

Russell Investments

Asia Pacific Ex Japan Fund



Portfolio Manager
Simon Parish

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 143.36m

ISIN; Bloomberg

IE0003506973; FRIPBEI ID

Fund launch date

30 June 1995

Share class launch date

30 June 1995

Management fee

1.00%

Share class NAV

USD 418.34

Fund objective

The Fund aims to achieve long term growth by investing in the shares of Asia Pacific ex Japan companies, using a multi-strategy investment approach. The Fund is broadly diversified across different countries and industry sectors. The Fund invests in both developed and emerging markets (developing countries).

Fund update

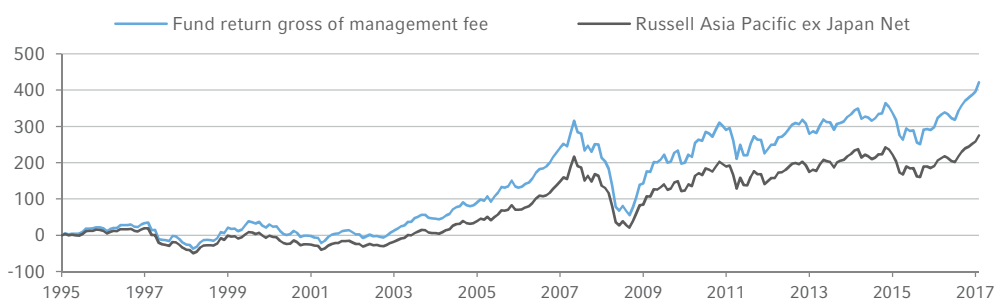
The Fund outperformed the benchmark in July, driven by strong stock selection in North Asian ex-China markets. Overweights to Korean cyclicals (POSCO and S-Oil Corporation) added value, as did positions in the Taiwanese technology (General Interface Solution Holdings) and industrials (Airtrac International Group) sectors. Conversely, stock selection in Australia detracted from performance, notably through an underweight to BHP Billiton. An underweight to Chinese internet company Baidu also negatively impacted performance. In factors, while an allocation to value detracted, outperformance from prices and earnings momentum offset this negative effect and contributed positively to performance.

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 | 5.1 | 8.9 | 24.5 | 23.0 | 5.5 | 8.3 | 7.8 |
| Return net of management fee Class A Acc | 5.0 | 8.6 | 23.8 | 21.8 | 4.5 | 7.2 | 6.7 |
| Benchmark | | | | | | | |
| Russell Asia Pacific ex Japan Net | 4.8 | 9.1 | 24.5 | 22.5 | 4.0 | 7.8 | 6.2 |

*Inception: 30 June 1995

Performance history



The current benchmark is the Russell Asia ex Pacific Japan net Index. Prior to 1st April 2011 the benchmark was MSCI AC Asia Pac ex Japan. Prior to 5th October 2005 the benchmark was MSCI AC Pac ex Japan.

Portfolio statistics

| | Fund | Benchmark | | Fund | Benchmark |
|---------------------------|------|-----------|------------------------------|------|-----------|
| Number of equity holdings | 411 | 2934 | Volatility | 14.8 | 14.8 |
| Price/earnings | 14.5 | 16.3 | Tracking error | 1.6% | - |
| Dividend yield | 2.8 | 2.7 | Sharpe ratio | 0.4 | 0.3 |
| Price to book | 1.5 | 1.7 | Information ratio | 0.9 | - |
| EPS growth (1 year) | 5.1 | 4.8 | 3 year return (gross) | 5.5% | 4.0% |
| | | | 3 year excess return (gross) | 1.5% | - |

Data as at 30 June 2017
Source: BNY Mellon

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Asia Pacific Ex Japan Fund (continued)

Ten largest holdings by weight

| Security | Fund | Benchmark |
|--|------|-----------|
| Samsung Electronics Co., Ltd. | 4.9% | 3.7% |
| Alibaba Group Holding Ltd. | 3.2% | 2.4% |
| China Construction Bank Corporation | 2.9% | 1.2% |
| Tencent Holdings Ltd. | 2.6% | 3.4% |
| Taiwan Semiconductor Manufacturing Co., Ltd. | 2.1% | 2.7% |
| Commonwealth Bank of Australia (ADR) | 1.4% | 1.8% |
| Westpac Banking Corp. | 1.2% | 1.3% |
| HON HAI Precision Industry Co., Ltd. | 1.2% | 0.9% |
| Posco | 1.2% | 0.3% |
| KB Financial Group Inc. | 1.1% | 0.3% |

Source: Factset

Country weight

| | Fund | Benchmark |
|-------------|-------|-----------|
| China | 26.5% | 23.9% |
| Australia | 17.6% | 18.3% |
| South Korea | 14.5% | 13.5% |
| Taiwan | 10.6% | 11.7% |
| Hong Kong | 9.4% | 9.3% |
| India | 8.8% | 9.3% |
| Singapore | 3.6% | 3.9% |
| Indonesia | 3.2% | 2.1% |
| Thailand | 2.7% | 3.3% |
| Others | 3.2% | 4.9% |

Source: Factset

Sector weights

| | Fund | Benchmark |
|----------------------------|-------|-----------|
| Financials | 28.9% | 25.0% |
| Information Technology | 22.6% | 22.6% |
| Materials | 8.4% | 7.5% |
| Industrials | 8.3% | 8.4% |
| Consumer Discretionary | 6.9% | 9.2% |
| Energy | 6.9% | 4.1% |
| Real Estate | 6.9% | 7.3% |
| Consumer Staples | 3.7% | 5.4% |
| Telecommunication Services | 3.6% | 3.4% |
| Utilities | 2.5% | 3.1% |
| Health Care | 1.4% | 3.9% |

Source: Factset

Fund structure

| Manager/Strategy | Role in fund | Target | Actual |
|------------------------------------|---|--------|--------|
| BlackRock | Fundamental stock selection focused on large cap growth stocks | 27.5% | 25.4% |
| Numeric | Value and momentum exposure delivered through a quantitative approach | 30.0% | 27.4% |
| Russell Investments/Arnhem | Positioning strategy providing dynamic value and growth exposure in Australia | 12.0% | 19.2% |
| Robeco | Fundamental research focusing on contrarian value opportunities | 17.5% | 9.6% |
| Russell Investments | Positioning strategy providing exposure to low volatility and quality factors | 13.0% | 11.6% |
| Russell Investments (cash & other) | | - | 6.8% |

Important Information

For Professional Clients Only. This material is not intended for distribution to retail clients.

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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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