



# MONTHLY PERFORMANCE REPORT

GLOBAL SHARES FUND – OCTOBER 2023

EMBRACE  
THE POSS/IBLE®

# Russell Investments Global Shares Fund

Foundational global equity building block with stock selection insights as a core driver of returns



## Built to identify the strongest stock ideas globally

Global and regional underlying managers extract alpha and seek to produce above-benchmark performance in different ways



## Efficient execution, without sacrificing insight

Our enhanced portfolio implementation reduces cost by crossing sub-manager trades – we pursue every basis point of outperformance



## Active risk, not excessive risk

We believe in active management; we also believe alpha can be delivered while avoiding for unrewarded risk via diversification and risk mitigation



## Proven track record

Reliable partner, delivering dependable results for NZ investors for over 10 years

## Investment objective

To provide a total return, before costs and tax, higher than the MSCI ACWI Index - Net over the long term (3 years plus).

### Key facts

Fund structure	Portfolio Investment Entity
Benchmark	MSCI ACWI NR
Launch date	14 November 2012
Strategy size	\$1249.4M
Fund size	\$434.0M
Portfolio Manager	Jordan McCall
Target alpha (gross)	2% p.a. over a rolling market cycle
Target tracking error	3 - 5% p.a.
Buy / Sell Spreads	0.18% / 0.13% unhedged 0.20% / 0.15% hedged

Source: Russell Investments. All data as at 31 October 2023, and denominated in NZD unless otherwise stated. Strategy refers to both the PIE and AUT versions of the fund.

# Fund Summary

As at 31 October 2023

## Assets under management

Fund	Market Value
Global Shares Fund	\$215.6M
Hedged Global Shares Fund	\$218.4M
<b>Total Assets</b>	<b>\$434.0M</b>

## Global Shares fee summary

	Unhedged	Hedged
Management Fee	0.80%	0.80%
Estimated in-fund-costs	0.09%	0.12%
<b>Estimated Total Annual Fund Charge incl. GST</b>	<b>0.89%</b>	<b>0.92%</b>

## Meet the Manager



Jordan (Jordie)  
McCall, CFA

Jordan McCall is a portfolio manager for Russell Investments' investment division. In this role, he is accountable for manager selection, strategic portfolio construction, and integrating the firm's capital market insights to dynamically manage the portfolios.

Jordan was appointed to this role in 2019. He joined the global equity team in 2015 as an associate portfolio manager. He is based in Seattle, Washington.

M.B.A., Seattle University, Albers School of Business and Economics

B.B.A., University of Washington, Foster School of Business

CFA Charterholder, CFA Institute

Source: Russell Investments. All data as at 31 October 2023, and denominated in NZD unless otherwise stated. Estimated Total Annual Fund Charge includes GST.

