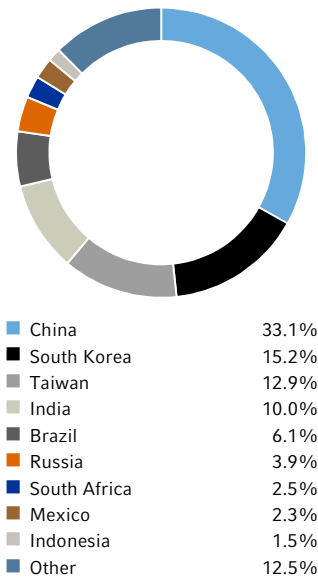


Russell Investments Emerging Markets Fund

Geographic allocation



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 review¹

Period ending 30/06/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	2.95	6.88	30.85	9.34	11.61	5.42

Fund facts

Share class

Class A

Inception date

30 April 2007

Fund size

AUD 133.89m

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

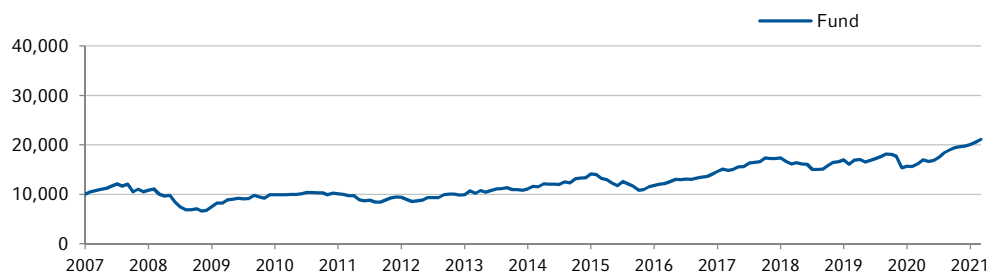
Management cost[†]

1.43%

Performance-related fee[‡]

N/A

Growth of \$10,000



Fund commentary

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

Strategic factor positioning contributed positively to performance over the period; namely our preferences for momentum and value. Momentum was the best-performing factor for the quarter, while value stocks outperformed both their growth counterparts and the broader market. Similar to last quarter, the Fund benefited from an underweight exposure and strong stock selection in China, including underweights to Gaotu Techedu and Haier Smart Home Co. Stock selection in Taiwan was also positive; notably an overweight to United Microelectronics Corp. Country positioning added further value over the period, including an overweight to Brazil and an ex-benchmark exposure to the strong-performing Vietnamese market. In contrast, stock selection in South Korea detracted from overall returns, including an overweight to SK hynix and an underweight to internet provider Kakao Corp. Performance was further impacted by an underweight to the strong-performing healthcare sector; notably an underweight to China’s Wuxi Biologics. Other notable positions to impact returns were an ex-benchmark holding in Hong Kong’s Galaxy Entertainment Group and an underweight to Russia’s Gazprom.

Moving forward, we maintain underweight exposures to China, Saudi Arabia and Malaysia. The Fund is also overweight Russia, South Korea and Brazil and maintains positive factor exposures to both value and momentum; which is in line with our strategic preferences.

[†] For the year ending 30/6/2020 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

[‡] For the year ending 30/6/2020. May be charged if performance targets are met. Refer to PDS for further information.

Russell Investments Emerging Markets Fund (continued)

Detailed performance review^{1,2}

	1 year %p.a.	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	30.8	9.3	11.6	5.4
Distribution	1.7	8.6	8.9	3.6
Growth	29.2	0.7	2.7	1.8

ESG data

	Fund	Benchmark
ESG Risk Score**	26.43	26.18
Carbon Footprint***	320.01	279.98
Tobacco Exposure	0.00%	0.31%

** 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 (CO₂-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
TAIWAN SEMICONDUCTOR MANUFAC
SAMSUNG ELECTRONICS CO LTD
TENCENT HOLDINGS LTD
ALIBABA GROUP HOLDING LTD
SK HYNIX INC
ALIBABA GROUP HOLDING-SP ADR
SBERBANK PJSC -SPONSORED ADR
LUKOIL PJSC-SPON ADR
HANA FINANCIAL GROUP
MEDIATEK INC

Russell Investments Emerging Markets Fund (continued)

