16 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class EU-U Acc | 0.43 | -2.25 | 3.66 | 17.24 | 6.98 |
| MSCI ACWI (EUR Hdg) - Net Returns (EUR) | 7.28 | 0.02 | 8.86 | 16.43 | 9.79 |

Past performance does not predict future returns.

The current benchmark is the MSCI ACWI (EUR Hdg) - Net Returns. Prior to 1st January 2018 the benchmark was Russell Global Large Cap NR Index EUR Hdg. Prior to 1st April 2011 the benchmark was MSCI World NR EUR Hdg.

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Portfolio Statistics

| | Fund | Benchmark |
|---------------------------|------|-----------|
| Number of equity holdings | 815 | 2510 |
| Price/Earnings | 23.4 | 25.0 |
| Dividend Yield | 1.6 | 1.6 |
| Price to Book | 3.2 | 3.7 |
| EPS Growth (1 Year) | 11.5 | 34.3 |

| 3 years | Fund | Benchmark |
|----------------------------|-------|-----------|
| Volatility | 12.0 | 12.0 |
| Tracking error | 1.7 | 1.7 |
| Sharpe ratio | 0.8 | 0.8 |
| Information ratio | -1.2 | -1.2 |
| 3 year return (net) | 13.6% | 18.9% |
| 3 year excess return (net) | -5.3% | - |

Ten largest holdings by weight

| Issuer | Fund | Benchmark |
|---|------|-----------|
| Alphabet Inc | 4.0% | 3.3% |
| Taiwan Semiconductor Manufacturing Co Ltd | 3.5% | 1.3% |
| Microsoft Corp | 3.3% | 4.0% |
| NVIDIA Corp | 2.9% | 5.4% |
| Apple Inc | 2.1% | 4.4% |
| Amazon.com Inc | 1.5% | 2.5% |
| Meta Platforms Inc | 1.2% | 1.5% |
| Samsung Electronics Co Ltd | 1.2% | 0.4% |
| Mastercard Inc | 1.1% | 0.5% |
| Alibaba Group Holding Ltd | 1.0% | 0.4% |

Regional weights

| | Fund | Benchmark |
|-----------------------|-------|-----------|
| United States | 60.7% | 64.5% |
| Emerging Markets | 12.8% | 11.0% |
| Europe ex UK | 12.4% | 11.1% |
| Japan | 4.8% | 4.9% |
| United Kingdom | 3.7% | 3.2% |
| Canada | 2.9% | 2.9% |
| Australia/New Zealand | 1.6% | 1.5% |
| Asia ex Japan | 1.1% | 0.8% |

Sector weights

| | Fund | Benchmark |
|------------------------|-------|-----------|
| Information Technology | 26.0% | 28.5% |
| Financials | 14.3% | 16.8% |
| Industrials | 12.2% | 10.6% |
| Consumer Discretionary | 10.7% | 10.5% |
| Health Care | 10.1% | 8.6% |
| Communication Services | 9.9% | 8.7% |
| Materials | 6.1% | 3.4% |
| Consumer Staples | 5.3% | 5.1% |
| Energy | 2.3% | 3.4% |
| Utilities | 1.6% | 2.6% |
| Real Estate | 1.4% | 1.8% |
| Other | 0.0% | 0.0% |

ESG Data

| | Fund | Benchmark |
|------------------|------|-----------|
| ESG Score | 19.0 | 18.6 |
| Carbon Footprint | 87.8 | 110.9 |

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 |
|--|---------------------------------|--------|--------|
| Brandywine Global Investment Management, LLC | Classic Large Cap Value (Kaser) | 6.0% | 8.2% |
| Kopernik Global Investors LLC | Global ex-US Equity | 5.0% | 4.1% |
| PineStone Asset Management Inc. | Growth | 12.0% | 11.0% |
| Russell Investments | Positioning Strategies | 20.0% | 18.2% |
| RWC Asset Advisors (US) LLC | Market-Oriented | 6.0% | 6.1% |
| Wellington Management Company LLP | Growth | 9.0% | 9.7% |
| Sanders Capital, LLC | Value | 15.0% | 15.3% |
| Oaktree Capital Management, L.P. | Market-Oriented | 6.5% | 7.7% |
| Numeric Investors LLC | Market-Oriented | 11.0% | 13.2% |
| Nissay Asset Management Corporation | Value | 9.5% | 6.4% |

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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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.

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