



# Fund Profile

An in-depth look at Russell Investments' Sector Funds

## Russell Investments Global Opportunities Fund

The Russell Investments Global Opportunities Fund (the Fund) selects managers with global mandates for the core part of the Fund. These global managers invest in the major developed markets of the world. The Fund is also supplemented by selective specialists with single country or regional strategies along with positioning strategies, directly implemented by Russell Investments.

### The investment approach

The Fund employs a multi-style, multi-manager and multi-strategy approach. Our investment approach focuses on broad diversification, access to some of the world's leading managers and strategies, and dynamic portfolio management.

### 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 international shares.

### Investment strategy

The managers selected for the core part of the Fund all have global mandates, investing across the global share markets and aiming to identify the companies that will perform best in each industry, irrespective of their domicile. Using pure

global equity managers provides a strong foundation and provides investors with stock selection insights as a core driver of returns.

The global approach is augmented with the skills of single country or regional specialists, who focus on stock selection, to complement the exposures of the global managers. Specialists have greater flexibility to capitalise on particular investment themes (e.g. current restructuring opportunities in Japan).

### Global foundation complemented by regional specialists

Global and regional managers extract alpha and seek to produce above-benchmark performance in different ways. These different approaches complement one another.

Fund breakdown



- Man Numeric
- Sanders Capital
- Fiera Capital
- Wellington
- RWC
- Oaktree Capital
- Nissay
- J O Hambro
- Russell Investments



“Global and regional managers extract alpha and seek to produce above-benchmark performance in different ways.”

**JON EGGINS**  
SENIOR PORTFOLIO MANAGER  
RUSSELL INVESTMENTS

## Quick overview

**Inception:** 31 December 2004

**Benchmark:** MSCI ACWI Index - Net

**AUM (AUD):** \$2.97 billion (as at 30/06/2020)

**Minimum Investment Timeframe:** 7 Years

# Russell Investments Global Opportunities Fund

- » **The Fund utilises global equity managers as a core foundation.** Global managers seek to apply their broad perspective comparing different companies in the same sector/industry but headquartered in different countries. A global unconstrained approach allows these managers to identify the best stocks from around the world, constructing portfolios on a more bottom-up basis, than by reference to country or regional benchmark weightings. These managers, work within their mandated style and look to own the best companies on a global basis, finding best practice in the world regardless of geographic location.
- » **This global approach is augmented by the skills of single country or regional strategies.** Specialists that focus on specific regions or countries have an in-depth knowledge of domestic economies, political, cultural and social factors. They may also have greater access to local company management teams. Their in-depth knowledge of these geographical areas may lead to early recognition of interesting stock picking opportunities.
- » **The Fund also manages factor exposures based on Russell Investments' strategic beliefs by utilising active positioning strategies.** We believe supplementing active management skill with high efficacy factor portfolios is compelling, and we may tailor these positioning strategies to the specific needs of the Fund at a given point in time to achieve the desired exposures.

We believe investors can benefit by combining the differing perspectives of these global and targeted specialist regional/country mandates, as they have complementary features.

## Responsible investing

Russell Investments recognises the importance of responsible investing and environmental, social and governance issues for our clients. To reflect this, the Fund does not knowingly invest directly in companies which a) produce components that are key and dedicated to the production of anti-personnel mines and/or cluster munitions; b) manufacture tobacco products or; c) are involved, either directly or indirectly, in the production of the core nuclear weapon system, or components/services of the core nuclear weapon system, that are considered tailor-made and essential for the lethal use of the weapon.

## Fund design\*

Russell Investments draws from its list of high conviction equity managers using a variety of different styles and approaches to ensure good diversification for the Fund.

Russell Investments gives each manager specific risk controls at different levels, including country, sector, capitalisation, number of stocks held in the portfolio and style tilts, based on their individual styles and strengths. We believe this use of portfolio controls provides investors with access to aggressive, return-seeking managers within a risk controlled environment.

## Current structure

The Fund is made up of the following managers and strategies:

- » **Fiera Capital  
Quality Growth: Global**

Fiera Capital looks for best of breed companies with superior growth potential at attractive valuations. It seeks businesses with stable earnings, high return on equity and strong balance sheets. It takes a

long-term investment horizon and resulting portfolios tend to have lower turnover.

- » **Sanders Capital LLC  
Value: Global**

Sanders Capital, LLC is a boutique firm established by veteran value investor Lew Sanders. The firm pursues a thematic approach to value investing, focusing on companies that are fundamentally mispriced on a normalised earnings basis. Sanders employs an all-country approach, including emerging markets, and portfolios have a large-cap orientation.

- » **Man Numeric Investors  
Quantitative: Global core, global low volatility**

Numeric is a leading, global quantitative investment manager. Their core strategy's combination of value and momentum factors means it's particularly focused on capturing value opportunities at an early stage of mean reversion. The manager's low-volatility strategy includes alpha models to avoid historical biases found in more generic low-volatility processes. These models are based on established factors such as value, information flow and quality, enabling the manager to consistently exploit market inefficiencies. Numeric complements its statistical factor risk model with Barra's Fundamental risk model to achieve a more robust perspective on risk overall. This risk management/optimisation process delivers a portfolio with low-beta, low-volatility characteristics. The portfolio manager's ability to blend the two strategies means they can adjust the strategies' weightings in response to changing market conditions and/or the Fund's other exposures.

\* Russell Investments' portfolio managers may apply overlay tools to actively manage total fund risk exposures from time to time to take advantage of market opportunities and manage risks.

# Russell Investments Global Opportunities Fund

## » Wellington Management Company LLP

### **Growth: Global**

Wellington Management Company uses an earnings growth strategy and seeks growth stocks with significant upside of 30-40%. The focus is on both high growth stocks with shorter-term growth cycles as well as more moderate growth opportunities that may have a longer growth horizon (12-18 months).

**The global approach is augmented by the skills of regional managers who are purely focused on stock selection along with positioning strategies (directly implemented by Russell Investments).**

## » J O Hambro Capital Management

### **Dynamic: UK Equity**

J O Hambro takes a market oriented, high yield approach to investing in the UK market. They look to identify underappreciated quality assets by taking a contrarian view, exploiting share price cyclicalities in the restructuring, recovery and undervalued growth space. Fundamental analysis and a margin of safety is important to the manager.

## » Nissay Asset Management

### **Japan Equity**

Nissay Asset Management, which has a quality and mid-cap bias, is a highly-rated Japanese equities specialist. The manager's contrarian value strategy uses intensive bottom-up fundamental analysis to identify 30-35 of their best stock ideas.

## » RWC Partners

### **Value & Growth: Emerging markets**

RWC Partners takes an opportunistic, theme-driven approach to investing in emerging markets, focusing on both value and growth.

## » Oaktree Capital

### **Emerging markets**

Oaktree is an emerging markets specialist. The manager uses an opportunistic, fundamental-driven investment process to identify securities which are undervalued relative to growth expectations. As a result, their strategy is not wedded to any one investment style but instead driven by in-depth fundamental research.

## » Russell Investments

### **Positioning strategies**

Russell Investments' positioning strategies are customised exposures created and directly managed to better achieve return and/or risk objectives in a total portfolio. Positioning strategies allow our portfolio managers to fully reflect our strategic and dynamic insights in a precise and flexible manner. Russell Investments' portfolio managers have ultimate responsibility for the total portfolio and use positioning strategies to help meet investment goals.

**For more information, please contact your Russell Investments representative:**

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