Portfolio structure*

Manager	Style	Weight %	Comment
Alliance Bernstein	Value	13.0	Alliance Bernstein outperformed its benchmark over the period, driven largely by their value bias and an ex-benchmark exposure to Vietnam. Strong stock selection in Brazil and China also added value.
Axiom International Investors	Quality, Growth	13.0	Axiom outperformed its benchmark over the period, benefiting in part from its momentum bias. Stock selection in China and South Korea added the most value; the latter including an overweight to internet provider Kakao Corp.
Barrow Hanley	Contrarian value, quality characteristics	10.0	Barrow Hanley underperformed its benchmark over the period, driven in part by an underweight exposure and poor stock selection in Taiwan. This included an overweight to Catcher Technology Co. Overweights to Thailand and Malaysia also weighed on returns.
Bin Yuan	Pan China, small to mid-cap, quality characteristics	5.0	Pan China specialist Bin Yuan outperformed its benchmark over the period, benefiting in part from strong stock selection amongst midcap names. A material overweight and very strong stock selection within the information technology space drove returns.
Man Numeric Investors	Value, momentum	12.0	Quant manager Numeric outperformed its benchmark over the quarter, benefiting from their value tilt and momentum exposure. Strong stock selection in Taiwan contributed the most to returns, including an overweight to Evergreen Marine Corp. Stock selection in India also added value.
Neuberger Berman	Growth	12.0	Growth manager Neuberger Berman underperformed its benchmark over the period as investors tended to favour more cyclical, value stocks. In a reversal of the previous quarter, stock selection in China detracted from returns, including an overweight to Ping An Insurance.
Oaktree Capital	Market-oriented	12.0	Oaktree Capital's market-oriented strategy outperformed its benchmark over the quarter, benefiting from a material overweight exposure and strong stock selection in Brazil. This included overweights to Vale SA and Petroleo Brasileiro SA. Stock selection in Mexico and China also added value.
Russell Investments	Positioning strategies	13.0	The strategy narrowly outperformed its benchmark over the quarter, benefiting from its value and momentum biases. Overweights to Taiwan's Evergreen Marine Corp. and Brazil's Vale SA were amongst the main drivers of outperformance, while stock selection in China detracted from overall returns.
RWC Partners	Opportunistic, focus on value & growth	10.0	RWC Partners underperformed its benchmark over the quarter, driven in part by poor stock selection in China. This included overweights to Alibaba Health Information Technology and Ping An Insurance. An overweight to the poor-performing Chilean market also weighed on returns.

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
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 for the latest list of managers.
Allocations may not equal 100% due to rounding

Important information

Issued by Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence 247185 (RIM). This document provides general information for wholesale investors only and has not prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation or needs. This information has been compiled from sources considered to be reliable, but is not guaranteed. The performance data shown does not take into account fees, charges and taxes, and is not a reliable indicator of the net return to you as an investor. Past performance is not a reliable indicator of future performance. Any potential investor should consider the latest PDS in deciding whether to acquire, or to continue to hold, an investment in any Russell Investments product. The PDS can be obtained by visiting russellinvestments.com.au or by phoning (02) 9229 5111. RIM and TRM are part of Russell Investments. Russell Investments or its associates, officers or employees may have interests in the financial products referred to in this information by acting in various roles including broker or adviser, and may receive fees, brokerage or commissions for acting in these capacities. In addition, Russell Investments or its associates, officers or employees may buy or sell the financial products as principal or agent. The Russell Indexes mentioned in this document are trademarks of Frank Russell Company. Frank Russell Company is the owner of the Russell trademarks and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Russell or any entity operating under the 'FTSE Russell' brand. Source for MSCI data: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the MSCI Parties) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates with minority stakes held by funds managed by Reverence Capital Partners, Russell Investments' management, and Hamilton Lane Incorporated. Copyright © 2021 RIM. All rights reserved. This material is proprietary and may not be reproduced, transferred, or distributed in any form without prior written permission from RIM. Russell Investments became a signatory of the Principles for Responsible Investment (PRI) in 2009; the Carbon Disclosure Project's climate change program since 2010; and the Climate Action 100 in 2017. Russell Investments is also a member of the Institutional Investors Group on Climate Change (IIGCC) since 2015; and the Responsible Investment Association of Australasia. Russell Investments became a supporter for the Taskforce on Climate-Related Financial Disclosures (TCFD) in May 2019. Russell Investments has consecutively achieved an A+ rating for our strategy and governance approach from the PRI from 2016-2020. For further information visit russellinvestments.com.