

# RESPONSIBLE



## **Russell Investments Sustainable Global Shares Fund**

Core global equity solution that moves beyond decarbonisation.



# Russell Investments Sustainable Global Shares Fund

## Low-cost global equity fund targeting lower carbon emissions and improved ESG profile

The Russell Investments Sustainable Global Shares Fund provides investors with a highly diversified, core global equity solution that supports the management of climate change risk and the transition to a low carbon economy. The fund tilts towards firms who score highly on ESG issues that are financially material to their business, while using portfolio constraints to minimise active share and maintain global equity returns.

Available via a tax efficient PIE structure in unhedged and fully NZD hedged versions, the fund offers both developed and emerging market exposure with an expected tracking error of 0.5% against the MSCI All Country World Index (ACWI) index.

## Fund information

Inception Date	Benchmark	Portfolio Manager	Expected Tracking Error
14-Dec-2021*	MSCI ACWI NR NZD / MSCI ACWI NR - NZDH	James Harwood	0.50%

Legal Structure	Management Fee (ex GST)	Estimated Other Charges (incl GST)	Estimated Total Annual Fund Charges (incl GST)
NZ PIE	0.25% Unhedged / 0.25% NZD Hedged	0.09% Unhedged / 0.11% NZD Hedged	0.34% Unhedged / 0.36% NZD Hedged

Other Charges and and Total Annual Fund Charges are estimated

\*Target launch date for the fund. No application monies are currently being sought and investors cannot currently apply for units in the Russell Investments Sustainable Global Shares Fund. If an offer of units is made, it will be made in accordance with the Financial Markets Conduct Act 2013

## We bring a carefully-considered, integrated approach to responsible investing



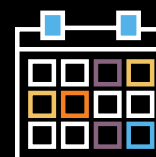
### FULLY INTEGRATED

We believe responsible investing is intelligent investing. As a result, we have embedded responsible investing practices and ESG beliefs into our firm-wide practices and processes, including portfolio management. In addition, our responsible investing and ESG experts are integrated throughout business units, spanning functions and regions.



### SEARCHING BEYOND THE STANDARD

Our investment approach goes beyond standard exclusions to identify asset characteristics that are most relevant to individual investment and the overall portfolio. The focus is on exposures that are sustainable as well as material to your organisation's investment goals.

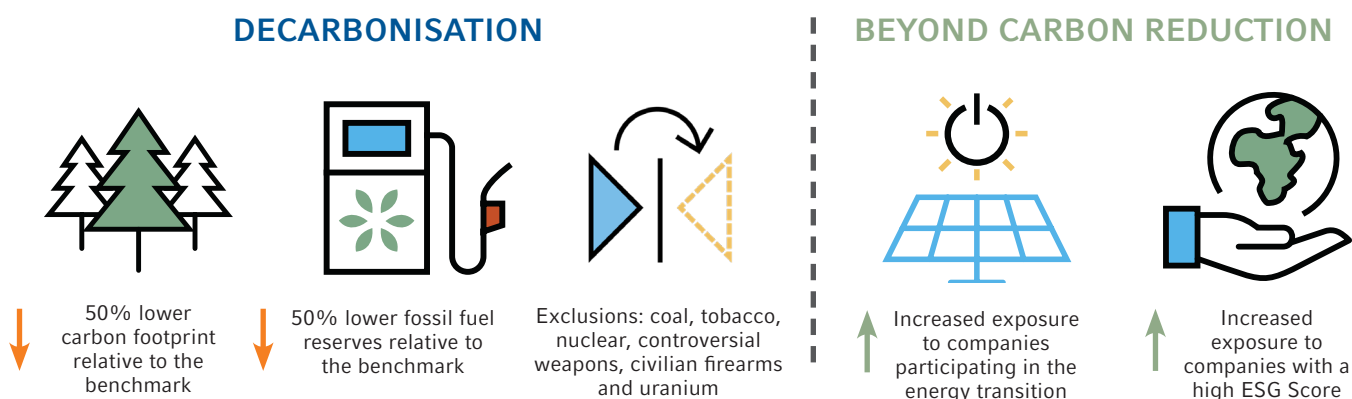


### ACTIVELY LOOKING TO THE FUTURE

As the focus of sustainability best practice shifts over time, we stay committed to adapting our funds to suit the changing global landscape. You can be sure your capital remains invested in the latest sustainability strategies, without continually changing funds.

The Fund goes beyond carbon reduction alone, aiming to provide an increased exposure to renewable energy, an improved aggregate ESG profile and a targeted reduction in coal exposure. The fund targets firms that are positively exposed to renewable power generation alongside maintaining or improving ESG score.

## Our proprietary decarbonisation strategy delivers the following characteristics:



Source: Russell Investments, for illustrative purpose only. Benchmark: MSCI ACWI NR NZD / MSCI ACWI NR - NZDH

## Monitoring the sustainability agenda

Sustainability will continue to be a key determinant of risk and opportunity for companies globally and will likely evolve over time. Our active sustainability research agenda will ensure that the Fund's strategy will adapt to reflect the changing market conditions, within a risk controlled framework. This means investors in the Fund can continue to benefit from Russell Investments' Innovative sustainability practice over time.

