

# Russell Investments Sustainable Hedged Global Shares Fund



**Andrew Zenonos**  
PORTFOLIO MANAGER

Russell Investments' Global Equity Team comprises over 23 experienced professionals, including portfolio managers, researchers, portfolio analysts, and strategists in Russell Investments offices around the globe. The team manages a wide range of U.S., non-U.S developed, emerging market, frontier market, and global equity mandates.

## Fund Facts

### Inception date

14 December 2021

### Benchmark

MSCI ACWI Index - 100% Hedged to NZD - Net

### Currency

100% Hedged to NZD

### Total Annual Fund Charges incl. GST

0.34%

### Management Fees

0.25%

### Estimated Administration Fee

0.09%

### Dealing Frequency; Cut Off

Daily, 11am NZT

### Dividend Reinvestment Available

Yes

### Fund Exclusions

Tobacco Manufacture & Production, Controversial weapons production, Coal mining and power generation, Nuclear Weapon Production, Uranium mining, Small arms manufacture & sale

## Fund Objective

Provide a total return, before costs and tax, in line with the MSCI ACWI Index - 100% Hedged to NZD - Net over the longer term with a focus on reducing the Fund's exposure to carbon relative to benchmark.

## Fund Update

The Fund's exclusion of companies involved in defence contracting contributed positively to performance over the period; notably a nil holding in US aerospace and defence company Northrop Grumman Corp. Our structural underweight to the poor-performing energy space added further value; the sector underperforming the broader market in May. In contrast, our structural underweight to the strong-performing utilities space detracted from overall performance.

## Performance Review (%)

Period Ending 31/05/2024	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since Inception %p.a.
Gross Fund Performance	3.85	4.29	24.22	-	-	5.27
Net Fund Performance	3.82	4.19	23.78	-	-	4.90
Benchmark Return	3.69	4.34	24.09	-	-	5.31
Excess Fund Performance (Gross)	0.16	-0.05	0.13	-	-	-0.04

## Rolling 12 Month Performance (%)

Period Ending 31/05/24	31/05/19 31/05/20	31/05/20 31/05/21	31/05/21 31/05/22	31/05/22 31/05/23	31/05/23 31/05/24
Gross Fund Performance	-	-	-	1.90	24.22
Net Fund Performance	-	-	-	1.53	23.78
Benchmark Return	-	-	-	1.13	24.09

The fund performance shown in this factsheet is not calculated using the unit prices for transacting into and out of the fund. From inception to 29 January 2023 transactional prices have been calculated using security prices available at NZ market close, while the benchmark is calculated using the security prices at the close of the different global markets. This pricing methodology difference causes an embedded lagging effect. From 1 December 2021, performance is calculated using accounting methods. The Performance calculation is measured as Net income generated over the period inclusive of fees and tax. Tax is calculated applying a PIR of 28% on taxable income.

Performance data is provided for informational purposes only and is not intended to imply a recommendation about a product or form the basis for making an investment decision.

Net fund performance shown is net of fees and charges. Assumes reinvestment of income.

The benchmark return shown does not include any fees and is not intended to be an indicator of the return to an investor.

Past performance is not a reliable indicator of future performance.



RIAA's RI Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that the Russell Investments Hedged Sustainable Global Shares Fund adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The Certification Symbol is a Trademark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Russell Investments Hedged Sustainable Global Shares Fund's methodology, performance and stock holdings can be found at [www.responsiblereturns.com.au](http://www.responsiblereturns.com.au), together with details about other responsible investment products certified by RIAA.

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 a Financial Advice Provider licence.

We license and apply the SASB® Materiality Map™ General Issue Categories in our work.

# Russell Investments Sustainable Hedged Global Shares Fund

## Portfolio Statistics

	Fund	Benchmark
Price / Earnings	20.69	20.39
Dividend Yield	1.86%	1.90%
Price to Book	2.77	2.69
Number of Issuers	1,487	2,758

## Top Ten Issuers (%)

Issuer	Fund	Benchmark
Microsoft Corp	3.83	4.05
Apple Inc	3.69	3.90
NVIDIA Corp	3.54	3.74
Alphabet Inc	2.50	2.65
Amazon.com Inc	2.14	2.27
Meta Platforms Inc	1.35	1.43
Eli Lilly & Co	0.86	0.91
Taiwan Semiconductor Manufacturing Co Ltd	0.82	0.86
Broadcom Inc	0.77	0.82
JPMorgan Chase & Co	0.76	0.81

