



Fund Profile

An in-depth look at Russell Investments' Sector Funds

Russell Investments Global Listed Infrastructure Fund – Hedged

The Russell Investments Global Listed Infrastructure Fund – Hedged (the Fund) provides broad diversification and exposure to listed infrastructure securities.

Fund objective

To provide a total return, before costs and tax, higher than the Fund's benchmark over the long term by providing exposure to a diversified portfolio of predominantly global listed infrastructure securities, largely hedged into Australian dollars.

Investment strategy

The Fund invests predominantly in infrastructure and infrastructure related securities listed on stock exchanges in developed and emerging markets (such as countries included in the S&P Global Infrastructure Index). The Fund may also invest in unlisted securities on a limited basis. Foreign currency exposures are largely hedged back to Australian dollars.

Fund design

The Fund provides a diversified exposure to a portfolio of long-term listed infrastructure assets, using specialist investment managers and strategies.

Infrastructure investment may be defined as investment in assets that provide services essential for a functioning economy. Demand for these services is often inelastic to price changes and these investments can therefore provide predictable and sustainable returns.

Most infrastructure assets are grouped into the following sectors:

- » **Energy** – power generation, transmission, distribution, renewable energy, pipelines and storage
- » **Water** – water and waste networks, sewerage facilities and desalination plants
- » **Transport** – ports, railways, airports, roads, bridges, parking, mass transit and waterways
- » **Communications** – cable networks, telecom lines, towers and satellites
- » **Social** – hospitals, jails, schools, stadia, courts and social housing.

Fund breakdown



- Nuveen
- First Sentier Investors
- Russell Investments
- Cohen & Steers

Fund Profile - Global Listed



“Listed infrastructure securities tend to be high-yielding, generating stable income streams.”

PATRICK NIKODEM
PORTFOLIO MANAGER
RUSSELL INVESTMENTS

Quick overview

Inception: 28 September 2009

Benchmark: S&P Global Infrastructure Index (\$A Hedged) (Net TR)

AUM (AUD): \$301.00 Million (as on 30/09/2021)

Minimum Investment Timeframe: 7 Years

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Why listed infrastructure?

Listed infrastructure comprises a universe of publicly traded securities issued by companies that own/operate infrastructure assets. These companies generate cash flow from tangible, long lived assets.

Listed assets provide greater liquidity and transparency, and have lower management fees than direct assets.

Listed infrastructure securities tend to be high-yielding, generating stable income streams guaranteed by lengthy fixed-term contracts which are often backed by a government. This results in the asset class possessing bond-like qualities, while offering the potential for higher capital gains. These characteristics make infrastructure an effective diversifier in a balanced portfolio context.

Current structure

Nuveen Asset Management

Style neutral: diversified

Nuveen represents a strong core manager as they offer a broad, highly diversified portfolio and benchmark aware style (relative to the Fund's benchmark).

Rather than relying on a single valuation metric, Nuveen's multi-faceted security selection process features several different

components, including discounted cash flow (DCF), net asset value (NAV), balance sheet metrics and multiple analysis.

The manager will typically hold a portfolio of 100-125 stocks selected from an investment universe of over 700 companies.

The portfolio will usually hold ~75% non-US companies, predominantly stocks in developed markets, but also including some emerging markets exposure.

First Sentier Investors

Style: fundamental

First Sentier Investors (formerly Colonial First State) follows a fundamental bottom-up orientation with a slight growth at reasonable price (GARP) approach. Their strategy invests across a wide number of sectors and geographies with a greater focus on ex-benchmark sectors including communications and rail.

Russell Investments

Style: Dynamic positioning strategy

Russell Investments uses a positioning strategy to directly manage custom exposures for use within the total portfolio. Used in conjunction with third-party active managers, positioning strategies allow our portfolio managers to seek excess return and manage portfolio risk by giving them the ability to fully reflect our strategic and dynamic insights with integrated liquidity

and risk management. The tools used to implement positioning strategies include a broad set of internal investment capabilities such as overlays, index replication, smart beta strategies, and custom quantitative strategies.

Cohen & Steers

Growth: valuation sensitive

The Cohen & Steers global listed infrastructure strategy targets transportation, energy, utilities and communications companies that have the potential to deliver a steady, defensive return stream. These companies tend to own and operate long-lived assets that benefit from inelastic demand, with a focus on those that operate in industries with high barriers to entry. Cohen's investment process is unique in having a formal top-down component, whereby the investment team establishes target sector allocations, which are filled through bottom-up stock selection.

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RESPONSIBLE INVESTMENT



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