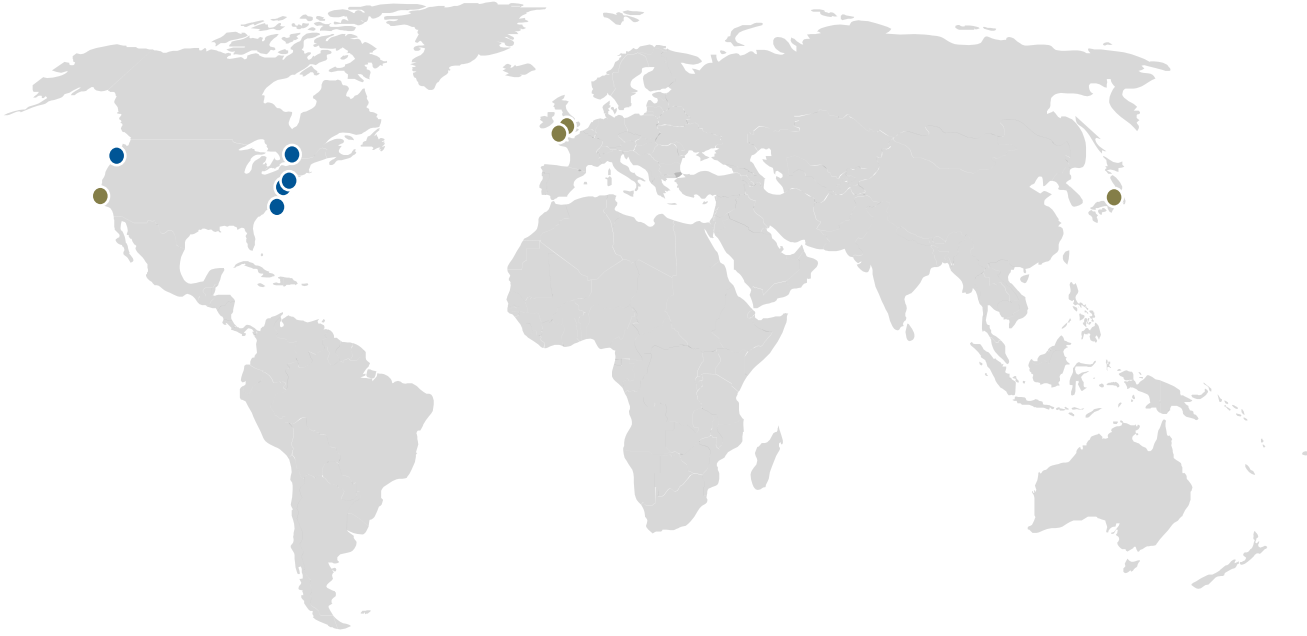
# Russell Investments Global Shares Fund

Alpha potential, regardless of borders

## Global Focus





WELLINGTON MANAGEMENT®




## Regional specialists



 **15,000+**  
# of funds we monitor globally

 **1,800+**  
# of manager research evaluation meetings annually

 **233**  
# of products that make the cut and are held in Russell Investment's funds

Source: Russell Investments. All data as at 31 October 2023.

# Performance Summary (Unhedged)

Period ending 31 October 2023

## Trailing performance

	1 month	3 months	Year-to-date	1 year	3 years	5 years	10 years	Since incep.
Global Shares Fund (gross)	0.01%	-3.45%	14.08%	9.64%	12.65%	10.17%	11.26%	12.43%
Global Shares Fund (net)	-0.07%	-3.66%	13.24%	8.67%	11.42%	8.82%	9.78%	10.92%
Benchmark*	0.20%	-3.29%	16.07%	10.37%	11.32%	9.99%	10.73%	11.76%
<i>Difference (gross)</i>	<i>-0.18%</i>	<i>-0.16%</i>	<i>-1.99%</i>	<i>-0.73%</i>	<i>1.32%</i>	<i>0.18%</i>	<i>0.53%</i>	<i>0.67%</i>

## Calendar year performance

	2016	2017	2018	2019	2020	2021	2022	2023 YTD
Global Shares Fund (gross)	5.79%	24.75%	-6.00%	26.26%	7.10%	26.09%	-9.04%	14.08%
Global Shares Fund (net)	4.22%	22.90%	-7.40%	24.39%	5.50%	24.35%	-9.89%	13.24%
Benchmark*	6.10%	21.52%	-3.82%	25.83%	8.93%	24.66%	-11.63%	16.07%
<i>Difference (gross)</i>	<i>-0.31%</i>	<i>3.23%</i>	<i>-2.18%</i>	<i>0.43%</i>	<i>-1.83%</i>	<i>1.43%</i>	<i>2.59%</i>	<i>-1.99%</i>

## Performance commentary:

The Russell Investments Global Shares Fund underperformed the benchmark on a gross of fees and tax basis in October.

