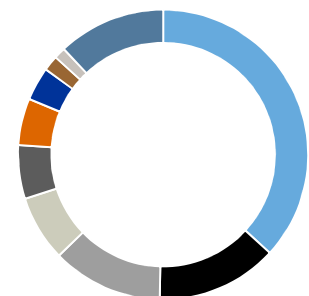


# Russell Investments Emerging Markets Fund

## Geographic allocation



China	36.9%
South Korea	13.5%
Taiwan	12.4%
India	7.3%
Brazil	6.0%
Russia	5.2%
South Africa	3.7%
Mexico	1.7%
Indonesia	1.3%
Other	12.0%

## Fund objective

To significantly outperform the Fund's benchmark, before costs and tax, over the long term by providing exposure to a diversified portfolio of predominantly emerging market shares.

## Fund strategy

The Fund is predominantly exposed to shares listed on stock exchanges in emerging markets. The Fund may also have exposure to shares listed on stock exchanges in countries which are considered 'frontier' or 'pre-emerging' and to shares listed on developed markets' stock exchanges where the issuer derives a material proportion of its revenue from the emerging markets.

## Performance review<sup>1</sup>

Period ending 30/06/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	3.36	5.08	-4.64	2.86	4.06	3.71

## Fund facts

### Share class

Class A

### Inception date

30 April 2007

### Fund size

AUD 80.20m

### Benchmark

MSCI Emerging Markets Index - Net

### Portfolio manager

Kathrine Husvaeg

### Recommended investment timeframe

7 years

### Tax structure

Investment - Class A

### APIR code

RIM0038AU

### ARSN code

122-656-884

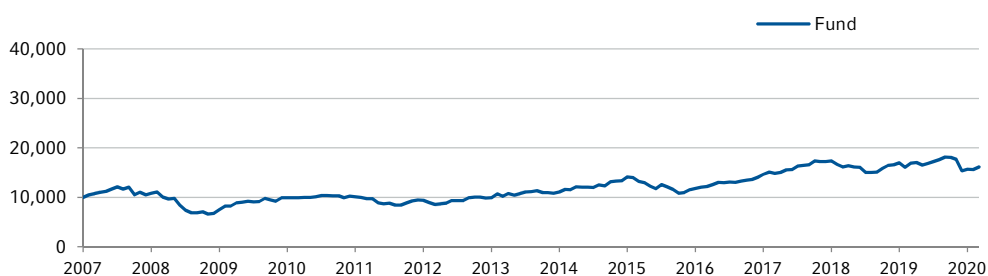
### Management cost<sup>†</sup>

1.44%

### Performance-related fee<sup>‡</sup>

N/A

## Growth of \$10,000



## Fund commentary

The Russell Investments Emerging Markets Fund outperformed the benchmark in the June quarter.

Contributing to the Fund's outperformance was strong stock selection in Taiwan and an overweight to Russia; notably select energy names such as Lukoil and Yandex NV. Both stocks performed well on the back of stronger oil prices. An ex-benchmark exposure to Vietnam also added value, including Hoa Phat Group. At the sector level, stock selection was strongest within the materials space. In addition to our holding in Hoa Phat Group, this included overweights to South Africa's AngloGold Ashanti and South Korea's LG Chem. In terms of strategic factor positioning, the Fund's exposures to momentum and the small- and mid-cap areas of the market contributed positively to overall returns. Partly offsetting this was our tilt toward value stocks, which continued to underperform growth names. In contrast, poor stock selection in China detracted the most from performance, including underweights to Meituan Dianping and Tencent Holdings. Both stocks are amongst our largest underweight holdings. Stock selection in South Korea also weighed on returns; notably overweights to SK Hynix and Samsung Electronics. Other key positions to impact performance were an overweight to Turkiye Garanti Bankasi Anonim Sirketi and an underweight to Malaysia's Top Glove Corporation Bhd.

<sup>†</sup> For the year ending 30/6/2019 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

<sup>‡</sup> For the year ending 30/6/2019. May be charged if performance targets are met. Refer to PDS for further information.

