

# Russell Investments NZ Shares Fund



**Portfolio Manager**  
James Harwood

Russell Investments' New Zealand shares Team brings over 20 years of experience in managing portfolios.

The team works closely with our researchers, portfolio analysts, and strategists in Russell Investments offices around the globe. The team manages a wide range of U.S., non-U.S developed, emerging market, frontier market, and global equity mandates.

## Fund facts

### Inception date

14 February 2013

### Benchmark\*\*

S&P/NZX 50 Index (gross) and including imputation credits

### Currency

NZD

### Total Annual Fund Charges incl. GST

0.79%

### Management Fees

0.70%

### Estimated Administration Fee

0.09%

### Dealing frequency; Cut off

Daily, 11am NZT

### Dividend reinvestment available

Yes

## Fund objective

To provide a total return, before costs and tax, higher than the S&P/NZX 50 Index (gross and including imputation credits) over the long term (3 years plus).

## Fund update

Stock selection within the financials space contributed positively to performance over the period; notably an underweight to Heartland Group, which fell almost 17% for the quarter. An overweight to Westpac Banking Corp. was also positive. Stock selection amongst industrials added further value, including an underweight to national carrier Air New Zealand; the stock falling 13% over the period. Other notable positions to add value were underweights to Arvida Group, Vector and a2 Milk Company. In contrast, stock selection within the healthcare sector detracted from overall performance in the fourth quarter. This included an overweight to Ryman Healthcare and an underweight to Fisher & Paykel Healthcare, which climbed 10.5% following a better-than-expected earnings update.

## Performance review (%)

Period ending 31/12/2023	1 month	3 months	1 year p.a.	3 years p.a.	5 years p.a.	Since inception p.a.
Gross fund performance	4.40	4.65	4.28	-1.71	7.49	11.57
Net fund performance	4.34	4.44	3.46	-2.62	6.33	10.24
Benchmark return*	3.96	4.30	3.51	-2.72	6.79	10.98
Excess fund performance (gross)	0.44	0.35	0.77	1.01	0.70	0.59

## Rolling 12 month performance (%)

Period ending 31/12/2023	31/12/18 31/12/19	31/12/19 31/12/20	31/12/20 31/12/21	31/12/21 31/12/22	31/12/22 31/12/23
Gross fund performance	29.89	16.32	3.19	-11.75	4.28
Net fund performance	28.22	14.82	1.94	-12.45	3.46
Benchmark return*	31.64	14.62	0.20	-11.25	3.51

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

Net fund performance shown is net of fees and charges. Assumes reinvestment of income.

Performance data is provided for informational purposes only and is not intended to imply a recommendation about a product or form the basis for making an investment decision.

Performance is calculated on exit price.

Past performance is not a reliable indicator of future performance.

## Portfolio statistics

	Fund	Benchmark
Number of equity holdings	57	50
Price / earnings	17.09	17.02
Dividend yield	3.32%	3.00%
Price to book	1.74	1.71

3 years	Fund	Benchmark
Volatility	11.56%	11.91%
Tracking error	1.28%	-
Sharpe ratio	-0.30	-
Information ratio	0.79	-

## Russell Investments NZ Shares Fund

### Top ten holdings (%)

Security	Fund	Benchmark
FISHER & PAYKEL HEALTHCARE C	10.35	11.70
AUCKLAND INTL AIRPORT LTD	9.40	9.84
SPARK NEW ZEALAND LTD	9.00	8.07
INFRATIL LTD	7.92	7.11
CONTACT ENERGY LTD	7.33	5.37
MERIDIAN ENERGY LTD	5.98	5.86
MAINFREIGHT LTD	5.69	5.05
EBOS GROUP LTD	3.94	4.76
MERCURY NZ LTD	3.86	3.75
RYMAN HEALTHCARE LTD	3.80	3.01

### Sector allocation (%)

	Fund	Benchmark
Industrials	29.85	30.23
Health Care	22.45	22.66
Utilities	18.17	17.20
Communication Services	10.67	11.31
Real Estate	5.43	8.35
Consumer Staples	3.64	3.75
Financials	2.57	2.32
Consumer Discretionary	1.91	2.22
Information Technology	1.30	1.21
Energy	0.43	0.30
Materials	0.33	0.45
Other	3.25	-

### ESG data

	Fund	Benchmark
ESG Risk Score**	25.57	24.75
Carbon Footprint***	96.48	92.21
Tobacco Exposure	0.00%	0.00%

\*\* Higher scores imply higher ESG risk

\*\*\* Higher score implies greater carbon exposure

The ESG Risk Score is the weighted average of the Sustainalytics' Risk Score for companies in the portfolio. The Sustainalytics' Risk Score focuses on ESG issues that are financially material to the company and incorporates both risk exposure and issue management. The scores range from 0 to 100 where higher scores imply higher ESG risk. The Carbon Footprint is the Weighted Average Carbon Intensity which we define as relative carbon emissions as the weighted average of portfolio companies' Scope 1 & 2 GHG emissions divided by revenue (CO<sub>2</sub>e/\$1M revenue USD). Tobacco exposure is defined as the weight of securities in the portfolio classified as being in the GICS tobacco subindustry.

# Russell Investments NZ Shares Fund

## Portfolio structure (manager weight)

Manager	Style	Target Allocation
Devon Funds Management	Market-Oriented, Value Biased	40%
Harbour Asset Management	Growth	40%
Russell Investments	Positioning Strategies	20%

### Footnotes

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

## Important Information

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