

31 July 2019

Russell Investments Global Listed Infrastructure Fund - \$NZ Hedged

Fund facts

Inception date

02 November 2017

Benchmark

S&P Global Infrastructure Index (\$NZ Hedged) (Net TR)

Currency

NZD

Rolling 1 year performance history

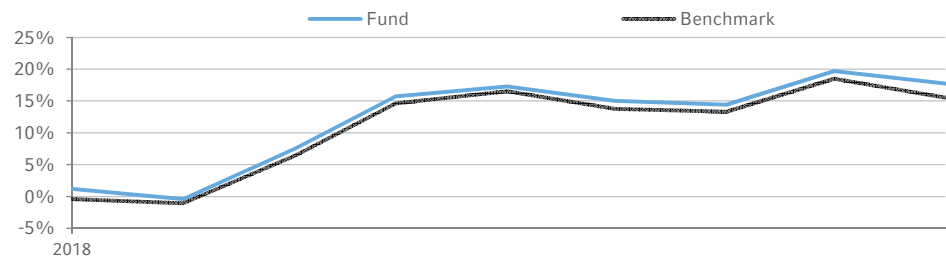


Chart data in AUD

Performance review

Period ending 31/07/2019	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Gross fund performance	-0.3	3.1	12.6	-	-	8.3
Benchmark return	-1.0	2.3	10.6	-	-	6.7
Excess return	0.7	0.8	2.0	-	-	1.6

Past performance is not a reliable indicator of future performance. Performance data shown is gross of fees, charges or taxes and is not in any way an indicator of the net return to you as an investor.

Fund commentary

The Russell Investments Global Listed Infrastructure Fund (NZD hedged) outperformed the benchmark in July.

Contributing positively to fund performance was stock selection within the electric utilities and multi utilities sectors. This included underweights to US names PG&E Corp. and Exelon Corp. and Germany's E.ON SE; all of which struggled over the period. The Fund also benefited from ex-benchmark exposures to companies within the railroads and construction & engineering sectors; notably Union Pacific Corp. (US), VINCI SA (France) and Ferrovial, S.A. (Spain). Other notable positions to add value in July were an underweight to Canada's Enbridge, Inc. and an ex-benchmark holding in Brazil's CCR S.A. In terms of strategic factor performance, our underweight to size contributed positively to performance after small caps outperformed their larger counterparts over the period. Meanwhile, momentum, value, volatility and quality had no meaningful impact on overall returns. In contrast, poor stock selection in the UK and our underweight to Asia Pacific ex Japan weighed on overall returns in July. Stock selection within the airports space also detracted from performance, including an underweight to Sydney Airport and an ex-benchmark holding in Brazil's Grupo Aeroportuario del Sureste SA de CV. However, at the stock level, our overweight to US energy name Williams Companies was the biggest detractor for the month; the stock falling sharply after natural gas prices fell to multi-year lows.

There were no material changes to either the Fund's structure or manager line up in July. In terms of overall positioning, we reduced our underweight to Continental Europe, extended our underweight to Asia Pacific ex Japan and reduced our overweight to Japan, albeit modestly. We also increased the Fund's overweight to emerging markets and shifted from a neutral position in the UK to an underweight exposure. Our overweight to North America was unchanged over the period. Meanwhile, the Fund remains underweight size as we have a strategic preference for smaller companies within the index.

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Sector allocation

	Fund	Benchmark
Utilities	38.1%	45.2%
Industrials	38.0%	37.5%
Energy	18.7%	16.1%
Real Estate	2.9%	-
Communication Services	1.0%	-
Consumer Non-Durable	0.7%	1.3%
Information Technology	0.5%	-
Other	0.1%	-

Geographic exposure

	Fund	Benchmark
North America	48.6%	48.0%
Emea Ex United Kingdom	24.9%	26.0%
Asia/Pacific Ex Japan	12.1%	14.7%
Emerging	8.5%	7.4%
United Kingdom	3.2%	3.9%
Japan	2.7%	-

Top ten holdings

Security
Transurban Group Ltd.
NextEra Energy, Inc.
Aena SME SA
Atlantia S.p.A
TC Energy Corporation
Williams Companies, Inc.
Dominion Energy Inc
Getlink SE
American Electric Power Company, Inc.
Kinder Morgan Inc Class P

Portfolio structure

Manager	Style	Weight %
Cohen & Steers	Growth, valuation sensitive	15.0
Colonial First State	Fundamental with growth at a reasonable price	38.0
Nuveen	Style Neutral, diversified	37.0
Russell Investments	Active risk overlay	10.0

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