## Russell Investments Emerging Markets Fund (continued)

### Detailed performance review<sup>1,2</sup>

	1 year %p.a.	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-4.6	2.9	4.1	3.7
Distribution	19.4	10.5	8.3	3.7
Growth	-24.0	-7.6	-4.2	0.0

### ESG data

	Fund	Benchmark
ESG Risk Score**	27.42	27.50
Carbon Footprint***	342.27	268.41
Tobacco Exposure	0.00%	0.34%

\*\* Higher scores imply higher ESG risk

\*\*\* Higher score implies greater carbon exposure

The ESG Risk Score is the weighted average of the Sustainalytics' Risk Score for companies in the portfolio. The Sustainalytics' Risk Score 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. The carbon footprint is the weighted average carbon intensity of the Scope 1 (direct) and Scope 2 (electricity consumption) carbon emissions of companies in the portfolio, measured in metric tons of carbon dioxide equivalent (CO<sub>2</sub>-e) divided by company revenue (USD). Tobacco exposure is defined as the weight of securities in the portfolio classified as being in the GICS tobacco subindustry.

### Top ten holdings

Security
Tencent Holdings Ltd.
Taiwan Semiconductor Manufacturing Co., Ltd.
Alibaba Group Holding Ltd.
Samsung Electronics Co., Ltd.
SK Hynix Inc
LUKOIL
Ping An Insurance (Group) Co. of China, Ltd. Class H
Reliance Industries Ltd.
China Construction Bank Corp. Class H
Sberbank of Russia

## Russell Investments Emerging Markets Fund (continued)

### Portfolio structure\*

Manager	Style	Weight %	Comment
Alliance Bernstein	Value	13.0	Alliance Bernstein underperformed the benchmark over the quarter. The manager's value bias impacted performance. Poor stock selection in China was also a notable detractor, including a zero exposure to Tencent Holdings.
Axiom International Investors	Quality, Growth	14.0	Axiom outperformed the benchmark over the quarter, benefiting from their growth and momentum tilts; notably a focus on companies with higher-than-average earnings revisions and businesses with organic growth drivers. This included an overweight to China's JD.com.
Neuberger Berman	Growth	14.0	Neuberger Berman outperformed the benchmark over the quarter, benefiting from their tilts toward growth and short-term momentum factors. Strong stock selection in Taiwan, South Korea and Russia added the most value. An underweight to Malaysia was also positive.
Numeric	Value, momentum	16.0	Numeric outperformed the benchmark over the quarter, benefiting from their tilt toward momentum stocks. An overweight exposure and strong stock selection within the materials space drove returns, including overweights to South Africa's Anglo American Platinum and Gold Fields.
Oaktree Capital	Market-oriented	14.0	Oaktree Capital outperformed the benchmark over the quarter, benefiting from their exposure to small- and mid-cap stocks. The manager's pro-cyclical bias also added value. Much of the manager's outperformance was driven by overweights to Argentina, Indonesia and Russia.
Russell Investments	Positioning Strategy	10.0	The strategy underperformed the benchmark over the quarter, hampered by its exposure to large cap value stocks. Poor stock selection in China was a key detractor, including zero exposures to e-commerce names such as Meituan Dianping and JD.com.
RWC Partners	Opportunistic, focus on value & growth	9.0	RWC Partners outperformed the benchmark over the quarter, benefiting from its pro-cyclical positioning and preference for small caps. Overweight exposures and positive stock selection in Argentina and Brazil were amongst the key drivers of outperformance.
Somerset Capital	Quality, value mid-cap & frontier	5.0	Somerset outperformed the benchmark over the quarter, benefiting from their exposure to small- and mid-cap stocks. Positive stock selection amongst Indian cyclical names added value, including overweights to Muthoot Finance, Hero Motocorp and Bajaj Auto.
Westwood International Advisors	Quality, SMID cap	5.0	Westwood underperformed the benchmark over the quarter, hurt in part by their tilt toward quality names. Poor stock selection in South Africa and Brazil detracted from overall returns; the latter including an overweight to BR Malls Participacoes S.A.

### Contact Russell Investments

To find out more about Russell Investments or how you can diversify your portfolio in just one transaction, you can:  
visit our website at [russellinvestments.com.au](http://russellinvestments.com.au)  
To invest in Russell Investments Retail Funds, contact your adviser today.  
For more information:  
NSW, QLD, ACT & NT : 02 9229 5111 VIC, SA, WA & TAS: 03 9270 8111

### Footnotes

1 Performance is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance.  
2 The distribution return reflects income paid from the Fund, whilst the growth return reflects changes in the capital values of the units.  
\*Russell Investments retains the discretion to change the investment managers at any time without notice. Please check [russellinvestments.com.au/disclosures](http://russellinvestments.com.au/disclosures) for the latest list of managers.  
Allocations may not equal 100% due to rounding

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