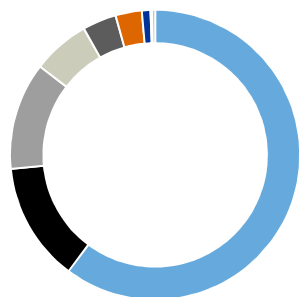


# Russell Investments Low Carbon Global Shares Fund

## Geographic allocation



United States	60.2%
Europe ex UK	13.3%
Emerging Markets	12.0%
Japan	6.4%
UK	3.8%
Canada	2.9%
Asia ex Japan	1.0%
Australia/New Zealand	0.2%
Other	0.3%

## Fund facts

### Share class

Class A - NZD

### Inception date

10 October 2017

### Benchmark

MSCI ACWI ex Australia Index Net

### Portfolio manager

James Harwood

### Currency

NZD



## Fund objective

To provide a total return, before costs and tax, in line with the Fund's benchmark over rolling three year periods with a focus on reducing the Fund's exposure to carbon relative to benchmark.

## Fund strategy

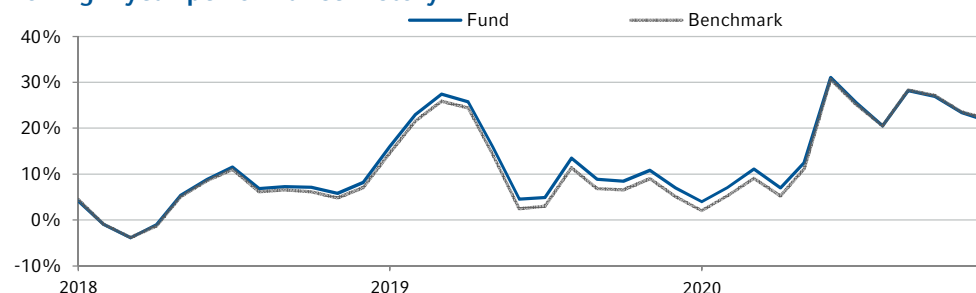
The Fund invests predominantly in a broad range of international shares listed on stock exchanges in developed and emerging international markets. The Fund will maintain a reduced carbon exposure compared to the Benchmark, whilst also increasing exposure to renewable energy and taking into account other ESG considerations such as the exclusion of controversial weapons, uranium and tobacco companies. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.

## Performance review<sup>1</sup>

Period ending 30/09/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Gross fund performance	-2.3	0.2	21.6	12.1	-	13.0
Benchmark return	-2.2	0.3	22.0	11.2	-	12.4
Excess return	-0.1	0.0	-0.4	0.9	-	0.6

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. Performance is calculated on exit price.

## Rolling 1 year performance history



## Fund commentary

The Russell Investments Low Carbon Global Shares Fund performed in line with the benchmark in the September quarter.

Stock selection within the information technology space contributed positively to performance, including overweights to US heavyweight Apple and India's HCL Technologies. Stock selection within financials was also positive for the quarter; notably overweights to Taiwanese names Fubon Financial and Cathay Financial. The Fund's exclusion of tobacco companies added further, albeit modest, value over the period. In contrast, our structural underweight to the strong-performing energy space detracted from overall returns. Stock selection within the sector also weighed on performance; notably a zero exposure to Russia's Gazprom, which jumped almost 40% on the back of a gas shortage in the country. Russia is one of Western Europe's largest suppliers of natural gas. We don't hold Gazprom due to the company's high carbon emissions and carbon reserves. Performance was further impacted by stock selection within the utilities and materials sectors; the latter including overweights to US coatings company PPG Industries and Japan's Nippon Paint. Other notable positions to impact returns were an overweight to South Korea's LG Household & Health Care and underweights to US names Tesla and Amazon.com. Meanwhile, our exclusion of companies involved in the manufacture of nuclear weapons had a relatively neutral impact on performance, with Boeing trading lower while rival Airbus made strong gains after management upgraded the company's earnings forecast.

# Russell Investments Low Carbon Global Shares Fund

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**Carbon Emissions vs Index\***  
**61% lower**



**Carbon Reserves vs Index\*\***  
**72% lower**



**Green energy ratio vs Index\*\*\***  
**26% higher**



**ESG Score vs Index ~**  
**4% higher**



Index is the fund benchmark, MSCI ACWI ex Australia Index Net.

\* We define relative carbon emissions as Scope 1 (direct) carbon emissions plus Scope 2 (electricity consumption) carbon emissions measured in metric tons of carbon dioxide equivalent (CO<sub>2</sub>-e), divided by company revenue (USD).

\*\* 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).

\*\*\* 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.

~ The ESG Score is a proprietary calculation drawing on data provided by Sustainalytics and applying the SASB® Materiality Map™ to determine an ESG score based on ESG issues that are considered financially material to a firm's business.

# Russell Investments Low Carbon Global Shares Fund

## Fund Exclusions

Tobacco  
Manufacture and  
Production



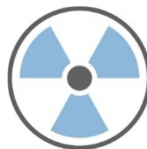
Controversial  
weapons  
manufacture



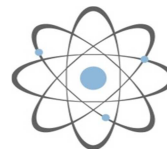
High intensity coal



Nuclear



Uranium



## Sector allocation

	Fund	Benchmark
Information Technology	23.0%	22.7%
Financials	14.3%	14.0%
Consumer Discretionary	12.8%	12.5%
Health Care	12.0%	11.7%
Communication Services	9.7%	9.4%
Industrials	9.5%	9.7%
Consumer Staples	6.8%	6.8%
Materials	3.9%	4.4%
Energy	3.0%	3.5%
Real Estate	2.7%	2.5%
Utilities	2.2%	2.7%

## Top ten holdings

Security	Fund	Benchmark
APPLE INC	3.7%	3.7%
MICROSOFT CORP	3.2%	3.1%
AMAZON.COM INC	2.2%	2.3%
FACEBOOK INC-CLASS A	1.3%	1.3%
ALPHABET INC-CL A	1.3%	1.3%
ALPHABET INC-CL C	1.2%	1.2%
TESLA INC	0.9%	1.0%
TAIWAN SEMICONDUCTOR MANUFAC	0.8%	0.8%
NVIDIA CORP	0.8%	0.8%
JPMORGAN CHASE & CO	0.8%	0.8%

### Footnotes

All information contained in the document is for the current reporting period unless otherwise stated.

<sup>^</sup> We license and apply the SASB® Materiality Map™ General Issue Categories in our work.

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