

Russell Investments

Emerging Markets Equity Fund



Portfolio Manager

Kathrine Husvaeg

Russell Investments' Global Equity Team comprises over 90 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 facts

Share class; Dealing ccy

Class A Acc; USD

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 3,899.19m

ISIN; Bloomberg

IE0003507054; FRIEMEI ID

Fund launch date

31 December 1994

Share class launch date

31 December 1994

Management fee

1.30%

Share class NAV

USD 438.43

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 uses a multi-strategy investment approach and is broadly diversified across different countries worldwide and industry sectors.

Fund update

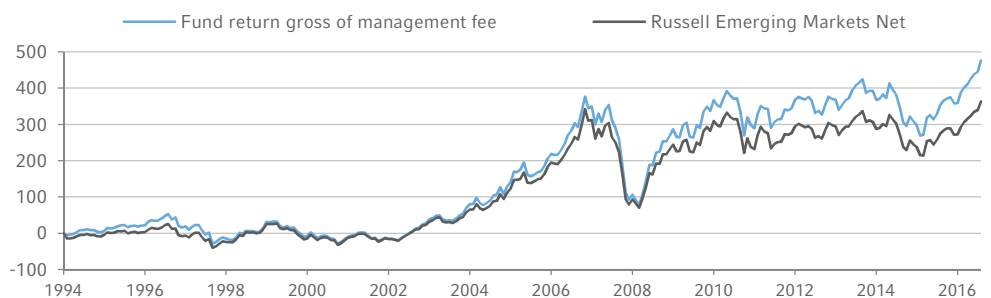
The Fund added to its longer-term outperformance in July. The tilt towards high momentum suited the market environment while stock selection within the deep value segment of the market drove outperformance. Positive country positioning included our long-held underweights to Malaysia and Taiwan as well as an overweight to Brazil. Effective stock selection elsewhere underpinned excess returns, and continued to be strong within South Korea. We remain cautiously positive on the asset class for the medium- to long-term, largely on the back of attractive valuations relative to developed markets.

Performance review

Performance to period end	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Returns shown in USD	%	%	%	%	%p.a.	%p.a.	%p.a.
Return gross of management fee Class A Acc	5.7	9.6	25.7	26.9	3.9	6.9	8.1
Return net of management fee Class A Acc	5.6	9.3	24.8	25.2	2.6	5.5	6.7
Benchmark Russell Emerging Markets Net	5.5	9.3	24.4	23.5	2.7	5.7	7.0

*Inception: 31 December 1994

Performance history



The current benchmark is the Russell Emerging Markets Net Index. Prior to 1st April 2011 the benchmark was MSCI EMF (Net), 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.

Portfolio statistics

	Fund	Benchmark
Number of equity holdings	604	2921
Price/earnings	13.8	15.2
Dividend yield	2.2	2.4
Price to book	1.6	1.7

	Fund	Benchmark
Volatility	16.0	15.9
Tracking error	2.0%	-
Sharpe ratio	0.3	0.2
Information ratio	0.6	-
3 year return (gross)	3.9%	2.7%
3 year excess return (gross)	1.2%	-

Data as at 30 June 2017
Source: BNY Mellon

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Emerging Markets Equity Fund (continued)

Ten largest holdings by weight

Security	Fund	Benchmark
Samsung Electronics Co., Ltd.	4.8%	4.1%
Taiwan Semiconductor Manufacturing Co., Ltd.	2.7%	2.9%
Alibaba Group Holding Ltd.	1.9%	2.7%
Hana Financial Group Inc.	1.3%	0.2%
HON HAI Precision Industry Co., Ltd.	1.1%	1.0%
Tencent Holdings Ltd.	1.1%	3.7%
Lukoil	1.1%	0.4%
Itau Unibanco Holding S.A.	1.1%	0.7%
Industrial & Commercial Bank of China Ltd	1.0%	0.9%
China Construction Bank Corporation	0.9%	1.3%

Source: Factset

Country weight

	Fund	Benchmark
China	26.7%	26.0%
South Korea	14.8%	14.7%
Taiwan	10.7%	12.7%
India	8.3%	10.2%
Brazil	7.4%	6.8%
South Africa	4.5%	6.3%
Russia	4.4%	3.1%
Mexico	3.3%	3.8%
Turkey	3.0%	1.1%
Others	17.0%	15.3%

Source: Factset

Sector weights

	Fund	Benchmark
Financial Services	31.6%	26.2%
Technology	21.0%	23.6%
Consumer Discretionary	12.4%	11.7%
Materials & Processing	8.3%	8.5%
Energy	7.2%	7.1%
Consumer Staples	7.1%	6.4%
Producer Durables	5.5%	6.3%
Utilities	4.7%	7.0%
Health Care	2.2%	3.1%

Source: Factset

Fund structure

Manager/Strategy	Role in fund	Target	Actual
AllianceBernstein	Deep value, contrarian approach focusing on out-of-favour companies	17.0%	16.8%
Genesis	Seeks cash-generative, growth companies trading at reasonable valuations	14.0%	9.0%
Harding Loevner	Seeks high quality, growth companies trading at reasonable valuations	14.0%	14.3%
Numeric	Value and momentum exposure delivered through a quantitative approach	16.0%	18.8%
Oaktree	Market-oriented, employing a mix of growth and valuation criteria	15.0%	14.4%
RWC	Opportunistic, theme-driven approach, focusing on value and growth	9.0%	8.9%
Somerset	High quality small- and mid-cap companies with low earnings variability	10.0%	9.1%
Westwood	High quality small- and mid-cap growth stocks trading at reasonable valuations	5.0%	4.8%
Russell Investments (cash & other)		-	4.0%

Important Information

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Please consult the fund's prospectus and Key Investor Information Document (KIID) before deciding whether to invest. Copies are available free of charge on request from Russell Investments.

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