Contributing to the Fund's underperformance was stock selection in Japan, including overweights to poor-performing names like Hino Motors and electronics companies Panasonic and Seiko Epson. All three stocks posted sharp declines for the month. Stock selection in Continental Europe also weighed on returns over the period; notably overweights to French bank BNP Paribas and German car makers Mercedes-Benz Group AG and BMW. Performance was further impacted by stock selection in Canada, including overweights to miners First Quantum Minerals and Ivanhoe Mines; the former falling more than 50% amid uncertainty surrounding the future of its key open pit copper mine project in Panama. Other notable positions to impact returns were underweights to large US names Apple and Amazon.com. In contrast, the Fund benefited from stock selection amongst emerging markets. This included overweights to South African gold miner AngloGold Ashanti and Taiwanese semiconductor company MediaTek. Stock selection in the UK also added value over the period; notably positions in pharmaceutical company AstraZeneca and commercial services provider Rentokil Initial. Both stocks recorded sharp declines in October. Other key holdings to add value over the period were an underweight to US electric car maker Tesla and overweights to US health insurers UnitedHealth Group and Elevance Health.

Source: Russell Investments, MSCI as of 31 October 2023. Net of fees assume highest possible fee and includes estimated in-fund-costs. Fund performance reflects BNP unit pricing methodology using the latest asset price information available. Global assets are valued using asset prices as at previous day and domestic assets as at last day of the month. The benchmark return shown is net of certain withholding tax on dividends, does not include any fees and is not intended to be an indicator of the return to an investor. Performance data is provided for informational purposes only and it is not intended to imply a recommendation about a product or form the basis for making an investment decision. Past performance is not a reliable indicator of future performance.

# Performance Summary (Hedged)

Period ending 31 October 2023

## Trailing performance

	1 month	3 months	Year-to-date	1 year	3 years	5 years	10 years	Since incep.
Hedged Global Shares Fund (gross)	-2.85%	-8.05%	6.49%	8.50%	8.84%	7.44%	9.02%	11.06%
Hedged Global Shares Fund (net)	-2.93%	-8.26%	5.71%	7.54%	7.69%	6.11%	7.54%	9.53%
Benchmark*	-2.74%	-7.97%	8.41%	9.46%	7.45%	7.23%	8.51%	10.32%
<i>Difference (gross)</i>	<i>-0.11%</i>	<i>-0.08%</i>	<i>-1.91%</i>	<i>-0.96%</i>	<i>1.39%</i>	<i>0.21%</i>	<i>0.51%</i>	<i>0.74%</i>

## Calendar year performance

	2016	2017	2018	2019	2020	2021	2022	2023 YTD
Hedged Global Shares Fund (gross)	10.27%	24.27%	-9.67%	25.84%	9.68%	21.81%	-14.66%	6.49%
Hedged Global Shares Fund (net)	8.61%	22.40%	-11.04%	23.94%	8.00%	20.09%	-15.34%	5.71%
Benchmark*	10.70%	21.12%	-7.41%	25.43%	11.84%	20.61%	-17.57%	8.41%
<i>Difference (gross)</i>	<i>-0.43%</i>	<i>3.15%</i>	<i>-2.26%</i>	<i>0.41%</i>	<i>-2.16%</i>	<i>1.20%</i>	<i>2.91%</i>	<i>-1.91%</i>

Source: Russell Investments, MSCI as of 31 October 2023. Net of fees assume highest possible fee and includes estimated in-fund-costs. Fund performance reflects BNP unit pricing methodology using the latest asset price information available. Global assets are valued using asset prices as at previous day and domestic assets as at last day of the month. The benchmark return shown is net of certain withholding tax on dividends, does not include any fees and is not intended to be an indicator of the return to an investor. Performance data is provided for informational purposes only and it is not intended to imply a recommendation about a product or form the basis for making an investment decision. Past performance is not a reliable indicator of future performance.