The investment team uses a systematic portfolio construction approach beginning with the MSCI All Country World Index (ACWI). The ACWI is MSCI's flagship global equity benchmark and is a highly diversified index capturing approximately 85% of the global market capitalisation across 23 developed markets and 27 emerging markets. The Fund applies stock, sector, industry and country constraints and minimises active share to effectively deliver low tracking error.

*Russell Investments are rated at the highest-level (A+) by the United Nations-supported Principles for Responsible Investment (PRI) as well as being part of Climate Action 100+.*

**A / A+**

Rated by the UN PRI  
on our approach<sup>1</sup>

**2009**

Became a UN PRI  
signatory

**94,598**

Proxy votes made at 9,547  
meetings in 2020<sup>2</sup>

COMMITTED TO  
RESPONSIBLE  
INVESTMENT

**A** PRI Rating  
2016-2020  
Assessment

**PRI** Principles for  
Responsible  
Investment

**Climate  
Action 100+**  
Global Investors Driving Business Transition

**CDP**  
DISCLOSURE INSIGHT ACTION

**IIGCC**  
The Institutional Investors  
Group on Climate Change

**TCFD** TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

**riaa** Responsible Investment  
Association Australasia

## Portfolio Manager



**JAMES HARWOOD**  
Senior Portfolio Manager

Russell Investments' Global Equity Team includes portfolio managers, researchers, portfolio analysts, and strategists in Russell Investments office around the globe. The team manages a wide range of U.S., non-U.S developed, emerging market, frontier market, and global equity mandates.

James Harwood is the portfolio manager responsible for the Russell Investments Sustainable Global Shares Fund. James manages a number of global equity funds, including global equity decarbonisation, as well as Australasian ESG strategies. He also oversees Russell Investments equity ETFs listed on the ASX, and various smart beta style strategies that leverage off internal factor based research. James joined the investment division in 2013.

*"The Fund significantly reduces exposure to carbon risk, while maintaining global equity returns."*

## Russell Investments PIE funds

The Russell Investments PIE range provides core portfolio solutions covering major asset classes. Fund range is managed by 15+ subadvisors, and includes both large institutional and boutique underlying managers and strategies that are not readily accessible for NZ investors.

Fund	Investment strategy	Inception Date	Benchmark	Estimated Total Annual Fund Charges (incl GST)
Russell Investments New Zealand Shares Fund	Active multi-manager equity	Feb-12	S&P/NZX 50 Index (Gross) with Imputation Credits	0.79%
Russell Investments Global Shares Fund	Active multi-manager equity	Nov-12	MSCI ACWI Index (NR) / MSCI ACWI Index (NR) - NZDH	0.89% / 0.92% NZDH
Russell Investments Sustainable Global Shares Fund*	Index-orientated equity	Dec-21	MSCI ACWI Index (NR) / MSCI ACWI Index (NR) - NZDH	0.34% / 0.36% NZDH
Russell Investments New Zealand Fixed Interest	Active multi-manager fixed interest	Feb-12	Bloomberg NZ Bond Composite 0+ Index (TR)	0.49%
Russell Investments Global Fixed Interest Fund	Active multi-manager fixed interest	Dec-11	Bloomberg Barclays Global Aggregate Bond Index - NZDH (TR)	0.59%
Russell Investments Hedged Global Listed Infrastructure Fund*	Active multi-manager	Feb-22	S&P Global Infrastructure Index (NR) - NZDH	1.03%

\* Target inception dates for the funds.

No application monies are currently being sought and investors cannot currently apply for units in the Russell Investments Sustainable Global Shares Fund, the Russell Investments Hedged Sustainable Global Shares Fund or the Russell Investments Hedged Global Listed Infrastructure Fund. If an offer of units is made, it will be made in accordance with the Financial Markets Conduct Act 2013.

Total Annual Fund Charges are estimated.

## For more information

Call Russell Investments at +09 357 6633 or visit [russellinvestments.co.nz](https://russellinvestments.co.nz)

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<sup>1</sup> PRI 2020 Assessment Report - Russell Investments. See the 'Russell Investments and the PRI' slide in the appendix for further details. The 2020 PRI assessment report, transparency report and methodology can be found at [russellinvestments.com/ca/about-us/responsible-investing](https://russellinvestments.com/ca/about-us/responsible-investing).

<sup>2</sup> Source: Russell Investments' active ownership: 2020 Proxy and engagement report.

### IMPORTANT INFORMATION

\*The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

Russell Investments became a signatory of the Principles for Responsible Investment (PRI) in 2009; the Carbon Disclosure Project's climate change program since 2010; and the Climate Action 100 in 2017. Russell Investments is also a member of the Institutional Investors Group on Climate Change (IIGCC) since 2015; and the Responsible Investment Association of Australasia. Russell Investments became a supporter for the Taskforce on Climate-Related Financial Disclosures (TCFD) in May 2019. Russell Investments has consecutively achieved an A+ rating for our strategy and governance approach from the PRI from 2016-2020. For further information visit [russellinvestments.co.nz](https://russellinvestments.co.nz).

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