

# Fund Profile

An in-depth look at Russell Investments' sector funds

## Russell Investments International Property Securities Fund – Hedged

The Russell Investments International Property Securities Fund - Hedged (Fund) provides broad diversification and exposure to listed property securities hedged into Australian dollars. The Fund uses Russell Investments' in-house emulation capabilities to leverage the investment insights from multiple active managers and incorporates a range of strategies.

### Fund objective

The Fund aims to provide a total return, before costs and taxes, higher than the Fund's benchmark over the long term by providing exposure to a diversified portfolio of predominantly international and Australian listed property securities; largely hedged into Australian dollars.

### Fund design

The Fund is structured to capture alpha-seeking investment insights from multiple managers. The underlying managers each have unique investment styles and processes which reduces 'scenario risk'.

We have observed that some managers perform better in bull versus bear markets, in growth versus value markets, or in property focused markets versus equity characteristic driven markets.

An important driver of success is to amplify those return sources we believe provide the most reliable means of alpha generation, while controlling risks we believe are uncompensated over the long term. In the case of international property securities, we believe that stock selection and country selection provide the most reliable alpha and therefore emphasise these sources of return.

### Fund implementation

The Fund is implemented to maximise returns for investors. We do this through a global Enhanced Portfolio Implementation (EPI) approach, whereby we gather the stock selection insights of the Fund's underlying managers and manage the portfolio in a single account. The EPI approach is constructed to closely track the aggregated return series of the underlying managers.

### Fund breakdown



- Cohen & Steers
- RREEF
- Russell Investments



"At the fund level, the goal is to reduce dependency on a particular scenario unfolding by creating an aggregate portfolio of managers, which provides opportunities to outperform across different market environments."

## Quick overview

**Inception:** 31 December 2004

**Benchmark:** FTSE EPRA / NAREIT Developed Real Estate Index Net TRI - \$A Hedged

**AUM (AUD):** \$134.59 Million (as on 30/09/2022)

**Minimum Investment Timeframe:** 7 Years

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The current Fund structure uses two global managers offering complementary investment approaches. Cohen & Steers uses an integrated, relative value investment process, based on both quantitative and qualitative analysis. RREEF focuses on bottom-up stock selection resulting in a concentrated and higher conviction portfolio strategy with a higher active share component.

## Current structure

### Cohen & Steers Capital Management Relative value: global

Cohen & Steers uses an integrated, relative value investment process, based on price/NAV (net asset value) and cash flow multiple-to-growth ratios.

The research process includes an evaluation of company management, business strategy, property quality, financial strength and corporate structure. (Appointment date: July 2009).

### RREEF America L.L.C. Fundamental/Bottom-up: Global

RREEF's strategy focuses on bottom-up stock selection which results in a more concentrated and higher conviction portfolio. Russell Investments views RREEF to be a best-in-class advisor with a highly experienced investment team, rigorous approach to portfolio management, and demonstrated track record of consistency. (Appointment date: February 2017)

### Russell Investments Regional Strategy Style neutral

The regional positioning strategy allows the portfolio manager to set preferred regional targets for the total portfolio in order to enhance returns while managing risk exposures.

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RESPONSIBLE INVESTMENT



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