# Russell Investments Global Shares Fund

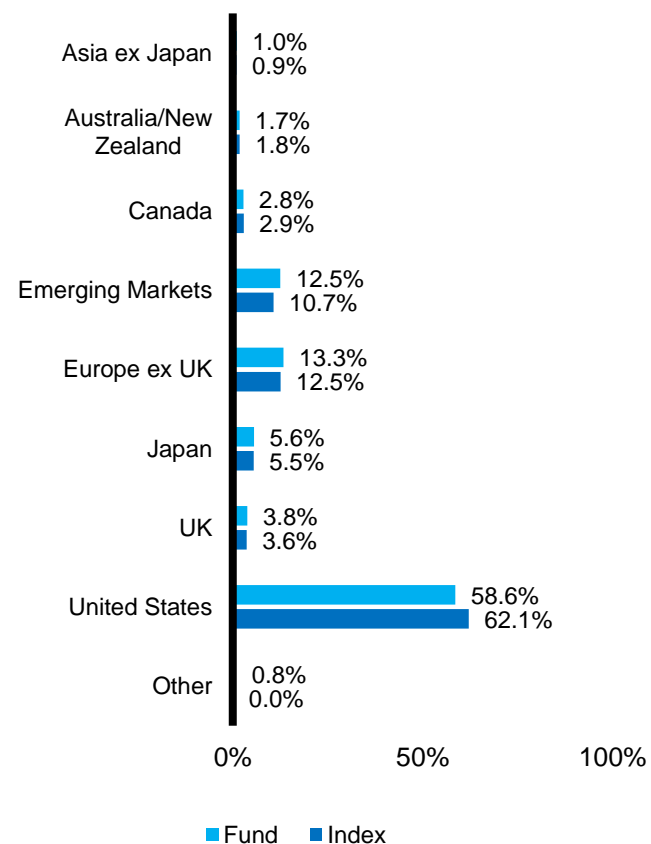
## Portfolio summary to 31 October 2023

Holding	Sector	Fund	Index
Microsoft Corp	Information Technology	4.54%	4.04%
Apple Inc	Information Technology	2.53%	4.55%
Alphabet Inc-CI C	Communication Services	1.82%	1.12%
Meta Platforms Inc-CI A	Communication Services	1.78%	1.13%
Alphabet Inc-CI A	Communication Services	1.59%	1.25%
Unitedhealth Group Inc	Health Care	1.59%	0.84%
Taiwan Semiconductor	Information Technology	1.57%	0.00%
Amazon.Com Inc	Consumer Discretionary	1.27%	2.08%
Samsung Electronics Co Ltd	Information Technology	1.24%	0.40%
Mastercard Inc - A	Financials	1.07%	0.54%

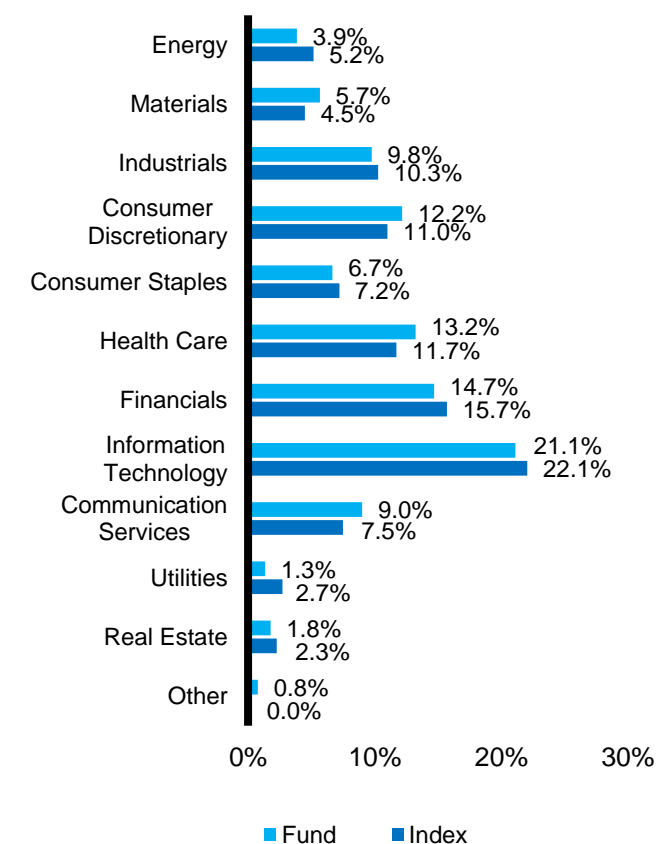
Portfolio characteristics	Fund	Index
Number of holdings	678	2,947
Dividend Yield (%)	2.94%	3.00%
Fund distribution yield (%)	1.08%	--
Price-to-book ratio (x)	2.26	2.60
Price-to-earnings ratio (x)	14.70	16.65

Source: Russell Investments, MSCI, Morningstar Direct. Data as of 31 October 2023.

### Regional breakdown

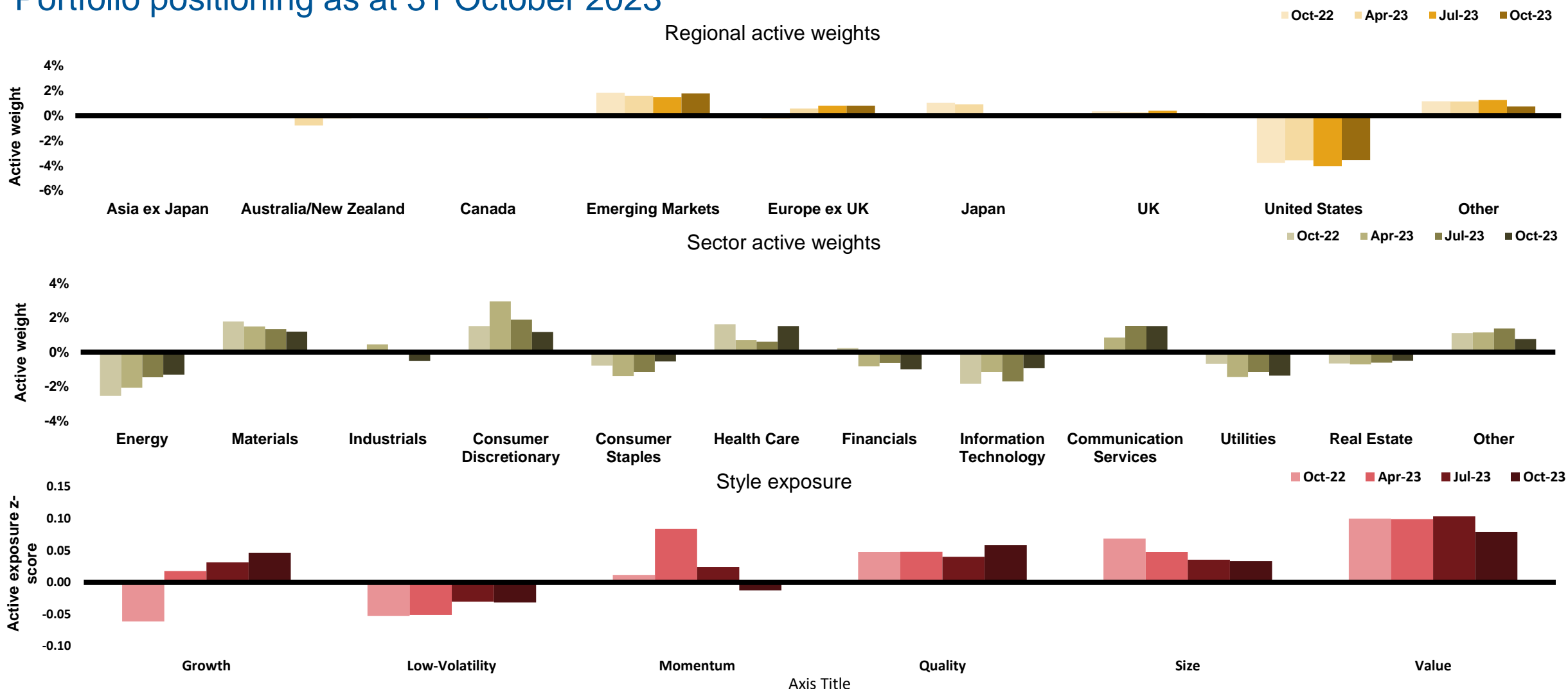


### Sector breakdown



# Russell Investments Global Shares Fund

## Portfolio positioning as at 31 October 2023



Source: Russell Investments, Axioma, MSCI as of 31 October 2023. The calibration universe over which the Style factor scores are calculated and standardized is the MSCI ACWI plus MicroCap plus Frontier Index..



# Performance attribution

Three-month period ending 31 October 2023

TOP 5 RETURN ATT. CONTRIBUTORS	ACTIVE WEIGHT VS INDEX	SECTOR	3MO TOTAL ATT. ALPHA (%)
Tesla, Inc.	-0.72%	Consumer Discretionary	0.11%
UnitedHealth Group	0.71%	Health Care	0.09%
Centrica PLC	0.48%	Utilities	0.09%
The Cigna Group	0.43%	Health Care	0.06%
CME Group Inc.	0.39%	Financials	0.06%

BOTTOM 5 RETURN ATT. CONTRIBUTORS	ACTIVE WEIGHT VS INDEX	SECTOR	3MO TOTAL ATT. ALPHA (%)
First Quantum Minerals	0.26%	Materials	-0.15%
Shell PLC	-0.84%	Energy and 2 more	-0.13%
Amazon.com, Inc.	-0.76%	Consumer Discretionary	-0.11%
Eli Lilly and Company	-0.24%	Health Care	-0.08%
Longfor Group Holdings	0.16%	Real Estate	-0.07%




TOP 5 OVERWEIGHT HOLDINGS	ACTIVE WEIGHT VS INDEX	SECTOR	3MO TOTAL ATT. ALPHA (%)
Taiwan Semiconductor	1.36%	Information Technology	-0.04%
Alphabet Inc.	1.00%	Communication Services	-0.01%
HCA Healthcare, Inc.	0.71%	Health Care	-0.07%
Samsung Electronics	0.71%	Information Technology	0.01%
UnitedHealth Group Inc	0.71%	Health Care	0.09%

TOP 5 UNDERWEIGHT HOLDINGS	ACTIVE WEIGHT VS INDEX	SECTOR	3MO TOTAL ATT. ALPHA (%)
Apple Inc.	-2.01%	Information Technology	0.00%
Shell PLC	-0.84%	Energy	-0.13%
Amazon.com, Inc.	-0.76%	Consumer Discretionary	-0.11%
NVIDIA Corporation	-0.73%	Information Technology	-0.01%
AstraZeneca PLC	-0.72%	Health Care	0.03%

Source: Russell Investments, MSCI as of 31 October 2023. Active weight refers to average weight over three months to 31 October 2023. Attribution Analysis illustrates what has helped and hindered the fund over one month and three months at a stock, sector and country level, as compared to the MSCI ACWI. Analysis uses holdings-based attribution and calculates returns based on average weights and security returns over the period, and does not factor in trade timing, trading costs, or other elements of fund accounting that derives official performance. Contributors can be due to overweight or underweight positions in stocks, sectors, countries or regions. In some cases, the fund will not hold any position in a particular security, sector, country or region and this may contribute positively or negatively to relative performance.

