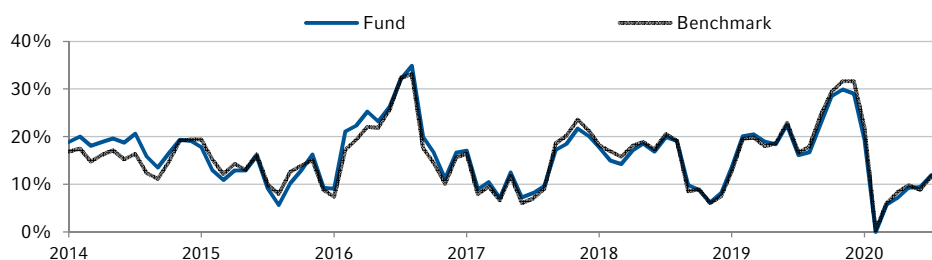


# Russell Investments NZ Shares Fund

Fund facts
<b>Inception date</b>
14 February 2013
<b>Benchmark</b>
S&P/NZX 50 Index (gross) and including imputation credits
<b>Currency</b>
NZD

## Rolling 1 year performance history



## Performance review

Period ending 30/09/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Gross fund performance	-1.5	3.0	8.9	14.8	17.5	15.9
Benchmark return*	-1.4	2.9	8.3	15.0	17.2	15.6
Excess return	-0.1	0.2	0.6	-0.2	0.3	0.3

\*From 1 July 2016 this is S&P/NZX 50 Index (gross and including imputation credits). Prior to 30 June 2016 this was the Russell New Zealand Domestic Index including imputation credits (previously known as the Russell NZ Tradable Gross Index). Prior to 1 December 2014 the benchmark was the NZX50 Index including imputation credits. Performance is calculated on exit price.

## Fund commentary

The Russell Investments NZ Shares Fund performed in line with the benchmark in the September quarter.

Stocks rose largely on expectations ongoing fiscal and monetary policy support will continue to drive the local recovery. The Reserve Bank of New Zealand (RBNZ) left the official cash rate unchanged at a historically low 0.25% throughout the period and increased the cap on its Large-Scale Asset Purchase Program from \$60 billion to \$100 billion. Moreover, officials said progress was being made on the Bank's ability to deploy additional monetary instruments, including a Funding for Lending Program, a negative cash rate and purchases of foreign assets. These instruments are viewed as being mutually supportive in terms of bolstering economic activity, though they could also be deployed independently. Stocks also benefited from some positive developments on the coronavirus vaccine front and better-than-expected jobs data, with the unemployment rate falling to 4.0% in the second quarter. The outcome even eclipsed the RBNZ's own forecast of 7.0%. Sentiment was further buoyed by news a preliminary reading of ANZ's business confidence survey showed a pickup in sentiment in September, a record current account surplus in the June quarter and evidence the post-coronavirus recovery in China is gathering momentum; the world's second-biggest economy expanding 3.2% for the year to 30 June. Limiting the gains was the government's decision to reintroduce lockdown restrictions following several new coronavirus infections in Auckland. Compounding this was a surge in new infections globally, with the UK and several European countries, including Spain and France, forced to reintroduce stiff restrictions that could potentially undermine the global recovery. We also saw the number of confirmed cases in the US top 7.2 million while the death toll in the country surpassed the 200,000 mark. Perhaps more worrying, is the number of new virus cases is likely to worsen ahead of the Northern winter. Stocks were also impacted by news the economy shrank a record 12.2% in the three months to 30 June. This followed the 1.4% contraction we saw in the March quarter and dragged the economy into recession for the first time in 11 years. [Note: recession is widely defined as two consecutive quarters of negative growth]. The market was further impacted by a series of cyber-attacks on the local bourse and news annual inflation came in well below the 2% midpoint of the RBNZ's 1-3% target range. Other factors to weigh on sentiment over the period were ongoing US-China frictions, US government officials' failure to agree a new stimulus package and sharp contractions in economic growth across the major economies, including the US, Japan and euro-zone. Meanwhile, company earnings were mixed, with better-than-expected results from the likes of Mercury NZ, Skellerup and Chorus Ltd. offset by poor outcomes from names such as Auckland International Airport, Fletcher Building and New Zealand Refining Co.

# Russell Investments NZ Shares Fund

The following information provides the investment and exposures within the underlying investment portfolio. Please note that this information is indicative only and is provided for general purposes only.

## Portfolio information

	Fund	Benchmark
Number of equity issuers	54	50
Migrant investor - eligibility	Foreign investment variable rate PIE	

## Fund structure

	Strategic weight %
Devon Funds Management	40
Harbour Asset Management	40
Russell Investments	20

## Top 10 holdings

	Fund %	Index %
Fisher & Paykel Healthcare Corporation	13.7%	15.7%
a2 Milk Company Ltd.	11.8%	9.4%
Spark New Zealand Limited	9.5%	7.1%
Contact Energy Limited	6.2%	3.9%
Meridian Energy Limited	5.7%	5.1%
Mainfreight Limited	5.5%	3.2%
Auckland International Airport Limited	5.3%	7.2%
Metlifecare Limited	3.0%	0.8%
EBOS Group Limited	2.8%	2.7%
Summerset Group Holdings Limited	2.7%	1.7%

## 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)

## Important Information

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