

31 December 2013

Russell Japan Equity Fund



Portfolio Manager
Makiko Hakozaki

Russell's global equity team comprises 60 experienced professionals, including Portfolio Managers, Analysts, Strategists, Researchers and Market Forecasters. The team is based in 7 global locations – Seattle, New York, Toronto, London, Paris, Sydney and Tokyo, and runs over USD 49bn.

The team's current research focus is on strategies that offer upside potential with a measure of downside protection.

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 87,092.09m

ISIN; Bloomberg

IE0003506866; FRIJPEI ID

Fund launch date

30 June 1995

Share class launch date

30 June 1995

Management fee

0.90%

Share class NAV

JPY 20,443.14

Fund objective

The Fund aims to achieve long term growth by investing in the shares of Japanese companies, using a multi-strategy investment approach. The Fund is broadly diversified across different Japanese companies and industry sectors. Each underlying strategy has a complementary style, with a focus on the Japanese stock market.

Russell fund update

The Fund underperformed over the final quarter of 2013, but finished the year up 2.8% against the benchmark. While the Fund benefited from an overweight to IT stocks, an underweight to telecommunication services proved a prominent hindrance to relative gains. We continue to see some interesting investment opportunities from both a fundamental and a value perspective in Japan Market and importantly, the Fund's underlying managers remain well positioned to take advantage of different market scenarios.

Performance review

Performance to period end	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception
Returns shown in JPY	%	%	%	%	%p.a.	%p.a.	%p.a.
Return gross of management fee Class A Acc	2.8	8.3	56.5	56.5	16.4	12.9	4.8
Return net of management fee Class A Acc	2.8	8.1	55.1	55.1	15.4	11.9	3.9
Benchmark							
Topix incl Dividends Net	3.6	9.2	54.0	54.0	15.1	10.4	1.6

Performance history



The current benchmark is Topix incl Dividends Net. Prior to 1st January 2009, the benchmark was gross of withholding tax, total return. The Benchmark is currently net of withholding tax.

Portfolio statistics

	Fund	Benchmark		Fund	Benchmark
Number of equity holdings	463	1755	Volatility	19.0	18.6
Price/earnings	15.7	15.5	Tracking error	2.0%	-
Dividend yield	1.6	1.7	Sharpe ratio	0.9	0.8
Price to book	1.4	1.4	Information ratio	0.6	-
EPS growth (1 year)	14.5	11.3	3 year return	16.4%	15.1%
			3 year excess return	1.3%	-

Data as at 30 November 2013

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Russell Japan Equity Fund (continued)

Ten largest holdings by weight

Security	Fund	Benchmark
ORIX Corp.	2.8%	0.6%
Mitsubishi UFJ Financial Group, Inc.	2.6%	2.8%
Nippon Steel Corp	2.1%	0.8%
Mizuho Financial	2.0%	1.6%
Keyence Corp.	1.9%	0.6%
Sumitomo Mitsui Gr	1.8%	2.2%
Ricoh Co., Ltd.	1.7%	0.2%
Dai-Ichi Life Insurance Co Ltd	1.6%	0.5%
Nomura Holdings, Inc.	1.5%	0.9%
Honda Motor Co., Ltd.	1.5%	2.1%

Sector weights

	Fund	Benchmark
Financials	22.7%	20.0%
Industrials	22.1%	21.1%
Consumer Discretionary	17.9%	20.4%
Information Technology	16.0%	10.2%
Materials	9.6%	7.0%
Health Care	4.0%	5.6%
Consumer Staples	3.4%	7.0%
Energy	2.2%	1.1%
Telecommunication Services	1.5%	5.5%
Utilities	0.5%	2.2%

Portfolio structure

Manager	Style	Target weight	Actual weight
CouplandCardiff	Growth / momentum	5.0%	6.5%
Invesco Asset Management	Sustainable growth (cash flow)	25.0%	23.0%
JPMorgan	Market - oriented	20.0%	19.0%
Lazard Japan Asset Management	Concentrated, best of best	18.0%	13.9%
Russell	Select exposures, deep value	5.0%	6.4%
Shinko Asset Management	Growth at a reasonable price	17.0%	18.8%
Zebra	Value	10.0%	5.6%
Russell (cash & other)		-	6.8%

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