

# Russell Investments Global Shares Fund

## Fund facts

### Inception date

14 November 2012

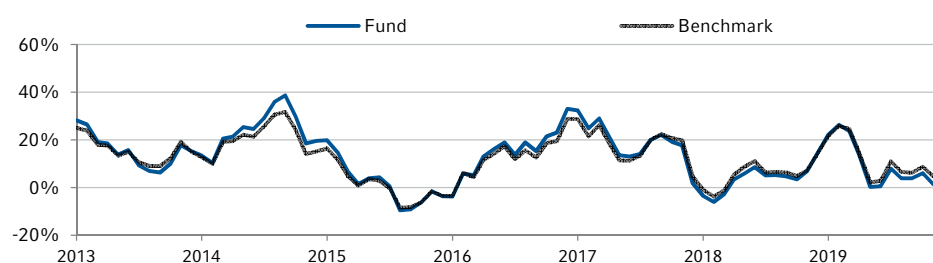
### Benchmark

MSCI ACWI Index - Net

### Currency

NZD

## Rolling 1 year performance history



## Performance review

Period ending 31/10/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Gross fund performance	-1.6	1.3	-1.1	5.0	8.2	12.8
Benchmark return*	-2.4	1.0	1.8	6.8	8.7	12.3
Excess return	0.8	0.3	-2.8	-1.8	-0.5	0.5

Note: Past performance is not indicative 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.

\* MSCI World Net Index until 31/12/2010, Russell Global Large Cap - Net Index until 30/09/2018 and MSCI ACWI Index - Net thereafter.

## Fund commentary

The Russell Investments Global Shares Fund outperformed the benchmark in October. Contributing to outperformance was strong stock selection in the UK; much of which was driven by our UK equity specialist, JO Hambro. This included an ex-benchmark exposure to McCarthy & Stone – a developer and manager of retirement communities – and an underweight to drug maker AstraZeneca. Stock selection in the US also added value; notably an underweight to Apple, which fell as US technology stocks sold off toward the end of the month. Apple remains our largest underweight holding as we believe the stock is significantly overvalued. The Fund also benefited from positive stock selection within emerging markets, including overweights to China's NIO, Inc. and Taiwanese names MediaTek and Taiwan Semiconductor Manufacturing Co.; all of which delivered good gains for the month. Meanwhile, the Fund's active positioning strategy (APS) outperformed in October. Our APS complements the Fund's active managers, ensuring reliable exposure to our strategic beliefs at the total portfolio level. The strategy is currently positioned in favour of value and quality to complement our strategic factor positioning. Value is now as cheap as it's been since 2000, while our more defensive quality exposure aims to reduce risk and lower beta. Value, particularly deeper value names, performed well over the period while quality stocks underperformed.

Stock selection in South Africa modestly detracted from overall returns in October. This included an overweight to AngloGold Ashanti, which fell in line with weaker gold prices over the period. Stock selection in Japan also had a modest negative impact on returns; notably an ex-benchmark exposure to travel agency H.I.S.Co. and an overweight to engineering firm JGC Corp. Other notable holdings to detract from performance were an underweight to China's Meituan Dianping and overweights to Italy's Nexi S.p.A and Swiss pharmaceutical company Roche Holding AG.

There were no material changes to either the Fund's structure or manager line up in October. In terms of overall positioning, we increased our overweights to Japan, the UK, emerging markets and Asia Pacific ex Japan over the period. We also reduced the Fund's overweight to Continental Europe and increased our underweight to North America. At the sector level, the Fund is most overweight financials, consumer discretionary and materials, and most underweight consumer staples, healthcare and real estate.

# Russell Investments Global Shares Fund

## Sector allocation

	Fund	Benchmark
Information Technology	20.0%	21.2%
Financials	15.3%	12.7%
Consumer Discretionary	14.4%	13.1%
Health Care	11.3%	12.3%
Communication Services	9.9%	9.7%
Industrials	9.0%	9.6%
Materials	6.8%	4.8%
Consumer Staples	6.5%	7.9%
Utilities	2.6%	3.2%
Energy	2.6%	2.8%
Real Estate	1.6%	2.7%
Other	0.1%	-

## Geographic exposure

	Fund	Benchmark
North America	56.1%	60.8%
EMEA ex United Kingdom	14.5%	13.0%
Emerging Markets	13.5%	12.8%
Japan	7.8%	6.9%
Asia Pacific ex Japan	3.8%	3.1%
United Kingdom	3.6%	3.5%
Other	0.8%	-

## Top ten holdings

Microsoft Corporation
Apple Inc.
Taiwan Semiconductor Manufacturing Co., Ltd.
Amazon.com, Inc.
Samsung Electronics Co., Ltd.
Facebook, Inc. Class A
Alphabet Inc. Class A
Alphabet Inc. Class C
Roche Holding AG
UnitedHealth Group Incorporated

# Russell Investments Global Shares Fund

## Portfolio structure

Manager	Style	Strategic weight %
Fiera Capital	Core global equities	15.0
J O Hambro Capital Management	UK equity dynamic	8.0
Nissay Asset Management	Japanese equities	8.0
Numeric Investors	Core global equities, global low volatility	12.0
Oaktree Capital	Emerging markets	8.0
Russell Investments	Positioning strategies	18.0
RWC Partners	Global emerging markets	7.0
Sanders Capital, LLC	Core global value	15.0
Wellington Management Company LLP	Core global growth horizons	9.0

## Investment performance and positions

The performance in this fact sheet is gross of fees and tax. Investors should also refer to the quarterly Fund Update, which is available on [www.iisolutions.co.nz](http://www.iisolutions.co.nz) and [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)

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