

31 December 2013

Russell Pacific Basin Equity Fund



Portfolio Manager
Simon Parish

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; USD

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 427.29m

ISIN; Bloomberg

IE0003506973; FRIPBEI ID

Fund launch date

30 June 1995

Share class launch date

30 June 1995

Management fee

1.00%

Share class NAV

USD 341.86

Fund objective

The Fund aims to achieve long term growth by investing in the shares of Asia Pacific ex Japan companies, using a multi-strategy investment approach. The Fund is broadly diversified across different countries and industry sectors. The Fund invests in both developed and emerging markets (developing countries).

Russell fund update

Over the quarter, the Fund's underweight position to China was the largest detractor, as the Chinese market posted strong returns. However, our recent tactical changes to manager allocations now position the Fund at a slight overweight to China, which we believe will benefit performance if a rally continues. Dynamic stocks outperformed; our thematic manager Havenport performed strongly as expected in this market environment, whilst Aberdeen was weighed down by its defensive positioning. Elsewhere, Russell's Australia Value Premium portfolio and Numeric, both continued their strong run.

Performance review

Performance to period end	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception
Returns shown in USD	%	%	%	%	%p.a.	%p.a.	%p.a.
Return gross of management fee Class A Acc	-0.3	2.1	4.7	4.7	2.2	17.9	7.9
Return net of management fee Class A Acc	-0.4	1.8	3.7	3.7	1.2	16.7	6.9
Benchmark							
Russell Asia Pacific ex Japan Net	-0.8	2.4	4.6	4.6	2.0	16.8	6.1

Performance history



The current benchmark is the Russell Asia ex Pacific Japan net Index. Prior to 1st April 2011 the benchmark was MSCI AC Asia Pac ex Japan. Prior to 5th October 2005 the benchmark was MSCI AC Pac ex Japan.

Portfolio statistics

	Fund	Benchmark		Fund	Benchmark
Number of equity holdings	380	2714	Volatility	18.4	18.5
Price/earnings	13.8	13.6	Tracking error	1.5%	-
Dividend yield	2.3	2.7	Sharpe ratio	0.1	0.1
Price to book	1.7	1.7	Information ratio	0.1	-
EPS growth (1 year)	12.4	10.9	3 year return	2.2%	2.0%
			3 year excess return	0.2%	-

Data as at 30 November 2013

31 December 2013

Russell Pacific Basin Equity Fund (continued)

Ten largest holdings by weight

Security	Fund Benchmark	
Samsung Electronics Co., Ltd.	4.1%	3.3%
Commonwealth Bank of Australia	2.4%	2.3%
Chinaamc Csi 300 Index Etf	1.9%	-
Hyundai Motor Co.	1.7%	0.9%
Australia & New Zealand Banking Group, Ltd.	1.7%	1.6%
Ezion Holdings Ltd	1.6%	0.0%
Westpac Banking Corp.	1.6%	1.8%
Telstra Corp., Ltd.	1.6%	0.4%
Cnooc Ltd	1.5%	0.6%
BHP Billiton, Ltd.	1.5%	2.2%

Country weight

	Fund Benchmark	
China	20.9%	20.5%
Australia	19.9%	22.4%
South Korea	14.9%	14.3%
Hong Kong	13.4%	8.4%
Singapore	8.5%	5.1%
India	7.1%	6.5%
Taiwan	6.6%	11.8%
Thailand	2.7%	2.3%
Philippines	2.5%	1.2%
Others	3.5%	7.3%

Sector weights

	Fund Benchmark	
Financials	32.0%	33.2%
Information Technology	13.9%	15.7%
Consumer Discretionary	13.1%	10.2%
Industrials	9.0%	9.2%
Energy	6.9%	5.6%
Materials	6.8%	9.2%
Consumer Staples	6.1%	6.4%
Telecommunication Services	5.8%	4.5%
Health Care	4.1%	2.8%
Utilities	2.4%	3.2%

Portfolio structure

Manager	Style	Target weight	Actual weight
Aberdeen Asset Management	Fundamental analysis with a strong focus on quality as well as valuation	24.0%	21.1%
CouplandCardiff	Concentrated, growth focused	20.0%	20.0%
Havenport	Thematic driven approach, focusing on growth opportunities	20.0%	21.5%
Numeric	Value and momentum quantitative approach	25.0%	22.2%
Russell RAVP	Model-driven Australian contrarian value strategy	9.0%	7.6%
Russell	Select exposures, China large cap and China A Shares ETF	2.0%	2.9%
Russell (cash & other)		-	4.8%

Important Information

This material is not intended for distribution to retail clients. This material does not constitute an offer or invitation to anyone in any jurisdiction to invest in any Russell product or use any Russell services where such offer or invitation is not lawful, or in which the person making such offer or invitation is not qualified to do so, nor has it been prepared in connection with any such offer or invitation. Unless otherwise specified, Russell Investments is the source of all data. All information contained in this material is current at the time of issue and, to the best of our knowledge, accurate. Any opinion expressed is that of Russell Investments, is not a statement of fact, is subject to change and, unless it relates to a specified investment, does not constitute the regulated activity of "advising on investments" for the purposes of the Financial Services and Markets Act 2000. Decisions to invest should be based on the fund's prospectus and Key Investor Information Document (KIID), with particular consideration to the risk warnings. Copies are available free of charge from Russell Investments. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Any reference to returns linked to currencies may increase or decrease as a result of currency fluctuations. Any references to tax treatments depend on the circumstances of the individual client and may be subject to change in the future. Issued by Russell Investments Limited. Company No. 02086230. Registered in England and Wales with registered office at: Rex House, 10 Regent Street, London SW1Y 4PE. Telephone 020 7024 6000. Authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.