## Regional Weights (%)

	Fund	Benchmark
United States	63.54	63.28
Europe ex UK	12.78	12.55
Emerging Markets	9.86	10.10
Japan	5.33	5.31
United Kingdom	3.43	3.44
Canada	2.76	2.80
Australia/New Zealand	1.65	1.75
Asia ex Japan	0.65	0.77

1 Year	Fund	Benchmark
Volatility	13.42%	12.91%
Tracking Error	0.60%	-
Sharpe Ratio	1.48	-
Information Ratio	0.22	-

## Sector Allocation (%)

	Fund	Benchmark
Information Technology	24.45	24.11
Financials	16.28	16.03
Health Care	11.22	10.92
Consumer Discretionary	10.69	10.48
Industrials	10.64	10.72
Communication Services	7.93	7.83
Consumer Staples	6.45	6.47
Energy	4.07	4.54
Materials	3.78	4.12
Real Estate	2.35	2.11
Utilities	2.15	2.66

## ESG Data

	Fund	Benchmark
Carbon Emissions	41.00	100.00
Carbon Reserves	41.00	100.00
Green Energy Ratio	124.00	100.00
Material ESG Score	104.00	100.00

**Carbon Emissions:** Is the Weighted Average Carbon Intensity which we define as relative carbon emissions as the weighted average of portfolio companies' Scope 1 & 2 GHG emission divided by revenue (CO<sub>2</sub>e/\$1M revenue USD).

**Carbon Reserves:** We refer to relative carbon reserves as the asset relative fossil fuel reserves of a company. Specifically it is defined as: Fossil fuel reserves (m tonnes) divided by total company assets (USD).

**Green Energy Ratio:** The green energy score calculates the percentage of total energy produced from renewable energy sources. The calculation accounts for energy source classifications of Green, Brown and Grey power generation. With the calculation reflecting the proportion of green power generation divided by total power generation.

**Material ESG Score:** Using Russell Investments proprietary material ESG scores.

For more information on the Russell Investments Sustainable Global Shares Fund's ESG metrics please refer to the Sustainable Global Shares Decarbonisation Strategy, located here: <https://russellinvestments.com/media/files/nz/fundsstatic/sustainableglobalsharesdecarbonisationstrategydisclosure.pdf>

# Russell Investments Sustainable Hedged Global Shares Fund

## Portfolio Structure (manager weight)

Manager	Style	Target Allocation (%)
Russell Investments	Positioning Strategies	100.00

## Important Information

This Report/Presentation is provided by Russell Investment Group Ltd (Russell Investments) in good faith and is designed as a summary to accompany the Product Disclosure Statement for the Russell Investment Funds (Funds). The Product Disclosure Statement is available from Russell Investments, or the issuer FundRock NZ Limited (FundRock), and on <https://disclose-register.companiesoffice.govt.nz/>. The information contained in this Report/Presentation is not an offer of units in the Fund or a proposal or an invitation to make an offer to sell, or a recommendation to subscribe for or purchase, any units in the Fund. If you are making an investment directly then you will be required to complete the application form, which can be obtained from FundRock. The information and any opinions in this Report/Presentation are based on sources that Russell Investments believes are reliable and accurate. Russell Investments, its directors, officers and employees make no representations or warranties of any kind as to the accuracy or completeness of the information contained in this fact sheet and disclaim liability for any loss, damage, cost or expense that may arise from any reliance on the information or any opinions, conclusions or recommendations contained in it, whether that loss or damage is caused by any fault or negligence on the part of Russell Investments, or otherwise, except for any statutory liability which cannot be excluded. All opinions reflect Russell Investments' judgment on the date of this Report/Presentation and are subject to change without notice. This disclaimer extends to FundRock, and any entity that may distribute this publication. The information in this Report/Presentation is not intended to be financial advice for the purposes of the Financial Advisers Act 2008. In particular, in preparing this document, Russell Investments did not take into account the investment objectives, financial situation and particular needs of any particular person. Professional investment advice from an appropriately qualified adviser should be taken before making any investment. Past performance is not necessarily indicative of future performance, unit prices may go down as well as up and an investor in the fund may not recover the full amount the capital that they invest. No part of this document may be reproduced without the permission of Russell Investments or FundRock. FundRock is the issuer and manager of the Russell Investment Funds. Russell Investments is the investment manager of the Russell Investment Funds.

Source for MSCI data: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the MSCI Parties.) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates, with a significant minority stake held by funds managed by Reverence Capital Partners. Certain of Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes.