

Russell Investments

Japan Equity Fund



Portfolio Manager
Makiko Hakozaiki

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 facts

Share class; Dealing ccy

Class A Acc; JPY

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

JPY 36,479.13m

ISIN; Bloomberg

IE0003506866; FRIJPEI ID

Fund launch date

30 June 1995

Share class launch date

30 June 1995

Management fee

0.90%

Share class NAV

JPY 29,982.17

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 Dividends 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

Fund update

We continue to see some interesting investment opportunities from both a fundamental and value perspective in the Japanese market. In the current market environment, the Fund maintains a small cap tilt and has moderate factor and sector bets. The focus is on allocating risks to stock-specific opportunities. 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 Returns shown in JPY	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class A Acc	8.7	5.4	-2.8	13.6	3.8	5.2	5.4
Return net of management fee Class A Acc	8.6	5.2	-3.4	12.6	2.9	4.3	4.4
Topix Dividends Index (JPY) - Net Returns	8.2	3.6	-4.9	9.4	2.0	3.0	2.6

*Inception: 30 June 1995

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

Returns shown in JPY	30/06/15 30/06/16	30/06/16 30/06/17	30/06/17 30/06/18	30/06/18 30/06/19	30/06/19 30/06/20
Return gross of management fee Class A Acc	-21.2	35.8	14.1	-7.7	3.0
Return net of management fee Class A Acc	-21.9	34.6	13.1	-8.5	2.1
Topix Dividends Index (JPY) - Net Returns	-22.2	31.8	9.3	-8.6	2.7

Past performance is not a guide to future performance.

The current benchmark is the Topix Dividends Index (JPY) - Net Returns converted in the currency displayed in the performance table above where applicable.

Portfolio statistics

	Fund Benchmark		3 years		Fund Benchmark	
Number of equity holdings	262	2171	Volatility	17.4	16.0	
Price/earnings	25.9	17.5	Tracking error	2.7%	-	
Dividend yield	1.8	2.2	Sharpe ratio	0.3	0.2	
Price to book	2.1	1.5	Information ratio	0.4	-	
EPS growth (1 year)	1.8	4.6	3 year return (net)	2.9%	2.0%	
			3 year excess return (net)	0.9%	-	

Data as at 31 July 2020

Source: Factset

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Japan Equity Fund (continued)

Ten largest holdings by weight

Security	Fund	Benchmark
Sony Corp.	2.3%	2.3%
Nidec Corp.	2.1%	0.9%
Recruit Holdings Co., Ltd.	2.0%	1.2%
Keyence Corp.	1.9%	1.7%
Terumo Corp.	1.7%	0.5%
Daikin Industries, Ltd.	1.6%	1.1%
Sumitomo Mitsui Financial Group, Inc.	1.6%	0.9%
Nintendo Co., Ltd.	1.6%	1.5%
Nippon Telegraph & Telephone Corp.	1.5%	1.4%
Softbank Group Corp.	1.5%	2.3%

Source: Factset

Sector weights

	Fund	Benchmark
Industrials	25.3%	22.2%
Consumer Discretionary	17.8%	17.4%
Information Technology	12.7%	11.9%
Health Care	9.6%	10.3%
Financials	9.4%	9.2%
Communication Services	8.3%	9.9%
Consumer Staples	7.1%	8.8%
Materials	5.2%	5.7%
Real Estate	2.6%	2.3%
Utilities	1.5%	1.5%
Energy	0.5%	0.7%

Source: Factset

ESG data

	Fund	Benchmark
ESG Score	24.1	24.7
Carbon footprint	93.6	85.6

Data as at 31 July 2020

Source: ESG Score is the weighted average of Sustainalytics' Risk Score for companies in the portfolio. It focuses on ESG issues that are financially material to the company and incorporates both risk exposure and issue management. The scores range from 0 to 100 where higher scores imply higher ESG risk. 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)

Fund structure

Manager/Strategy	Role in fund	Target	Actual
Camui Capital	Fundamental research approach, focusing on both early stage and secular growth	10.0%	14.9%
CouplandCardiff	Concentrated, growth-focused approach, with a mid- and smaller-cap bias	10.0%	12.0%
Sompo	Value manager with a long-term dividend discount approach	30.0%	23.7%
Russell Investments	Positioning Strategy designed to access the Japanese equity value premium	10.0%	9.7%
Asset Management One	Growth-at-a-reasonable-price, seeks to exploit undervalued growth opportunities	25.0%	21.7%
SPARX	Concentrated portfolio of companies exhibiting long-term sustainable growth	15.0%	13.4%
Russell Investments (cash & other)		-	4.7%

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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Japan Equity Fund (continued)

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Any past performance is not necessarily a guide to future performance.

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.

Decisions to invest should be based on the fund's prospectus, ex-ante costs & charges document and key investor information document (KIID), with consideration to risk warnings. Copies available free of charge from Russell Investments.

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