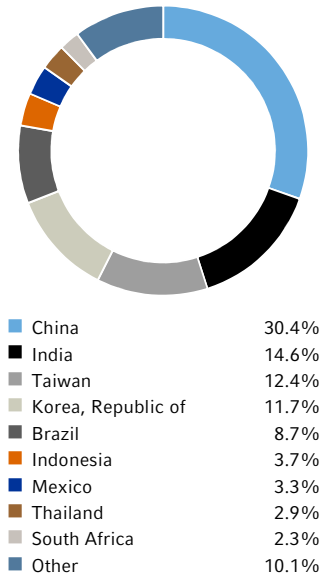


# Russell Investments Emerging Markets Fund

## Geographic allocation<sup>3</sup>



## 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 of the security derives a material proportion of its revenue from the emerging markets. The underlying fund seeks to reduce its carbon footprint exposure compared to the Benchmark. The underlying fund will invest in corporations which follow good governance practices by international standards, including company responsibility, company management and the severity of impacts on stakeholders and/or the environment. The Fund is a feeder fund which gains exposure to these assets by investing substantially all of its assets in the Russell Investments Emerging Markets Equity Fund, which is managed by a related party of RIM and domiciled in Ireland.

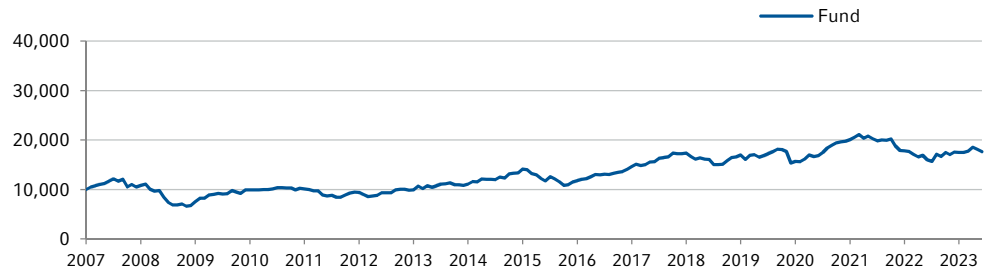
For detailed information on the Fund’s ESG considerations, including applicable investment exclusions, refer to ‘ESG considerations’ in section 5 of the Additional Information Booklet that forms part of the Fund’s Product Disclosure Statement, available at [russellinvestments.com/au/RFA/investing](https://russellinvestments.com/au/RFA/investing).

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

| Period ending 30/09/2023 | 1 month % | 3 months % | 1 year % | 3 years %p.a. | 5 years %p.a. | Since inception %p.a. |
|--------------------------|-----------|------------|----------|---------------|---------------|-----------------------|
| Total return             | -2.73     | -0.79      | 9.91     | 1.53          | 1.81          | 3.51                  |

<sup>1</sup> Performance is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance.

## Growth of \$10,000



## Fund facts

### Share class

Class A

### Inception date

30 April 2007

### Fund size

AUD 27.43m

### 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 fees and costs<sup>†</sup>

1.42%

### Performance fees<sup>‡</sup>

N/A

## Fund commentary

The Russell Investments Emerging Markets Fund underperformed the benchmark on a gross of fees and tax basis in the September quarter.

Contributing to the Fund’s underperformance was poor stock selection in Brazil, including overweights to department store Lojas Renner S.A. and Localiza Rent a Car S.A. Both stocks recorded sharp declines for the quarter. Stock selection in China also weighed on returns; notably underweights to Alibaba Group and social platform Kuaishou

Technology. Performance was further impacted by an underweight to Turkey, which significantly outperformed the broader market over the period. In contrast, the Fund benefited from its exposure to momentum stocks. An underweight exposure and strong stock selection in Taiwan also added value, including a material underweight to Taiwan Semiconductor Manufacturing Co. Stock selection in Saudi Arabia added further value over the period; notably an overweight to information security company Elm Co., which gained almost 35% for the quarter.

During the quarter, we removed Neuberger Berman from the Fund’s underlying manager line up and replaced them with growth-oriented manager Sands Capital Management and value-oriented manager Pzena Investment Management.

Moving forward, the Fund maintains modest tilts toward value and momentum, which is in line with our preferred strategic positioning. The Fund also holds a bias toward small cap stocks. Elsewhere, the Fund is overweight China and Brazil and holds a modest ex-benchmark exposure to Vietnam. We also remain underweight India, Taiwan and Saudi Arabia; countries where our managers do not find as many attractive opportunities.

<sup>3</sup> Allocations may not equal 100% due to rounding.

