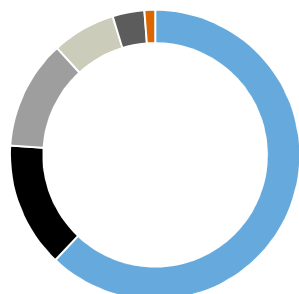


# Russell Investments Low Carbon Global Shares Fund - \$A Hedged

## Geographic allocation



North America	62.1%
EMEA ex United Kingdom	13.9%
Emerging Markets	12.2%
Japan	7.1%
United Kingdom	3.5%
Asia Pacific ex Japan	1.2%

## Fund facts

### Share class

Class AUDH

### Inception date

10 October 2017

### Benchmark

MSCI ACWI ex Australia Hedged 100% to AUD Index

### Portfolio manager

James Harwood

### Recommended investment timeframe

7 Years

### Tax structure

Investment - Class A

### APIR code

RIM8525AU

### ARSN code

619-152-644

### Management cost<sup>†</sup>

0.53%

### Performance-related fee<sup>‡</sup>

N/A



## Fund objective

To provide a total return, before costs and tax, in line with the Class's benchmark over rolling three year periods with a focus on reducing the Fund's exposure to carbon relative to benchmark.

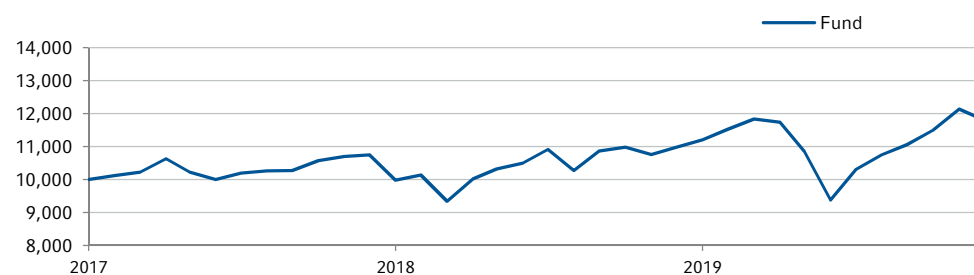
## Fund strategy

The Fund invests predominantly in a broad range of international shares listed on stock exchanges in developed and emerging international markets. The Fund will maintain a reduced carbon exposure compared to the Benchmark, whilst also increasing exposure to renewable energy and taking into account other ESG considerations such as the exclusion of controversial weapons, uranium and tobacco companies. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk. Foreign currency exposures for the Class are largely hedged back to Australian dollars using derivatives.

## Performance review<sup>1</sup>

Period ending 30/09/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-2.80	6.62	7.36	-	-	6.13

## Growth of \$10,000



## Fund commentary

The Russell Investments Low Carbon Global Shares Fund returned 6.8% in hedged AUD terms in the September quarter.

The Fund benefited from its low carbon tilt and structural underweight to companies with large carbon reserves; most of which sit within the energy space. Stock selection within the energy sector was also positive; notably an underweight to US oil giant, Exxon Mobil. Stock selection amongst industrials also added value, including overweights to US water technology provider, Xylem, and Denmark's Vestas Wind Systems A/S. Vestas maintains a focus on renewable energy and scores highly on our ESG scoring methodology. Our structural underweight to utilities added further value during the quarter. Utilities, which along with energy and materials tends to be a large carbon emitter, underperformed the index over the period. The Fund's exclusion of tobacco companies was another source of value add, with the likes of British American Tobacco, Altria Group and Imperial Brands all underperforming the broader market. Our exclusion of companies involved in the manufacture of nuclear weapons was also positive, including Boeing. Boeing fell sharply after the company said it had discovered a new manufacturing issue with its 787 Dreamliner. In contrast, an overweight to financials and poor stock selection within the healthcare space detracted from overall returns, albeit modestly.

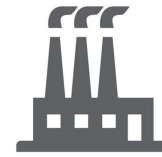
<sup>†</sup> For the year ending 30/6/2019 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

<sup>‡</sup> For the year ending 30/6/2019. May be charged if performance targets are met. Refer to PDS for further information.

# Russell Investments Low Carbon Global Shares Fund - \$A Hedged (continued)

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**Carbon Emissions\***  
**61% lower**



**Carbon Reserves\*\***  
**74% lower**



**Green energy ratio\*\*\***  
**26% higher**



**ESG Score ~**  
**4% higher**



\* We define relative carbon emissions as Scope 1 (direct) carbon emissions plus Scope 2 (electricity consumption) carbon emissions measured in metric tons of carbon dioxide equivalent (CO<sub>2</sub>-e), divided by company revenue (USD).

\*\* We refer to relative carbon reserves as the asset relative fossil fuel reserves of a company. Specifically it is defined as: Fossil fuel reserves (m tonnes) divided by total company assets (USD).

\*\*\* The green energy score calculates the percentage of total energy produced from renewable energy sources. The calculation accounts for energy source classifications of Green, Brown and Grey power generation. With the calculation reflecting the proportion of green power generation divided by total power generation.

~ The ESG Score is a proprietary calculation drawing on data provided by Sustainalytics and applying the SASB® Materiality Map™ to determine an ESG score based on ESG issues that are considered financially material to a firm's business.

# Russell Investments Low Carbon Global Shares Fund - \$A Hedged (continued)

## Fund Exclusions

Tobacco Manufacture and Production



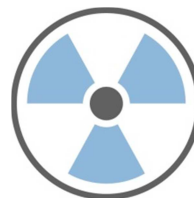
Controversial weapons manufacture



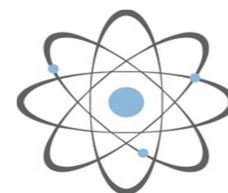
High intensity coal



Nuclear



Uranium



## Sector allocation

	Fund
Information Technology	22.3%
Consumer Discretionary	13.3%
Health Care	12.9%
Financials	12.4%
Communication Services	9.8%
Industrials	9.4%
Consumer Staples	8.1%
Materials	4.1%
Real Estate	2.8%
Utilities	2.6%
Energy	2.4%

## Top ten holdings

Security	Fund	Benchmark
Apple Inc.	4.1%	4.0%
Microsoft Corporation	3.0%	3.0%
Amazon.com, Inc.	2.6%	2.7%
Facebook, Inc. Class A	1.3%	1.3%
Alibaba Group Holding Ltd. Sponsored ADR	1.2%	1.1%
Alphabet Inc. Class C	0.9%	0.9%
Alphabet Inc. Class A	0.9%	0.9%
Tencent Holdings Ltd.	0.8%	0.8%
Johnson & Johnson	0.8%	0.8%
Nestle S.A.	0.8%	0.7%

### Footnotes

1 Performance is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance.

^ We license and apply the SASB® Materiality Map™ General Issue Categories in our work.

## Important information

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