

Russell Investments

Japan Equity Fund

Article 8



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 11,139.66m

ISIN; Bloomberg

IE0003506866; FRIJPEI ID

Fund launch date

30 June 1995

Share class launch date

20 June 1995

Management fee

0.90%

Share class NAV

JPY 43,026.45

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 EUR	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class A Acc	-0.7	3.2	9.8	4.9	5.8	3.6	5.2
Return net of management fee Class A Acc	-0.8	3.0	9.2	3.9	4.8	2.6	4.3
Topix Index (JPY) - Net Returns	-0.4	3.3	11.2	7.2	7.1	4.0	2.9

*Inception: 20 June 1995

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

Returns shown in EUR	30/06/23 30/06/22	30/06/22 30/06/21	30/06/21 30/06/20	30/06/20 30/06/19	30/06/19 30/06/18
Return gross of management fee Class A Acc	10.0	-10.0	18.0	4.3	-2.7
Return net of management fee Class A Acc	9.1	-10.8	16.9	3.4	-3.6
Topix Index (JPY) - Net Returns	12.7	-9.0	16.9	4.0	-3.6

Returns shown in EUR	30/06/18 30/06/17	30/06/17 30/06/16	30/06/16 30/06/15	30/06/15 30/06/14	30/06/14 30/06/13
Return gross of management fee Class A Acc	13.1	20.7	-5.7	32.8	6.1
Return net of management fee Class A Acc	12.1	19.7	-6.6	31.6	5.2
Topix Index (JPY) - Net Returns	8.3	17.2	-6.9	33.5	5.4

Past performance does not predict future returns.

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

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Japan Equity Fund (continued)

Portfolio statistics

	Fund	Benchmark
Number of equity holdings	301	2158
Price/earnings	17.4	17.4
Dividend yield	2.3	2.2
Price to book	1.4	1.6
EPS growth (1 year)	6.8	6.9

Data as at 31 July 2023
Source: Factset

3 years	Fund	Benchmark
Volatility	11.9	12.0
Tracking error	3.0%	-
Sharpe ratio	0.5	0.7
Information ratio	-0.7	-
3 year return (net)	4.8%	7.1%
3 year excess return (net)	-2.3%	-

Ten largest holdings by weight

Security	Fund	Benchmark
Mitsubishi UFJ Financial Group, Inc.	3.5%	2.1%
Sony Group Corp.	2.8%	2.9%
Hitachi, Ltd.	2.8%	1.4%
Honda Motor Co., Ltd.	2.5%	1.1%
Seven + I Holdings	2.4%	0.7%
Sumitomo Mitsui Financial Group, Inc.	2.3%	1.4%
Toyota Motor Corp.	1.9%	4.0%
Keyence Corp.	1.9%	1.9%
Mitsubishi Corp.	1.9%	1.4%
ORIX Corp.	1.8%	0.5%

Data as at 31 July 2023

Sector weights

	Fund	Benchmark
Industrials	24.5%	24.6%
Consumer Discretionary	16.9%	18.5%
Financials	16.9%	11.3%
Information Technology	13.6%	13.4%
Consumer Staples	8.4%	6.9%
Materials	5.6%	5.8%
Health Care	5.5%	8.0%
Communication Services	3.9%	7.5%
Real Estate	3.2%	1.9%
Utilities	1.0%	1.3%
Energy	0.3%	0.8%
Other	0.2%	-

Data as at 31 July 2023

ESG data

	Fund	Benchmark
ESG Score	23.3	23.7
Carbon footprint	65.6	96.3

Data as at 31 July 2023

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	15.0%	16.9%
CouplandCardiff	Concentrated, growth-focused approach, with a mid- and smaller-cap bias	10.0%	5.9%
Sompo	Value manager with a long-term dividend discount approach	29.0%	29.0%
Russell Investments	Positioning Strategy designed to access the Japanese equity value premium	12.0%	13.3%
Asset Management One	Growth-at-a-reasonable-price, seeks to exploit undervalued growth opportunities	19.0%	16.2%
SPARX	Concentrated portfolio of companies exhibiting long-term sustainable growth	15.0%	16.3%
Russell Investments (cash & other)		-	2.4%

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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