

Russell Investments Global Listed Infrastructure Fund - \$NZ Hedged

Fund facts

Inception date

02 November 2017

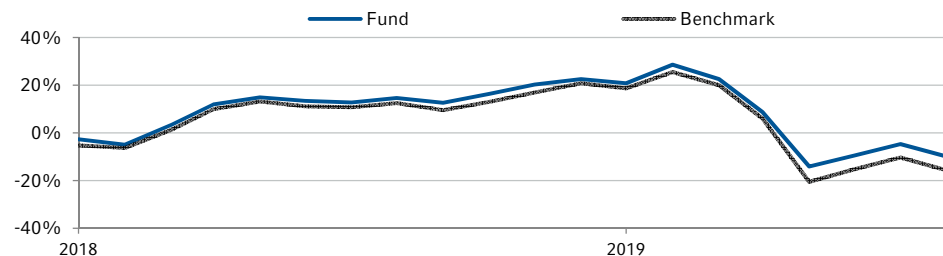
Benchmark

S&P Global Infrastructure Index (\$NZ Hedged) (Net TR)

Currency

NZD

Rolling 1 year performance history



Performance review

Period ending 30/06/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Gross fund performance	-1.8	10.6	-9.8	-	-	1.5
Benchmark return	-2.1	11.1	-15.6	-	-	-2.4
Excess return	0.3	-0.5	5.8	-	-	3.9

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 the exit price.

Fund commentary

The Russell Investments Global Listed Infrastructure Fund (NZD hedged) underperformed the benchmark in the June quarter.

Contributing to the Fund's underperformance was an underweight exposure to airport services, which performed well as governments reduced the COVID-19 restrictions over the quarter. An overweight exposure and poor stock selection within the water utilities space also impacted on returns. At the stock level, underweights to Australia's Qube Holdings and Atlas Arteria were amongst the biggest detractors. Other notable positions were underweight holdings in US names ONEOK and Targa Resources, and zero exposures to Mexican airports Grupo Aeroportuario del Pacifico SAB de CV and Grupo Aeroportuario del Centro Norte SAB de CV. In terms of strategic factor performance, our underweight to size had a positive impact on returns as small caps outperformed relative to their larger counterparts over the period. Momentum, value, volatility and quality factors had no meaningful impact on performance. In contrast, strong stock selection in the US added value over the quarter. This included underweights to Southern Company, Duke Energy and Consolidated Edison. An underweight to Canada's Enbridge was also positive; the stock falling after a Michigan judge ordered the company to halt operations of its Line 5 crude oil pipeline. Our overweight to Continental Europe added further value over the period; notably ex-benchmark holdings in France's Eiffage SA and Spain's Cellnex Telecom S.A.

In terms of overall positioning, the Fund remains overweight Continental Europe and underweight North America, emerging markets and Asia Pacific ex Japan. At the sector level, we maintain material underweights to airports, pipelines and utilities, as well as an overweight to toll roads. The Fund also has a significant ex-benchmark exposure to the communications space. During the quarter, we increased our exposures to gas utilities, electric utilities and railroads, while reducing our exposures to both water utilities and multi utilities. The Fund also remains underweight size as we have a strategic preference for smaller companies within the index.

30 June 2020

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Sector allocation

	Fund	Benchmark
Utilities	41.5%	52.0%
Industrials	34.9%	32.5%
Energy	14.9%	14.4%
Real Estate	6.3%	-
Communication Services	1.6%	-
Consumer Non-Durable	0.7%	1.1%
Information Technology	0.1%	-
Other	0.1%	-

Top ten holdings

Security
Transurban Group Ltd.
NextEra Energy, Inc.
Aena SME SA
VINCI SA
Atlantia S.p.A
Dominion Energy Inc
TC Energy Corporation
Enbridge Inc.
SBA Communications Corp. Class A
Iberdrola SA

Portfolio structure

Manager	Style	Strategic weight %
Cohen & Steers	Growth, valuation sensitive	15.0
Colonial First State	Fundamental with growth at a reasonable price	38.0
Nuveen	Style neutral, diversified	37.0
Russell Investments	Active overlay	10.0

Geographic exposure

	Fund	Benchmark
North America	50.7%	49.7%
EMEA ex United Kingdom	26.8%	25.6%
Asia Pacific ex Japan	11.7%	14.0%
Emerging Markets	6.1%	6.3%
United Kingdom	3.8%	4.4%
Japan	0.9%	-

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