

RUSSELL INVESTMENTS PRESENTATION TO THE MEMBERS

Cook Islands National Superannuation Fund

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October 2014

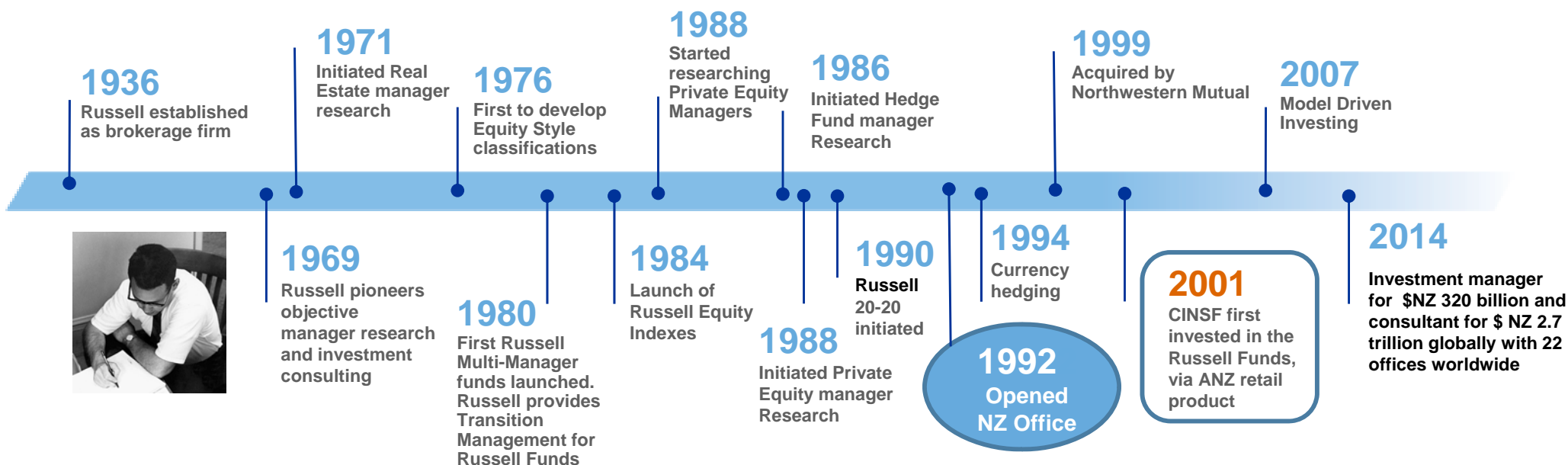
INVESTED. TOGETHER.



Introduction to Russell Investments

Our history: An overview

A legacy of industry-shaping thought leadership



Russell by numbers:

Assets under management (as of 30-Jun-14)	NZ\$320 billion
Associates in offices worldwide	1,900
Years in business	78
Years in manager research	45
Years in investment consulting	45
Years in multi-manager investments	34
Investment products	350+

Data as at 30 June 2014 unless otherwise stated

Serving clients for over 20 years in NZ

Diverse blue-chip client base



AIR NEW ZEALAND



GOVERNMENT
SUPERANNUATION FUND
AUTHORITY

Awards won



Performance

Cook Islands National Superannuation Fund

KiwiSaver peer comparison – moderate investor

	1 year comparison p.a	3 year comparison p.a.
Rank (<i>net of fees performance</i>)	2/20	1/16
Cook Island National Superannuation Fund - gross actual	12.03%	10.60%
Cook Island National Superannuation Fund - <i>net of estimated fees</i>	11.26%	9.83%
Survey Median excl. CINSF	8.00%	6.80%
Highest (from survey)	12.80%	9.50%
Lowest (from survey)	4.80%	5.40%

