

2023

INFRASTRUCTURE



RUSSELL INVESTMENTS

GLOBAL LISTED INFRASTRUCTURE FUND

Infrastructure offers a distinct risk, return and diversification profile relative to other asset classes, and merits consideration for a discrete allocation in a diversified portfolio.



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Russell Investments Global Listed Infrastructure Fund

Infrastructure investment can be defined as investment in assets that provide services essential for a functioning economy.

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

Demand for these services from infrastructure assets is often inelastic to price changes and these investments can therefore provide predictable and sustainable returns.

Available via a tax efficient PIE structure with underlying investments held directly, the fund is fully hedged to NZD and offers both developed and emerging market exposure.

Fund information

Inception Date	Benchmark	Portfolio Manager	Expected Tracking Error
16-Mar-2022	S&P Global Infrastructure Index (\$NZ Hedged) (Net TR)	Patrick Nikodem	4% p.a.

Legal Structure	Management Fee (ex GST)	Estimated Other Charges (incl GST)	Estimated Total Annual Fund Charges (incl GST)
NZ PIE	0.85%	0.20%	1.05%

Other Charges and and Total Annual Fund Charges are estimated.

Investor benefits



Diversification

As a real asset category, infrastructure offers a distinct risk, return and diversification profile relative to other asset classes, and thus merits consideration for a discrete allocation in a diversified portfolio.



Income generation

Infrastructure investments typically feature steady cash flows derived from tangible, long-life assets with monopoly-like pricing power; many are regulated and may feature income linked directly to inflation.



Long-term return potential

"Pure play" infrastructure assets—which include toll roads, regulated utilities, airports, seaports and cell towers—are essential to the fluid, effective functioning of societies, and accordingly they have highly inelastic demand patterns.

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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

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

Manager	Target Weight	# Of Holdings	Role In Fund
First Sentier Investors	38%	30 - 70	<ul style="list-style-type: none"> Pure-play infrastructure manager with a slight GARP (growth at a reasonable price) approach Ex-benchmark exposure, including communications and rail
Nuveen	37%	100 - 155	<ul style="list-style-type: none"> Active trader with higher historical turnover and tracking error Focus on firms that build or own and operate tangible assets that offer steady, predictable cash flows with limited ongoing capital expenditures. Also invests in areas such as public transportation, renewable energy, and environmental services that are not included in the benchmark.
Cohen & Steers	15%	50 - 85	<ul style="list-style-type: none"> Unique style among line-up; formal top-down subsector allocation component Strategy covers utilities and non-utilities sectors such as toll roads, airports, seaports, rail, and communications in each of the major global regions. Objective is to provide income generation, total return, low volatility and low correlations to broader equities.
Russell Investments	10%	Variable	<ul style="list-style-type: none"> Utilised to manage the Fund's top-down sector exposures relative to the benchmark

Portfolio Manager



PATRICK NIKODEM
Senior Portfolio Manager

Russell Investments manages global listed infrastructure investments for clients around the world. This includes capital markets expertise, rigorous due diligence, multi-manager portfolio construction, incorporating risk management and diversification for investors, and efficient implementation of investment strategy.

Patrick Nikodem is a Senior Portfolio Manager at Russell Investments. He is responsible for managing Russell Investments' real assets funds including real estate and infrastructure for institutional and private investors in the U.S. and internationally.

Patrick holds a BS in Economics and a BA in International Studies and German. Patrick joined Russell Investments in 2008.



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

Russell Investments PIE funds

The Russell Investments PIE range provides core portfolio solutions covering major asset classes. The 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	0.32% / 0.34% 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 Global Listed Infrastructure Fund	Active multi-manager	Mar-22	S&P Global Infrastructure Index (NR) - NZDH	1.05%

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.

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+.

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Global ESG
specialists¹

2009

Became a UN PRI
signatory

101,293

Proxy votes made at 9949
meetings in 2022²

COMMITTED TO
RESPONSIBLE
INVESTMENT

Signatory of:
 Principles for
Responsible
Investment

 Climate
Action 100+
Global Investors Driving Business Transition

 CDP
DRIVING SUSTAINABLE ECONOMIES

 IIGCC
Institutional Investors Group on Climate Change

 TCFD
TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

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Association Australasia

For more information

Call Russell Investments at **+09 357 6633** or visit russellinvestments.co.nz

¹ Includes proxy voting and engagement committee, as at January 2023

² Source: Glass Lewis and Russell Investments, as at 31 December 2022.

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