<sup>†</sup> As a percentage of net assets. Includes management fee, indirect costs and expense recoveries. Reflects RIM’s reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for previous financial year and may include RIM’s reasonable estimates where information was not available or where RIM was unable to determine the exact amount. Refer to the PDS for further information.

<sup>‡</sup> As a percentage of net assets. RIM does not charge a performance fee at the Fund level, however underlying funds and managers may charge a performance fee. This estimated fee is based on the average of actual performance fees incurred over the past 5 financial years. Refer to PDS for further information.

## Russell Investments Emerging Markets Fund (continued)

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

|              | 1 year<br>%p.a. | 3 years<br>%p.a. | 5 years<br>%p.a. | Since inception<br>%p.a. |
|--------------|-----------------|------------------|------------------|--------------------------|
| Total return | 9.9             | 1.5              | 1.8              | 3.5                      |
| Distribution | 0.2             | 9.5              | 10.2             | 4.8                      |
| Growth       | 9.7             | -8.0             | -8.4             | -1.3                     |

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.

### ESG data

|                     | Fund   | Benchmark |
|---------------------|--------|-----------|
| ESG Risk Score**    | 23.98  | 24.65     |
| Carbon Footprint*** | 228.90 | 322.52    |
| Tobacco Exposure    | 0.00%  | 0.38%     |

\*\* 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 which we define as relative carbon emissions as the weighted average of portfolio companies' Scope 1 & 2 GHG emissions divided by revenue (CO<sub>2</sub>e/\$1M 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                     |
|------------------------------|
| TAIWAN SEMICONDUCTOR MANUFAC |
| SAMSUNG ELECTRONICS CO LTD   |
| TENCENT HOLDINGS LTD         |
| ALIBABA GROUP HOLDING LTD    |
| SK HYNIX INC                 |
| TAIWAN SEMICONDUCTOR-SP ADR  |
| BANK RAKYAT INDONESIA PERSER |
| BAIDU INC-CLASS A            |
| RELIANCE INDUSTRIES LTD      |
| PING AN INSURANCE GROUP CO-H |

## Russell Investments Emerging Markets Fund (continued)

### Portfolio structure<sup>4</sup>

| Manager                       | Style  | Weight % | Comment  |
|-------------------------------|--|----------|--|
| Axiom International Investors | Quality, Growth                                      | 12.0     | Axiom's growth-oriented strategy outperformed its benchmark over the period, driven in part by an overweight exposure and strong stock selection in India. Stock selection in Saudi Arabia, United Arab Emirates and Taiwan also added value.                |
| Barrow Hanley                 | Contrarian value, quality characteristics            | 12.0     | Barrow Hanley outperformed its benchmark over the period; the manager benefiting in part from its value exposure. Stock selection amongst South Korean information technology and consumer staples names also added value.                                   |
| Bin Yuan                      | Pan China, small to mid-cap, quality characteristics | 5.0      | China specialist Bin Yuan underperformed its benchmark over the period, driven in part by the manager's structural underweight to state-owned enterprises. Stock selection within the consumer discretionary and healthcare sectors also weighed on returns. |
| Man Numeric Investors         | Value, momentum                                      | 18.0     | Quant manager Numeric performed in line with its benchmark over the quarter. The manager benefited from its tilts toward value and momentum stocks, however this was offset by poor stock selection in China.  |
| Oaktree Capital               | Market-oriented                                      | 14.0     | Oaktree Capital's market-oriented strategy underperformed its benchmark over the quarter, hurt in part by poor stock selection in Brazil, South Africa and Greece. Underweights to India and Taiwan also weighed on returns.                                 |
| Pzena                         | Deep value   | 10.0     | Pzena was added to the Fund's underlying manager line up in September. The manager has yet to complete a full quarter of performance.  |
| Redwheel                      | Opportunistic, focus on value & growth               | 8.0      | Redwheel (formerly RWC Partners) outperformed its benchmark over the quarter, benefiting from an underweight exposure and strong stock selection in Taiwan, including an overweight to Alchip Technologies. Stock selection in China also added value.       |
| Russell Investments           | Positioning strategies                               | 13.0     | The strategy outperformed its benchmark over the quarter, benefiting from its exposure to value and momentum stocks. Stock selection in Taiwan and South Korea also added value, as did overweights to Saudi Arabia and Turkey.                              |
| Sands                         | Long-duration growth                                 | 8.0      | Sands Capital was added to the Fund's underlying manager line up in September. The manager has yet to complete a full quarter of performance.  |

<sup>4</sup> Russell Investments retains the discretion to change the investment managers at any time without notice. Please check [russellinvestments.com.au/disclosures](https://russellinvestments.com.au/disclosures) for the latest list of managers.

### Contact Russell Investments

For further information about Russell Investments please visit [russellinvestments.com.au](https://russellinvestments.com.au)

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