# Russell Investments Global Shares Fund




## Manager line up

Manager	Target Weight	Asset Class	Capitalisation	Style	Typical # of Holdings	Manager Process Characteristics
 <b>Headquarters:</b> Montreal, Canada <b>Founded:</b> 2003	11%	Developed Market Equity	Large-cap	Growth	30 – 45	<ul style="list-style-type: none"> <li>High conviction focused portfolio with diversified sources of alpha</li> <li>Bottom-up stock selection, driven by intensive fundamental research process</li> </ul>
 <b>Headquarters:</b> Boston, US <b>Founded:</b> 1989	10%	Developed Market Equity	Large-cap	Quantitative core, low volatility	200 – 400	<ul style="list-style-type: none"> <li>Quant strategy provides broad exposure to the global equity market</li> <li>Utilises a range of signals based on value, information flow and quality</li> </ul>
 <b>Headquarters:</b> New York, US <b>Founded:</b> 2009	16%	Global Equity	Large-cap	Value	40 – 65	<ul style="list-style-type: none"> <li>Bottom-up fundamental research driven process identifies stocks at discount to their intrinsic value</li> <li>Country weights are a derivative of stock selection</li> </ul>

Source: Russell Investments, as at 31 October 2023. Any reference to specific money managers should not be taken as a recommendation. Money managers are subject to change. Indexes are unmanaged and cannot be invested in directly. For illustrative purposes only.

# Russell Investments Global Shares Fund




## Manager line up

Manager	Target Weight	Asset Class	Capitalisation	Style	Typical # of Holdings	Manager Process Characteristics
 <p><b>WELLINGTON MANAGEMENT®</b></p> <p>Headquarters: Boston, US Founded: 1933</p>	8%	Global Equity	Large-cap	Growth	50 – 80	<ul style="list-style-type: none"> <li>Identifying companies that have accelerating revenues, margin or cash flow trends</li> <li>This in turn is expected to lead to share price appreciation via earnings growth and possible multiple expansion</li> </ul>
 <p><b>JOHCM Funds</b></p> <p>Headquarters: London, UK Founded: 1993</p>	10%	UK Equity	All-cap	Blend	30 – 50	<ul style="list-style-type: none"> <li>Identify underappreciated quality assets by taking a contrarian view, exploiting share price cyclicality in the restructuring, recovery and undervalued growth space</li> <li>Fundamental analysis and a margin of safety is important to the manager</li> </ul>
 <p><b>NISSAY ASSET MANAGEMENT</b></p> <p>Headquarters: Tokyo, Japan Founded: 1995</p>	10%	Japan Equity	All-cap	Value	30 – 35	<ul style="list-style-type: none"> <li>Contrarian value strategy uses intensive bottom-up fundamental analysis to identify 30-35 of their best stock ideas</li> </ul>

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# Russell Investments Global Shares Fund

## Manager line up

Manager	Target Weight	Asset Class	Capitalisation	Style	Typical # of Holdings	Manager Process Characteristics
 <b>OAKTREE</b> Headquarters: Los Angeles, US Founded: 1933	11%	Emerging Market Equity	All-cap	Blend	50 – 90	<ul style="list-style-type: none"> <li>The strategy's investment style is opportunistic, fundamentally-driven stock selection.</li> <li>The firm is always in search of value, whether it is found in fast growing, high P/E stocks, or in low growth, cyclical stocks that trade at levels below market prices.</li> </ul>
 <b>redwheel</b> Headquarters: London, UK Founded: 1993	7%	Emerging Market Equity	All-cap	Growth	50 – 80	<ul style="list-style-type: none"> <li>Opportunistic, top-down, theme-driven approach</li> <li>Followed by bottom up stock selection</li> </ul>
 <b>Russell Investments</b> Headquarters: Seattle, US Founded: 1936	17%	Developed Market Equity	Large-cap	Blend	200 – 400	<ul style="list-style-type: none"> <li>Seek to precisely manage the Fund's exposures and achieve the desired risk/return profile for the Fund</li> </ul>

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# For more information

Call Russell Investments at +09 357 6633 or visit [russellinvestments.co.nz](https://russellinvestments.co.nz)

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