

Russell Investments Japan Equity Fund

Article 8



Portfolio Manager
Makiko Hakozaki

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 SH-I; GBP

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

JPY 13,322.56m

ISIN; Bloomberg

IE00B1808F97;

Fund launch date

30 June 1995

Share class launch date

29 August 2006

Management fee

0.95%

Share class NAV

GBP 223.67

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 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.

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

We continue to see some interesting investment opportunities from a fundamental and value perspective in the Japanese market. In the current market environment, the Fund maintains a positive exposure to both growth and value with increasing risk budget to stock specifics. 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 GBP	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class SH-I	6.2	13.9	13.7	40.1	15.9	13.8	5.6
Return net of management fee Class SH-I	6.1	13.6	13.5	38.8	14.8	12.7	4.6
Topix Index (JPY) - Net Returns	5.3	14.0	13.7	43.2	17.6	14.4	4.7

*Inception: 29 August 2006

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

Returns shown in GBP	31/12/23 31/12/22	31/12/22 31/12/21	31/12/21 31/12/20	31/12/20 31/12/19	31/12/19 31/12/18
Return gross of management fee Class SH-I	31.0	-2.7	12.4	6.2	19.8
Return net of management fee Class SH-I	29.8	-3.6	11.3	5.2	18.7
Topix Index (JPY) - Net Returns	33.5	-1.6	12.3	6.6	17.7

Returns shown in GBP	31/12/18 31/12/17	31/12/17 31/12/16	31/12/16 31/12/15	31/12/15 31/12/14	31/12/14 31/12/13
Return gross of management fee Class SH-I	-15.7	28.0	0.2	11.7	8.3
Return net of management fee Class SH-I	-16.5	26.8	-0.8	10.6	7.2
Topix Index (JPY) - Net Returns	-16.4	22.1	-2.9	11.3	9.9

Past performance does not predict future returns.

The current benchmark is Topix Index (JPY) - Net Returns. Prior to 1st January 2009, the benchmark was gross of withholding tax, total return. The Benchmark is currently net of withholding tax.

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Portfolio statistics

	Fund	Benchmark
Number of equity holdings	354	2152
Price/earnings	18.6	16.9
Dividend yield	2.2	2.2
Price to book	1.5	1.6
EPS growth (1 year)	6.9	6.8

Data as at 31 January 2024
Source: Factset

3 years	Fund	Benchmark
Volatility	12.0	12.0
Tracking error	2.8%	-
Sharpe ratio	1.1	1.3
Information ratio	-0.8	-
3 year return (net)	14.8%	17.6%
3 year excess return (net)	-2.7%	-

Ten largest holdings by weight

Security	Fund	Benchmark
Hitachi, Ltd.	3.1%	1.6%
Sony Group Corp.	2.7%	2.9%
Seven + I Holdings	2.4%	0.6%
Sumitomo Mitsui Financial Group, Inc.	2.4%	1.5%
Toyota Motor Corp.	2.3%	4.6%
Mitsubishi UFJ Financial Group, Inc.	2.2%	2.3%
ORIX Corp.	2.0%	0.5%
Recruit Holdings Co., Ltd.	2.0%	1.2%
Honda Motor Co., Ltd.	1.9%	1.1%
Tokyo Electron, Ltd.	1.8%	1.6%

Data as at 31 January 2024

Sector weights

	Fund	Benchmark
Industrials	24.5%	24.3%
Financials	17.0%	12.2%
Consumer Discretionary	17.0%	18.5%
Information Technology	15.0%	13.6%
Consumer Staples	8.2%	6.5%
Materials	6.9%	6.0%
Communication Services	4.2%	7.3%
Health Care	3.7%	7.4%
Real Estate	2.8%	2.0%
Utilities	1.8%	1.4%
Energy	0.7%	0.9%
Other	-1.8%	-

Data as at 31 January 2024

ESG data

	Fund	Benchmark
ESG Score	23.3	23.6
Carbon footprint	67.2	89.4

Data as at 31 January 2024

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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Japan Equity Fund (continued)

Fund structure

Manager/Strategy	Role in fund	Target	Actual
M&G	Market-oriented manager with focus on valuations	16.6%	17.3%
Sompo	Value manager with a long-term dividend discount approach	29.1%	24.3%
Russell Investments	Positioning Strategy designed to access the Japanese equity value premium	12.7%	11.9%
Polymer Capital Japan Limited	Fundamental research approach, focusing on above average intrinsic growth	7.2%	11.3%
Asset Management One	Growth-at-a-reasonable-price, seeks to exploit undervalued growth opportunities	17.9%	17.5%
SPARX	Concentrated portfolio of companies exhibiting long-term sustainable growth	16.6%	16.4%
Russell Investments (cash & other)		-	1.3%

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.

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.

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