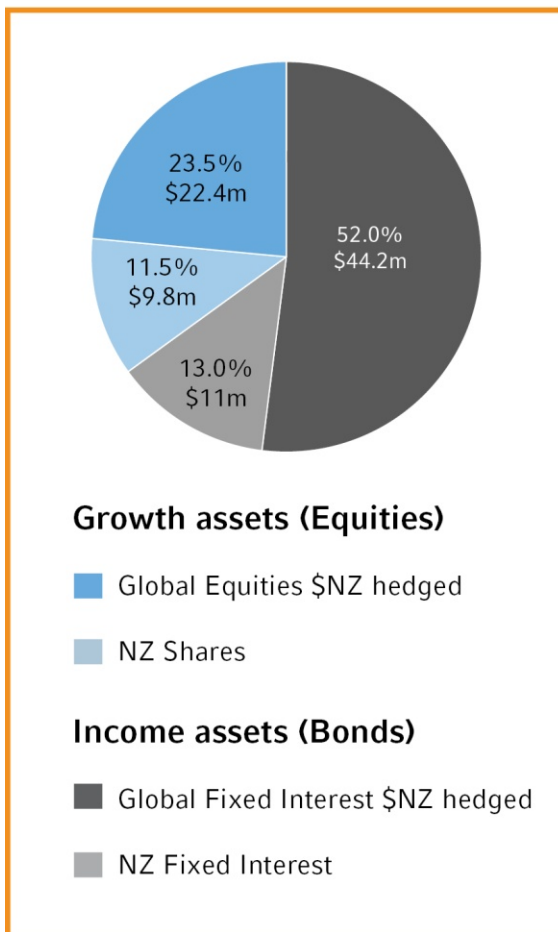
- CINSF SAA growth allocation 35%
- Average survey growth allocation 32.4%
- Growth allocation ranged from 40% - 25% for this option

Based on the Moderate option total returns in the Morningstar June 2014 survey. Past performance is not a reliable indicator of future performance.

How Russell invests CINSF assets

Cook Islands National Superannuation Fund

Where your members' money is invested



Multi-asset

Global Equities \$NZ hedged

Multi-style

Multi-manager

GROWTH: VALUATION SENSITIVE	MFS Investment Management (USA)
VALUE MOMENTUM: MID CAP	Numeric (USA)
VALUE: LARGE CAP	Harris Associates (USA)
THEMATIC VALUE	Sanders Capital LLC (USA)
GROWTH: GLOBAL	Wellington Management (USA)
RUSSELL POSITIONING STRATEGIES	Russell Investment (USA)
EMERGING MARKETS CPM	Russell Investment (USA)

NZ Shares

NZ & AUSTRALIAN SHARES

Harbour Asset Management Ltd (NZ)

Global Fixed Interest \$NZ hedged

SECTOR SPECIALIST	Pacific Investment Management Company (PIMCO) (USA)
CORE: VALUE	Loomis Sayles & Company L.P. (USA)
MACRO: VALUE	Colchester Global Investors Ltd (UK)
TACTICAL	Strategic Fixed Income LLC (USA)
STRUCTURED FINANCE SPECIALIST	Hyperion Brookfield (USA)
MULTI STRATEGY ABSOLUTE RETURN	Russell Investment Company plc (UK)

NZ Fixed Interest

NZ FIXED INTEREST

Harbour Asset Management Ltd (NZ)

The investment managers are current as at September 2014. The investment managers, and their allocations, may change from time to time without notice.

Cook Islands National Superannuation Fund

The people working for your members



Over \$NZ 300 billion
in funds under
management

23 capital markets
researchers

293 investment
division
professionals

4000+ manager
research meetings
annually

50+ dedicated
manager
researchers

Our investment approach

Moving from your objectives to repeatable outcomes



DESIGN

Blueprint strategy designed to achieve the required outcome



CONSTRUCT

Bring the blueprint to life. Build a real world portfolio from investment toolkit



MANAGE

Adapt responsibly to market risks and opportunities

Benefits of Russell's multi-manager approach to investing

Added value over time: Adding value net of fees for over twenty years in global asset classes

Risk reduction: Multi-manager reduces variability of returns from active management

Governance: We manage your portfolio with robust governance. Segregated mandates give us control

Access to specialists around the world: Specialists generally outperform generalists

Efficient transition: Our goal is to transition with low costs and minimal out of market exposure

Appendices

Cook Islands National Superannuation Fund

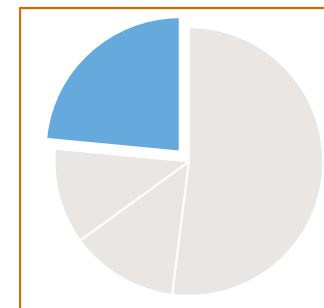
Fee structure

Global Assets	Russell Global Opportunities Fund \$NZ hedged	NZ Shares Fund	Russell Global Bond Fund	NZ Fixed Interest
Management fee - accrued inside the fund (incl GST)	1.29%	1.22%	0.64%	0.61%
Rebate	0.49%	0.51%	0.00%	0.05%
Agreed management fee	0.80%	0.71%	0.64%	0.56%
<i>Plus</i> in-fund costs	0.12%	0.11%	0.07%	0.11%
Total management fee incl. in-fund costs and GST	0.92%	0.82%	0.71%	0.67%

Total Management Expense Ratio based on current strategic asset allocation
= 0.77%

How your members' money is invested

Russell Global Equities \$NZ hedged (23.5%)

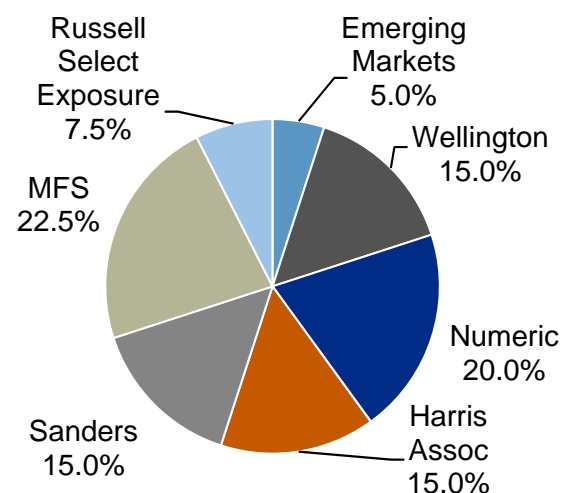


Phil Hoffman, Portfolio Managers
Over 28 years' industry experience and over 18 years with Russell



Objective:

To aim to significantly outperform the Fund's benchmark, before costs and tax, over the long term by providing exposure to a diversified portfolio of predominantly international shares

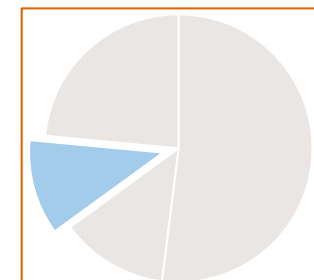


Focus	Benchmark	Launch date	Fund size
Global equities	Russell Global Large Cap	December 2004	NZ\$ 3.3 billion Australian Unit Trust CINSF AUM \$22.4m NZD

Source: Russell Investments. Data as at 30 September 2014, unless otherwise stated. The weights shown are strategic weights for this Russell Fund

How your members' money is invested

NZ Shares (11.5%)



New Zealand and Australian Shares (predominantly NZ) Assets in a customised mandate



Andrew Bascand

Fund Objective:

Provide a total return higher than the benchmark by having an underlying exposure to a diversified portfolio of New Zealand (and Australian) equity securities.

Manager allocation

Based on the recommendation of Russell, the current manager is **Harbour Asset Management**. Key members of Harbour's equity team are:

- Andrew Bascand
- Kevin Bennett
- Darryl Briggs
- Craig Sent
- Oyvinn Rimer and Susanna Fuerst

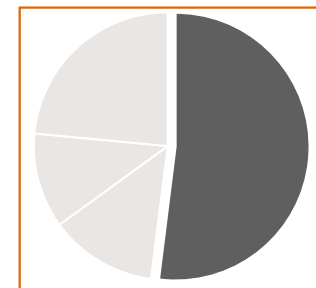
Harbour are a specialist investment manager based in Wellington who manage approximately \$1.2 billion

Focus	Benchmark	Launch date	Fund size
Predominantly NZ equity securities (with ability to hold some Australian securities)	NZX 50 Gross Index	14 February 2013 - PIE Underlying mandate has been managed by Russell and Harbour for >3 years	\$NZ 66m in Russell Investments Australasian Shares Fund CINSF \$9.8m NZD

Source: Russell Investments. Data as at 30 September 2014, unless otherwise stated.

How your members' money is invested

Global Fixed Interest \$NZ hedged (52.0%)



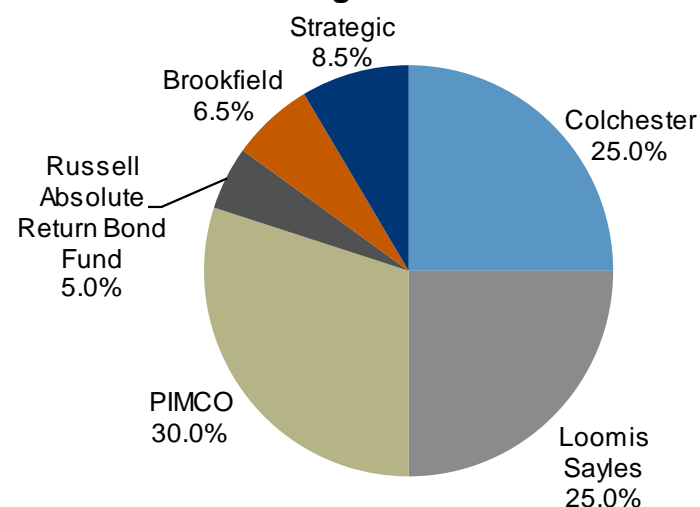
Albert Jalso, Portfolio Manager
13 years' experience



Fund Objective:

Outperform the broad global bond market consistently using multiple, superior global managers

Manager allocation



Focus

Broad Market Global Bonds

Benchmark

Barclays Global Aggregate Index \$NZ Hedged

Launch date

30 September 1994

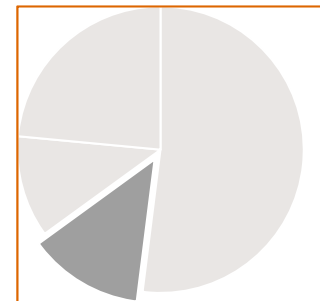
Fund size

NZ\$ 2.7 billion
Australian Unit Trust
CINSF \$44.2m NZD

Source: Russell Investments. Data as at 30 September 2014, unless otherwise stated. The weights shown are strategic weights for this Russell Fund

How your members' money is invested

NZ Fixed Interest (13.0%)



New Zealand Fixed Interest Assets in a customised mandate



Christian Hawkesby

Fund Objective:

Provide a total return higher than the benchmark by having an underlying exposure to a diversified portfolio of New Zealand fixed interest securities.

Manager allocation

Based on the recommendation of Russell, the current manager is **Harbour Asset Management**. Key members of Harbour's fixed interest team are:

- Andrew Bascand
- Mark Brown
- Christian Hawkesby
- Simon Pannett

Harbour are a specialist investment manager based in Wellington who manage approximately \$1.2 billion

Focus	Benchmark	Launch date	Fund size
NZ fixed interest securities	ANZ NZ Govt Stock Index	14 February 2013 – PIE	\$NZ 60m in Russell Investments NZ Fixed Interest Fund CINSF \$11m NZD

Source: Russell Investments. Data as at 30 September 2014, unless otherwise stated.

Russell Investments signed the UN PRI in September 2009

1. We will incorporate ESG issues into investment analysis and decision-making processes
2. We will be active owners and incorporate ESG issues into our ownership policies and practices
3. We will seek appropriate disclosure on ESG issues by entities in which we invest
4. We will promote acceptance and implementation of the Principles within the investment industry
5. We will work together to enhance our effectiveness in implementing the Principles
6. We will each report on our activities and progress towards implementing the Principles

Source: Russell Research, Responsible Investment Update 2013, by Daniel Mussett and Mike Clark.

Client service contacts



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Thank you

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