

## What is global investing, exactly?

September 13th, 2012

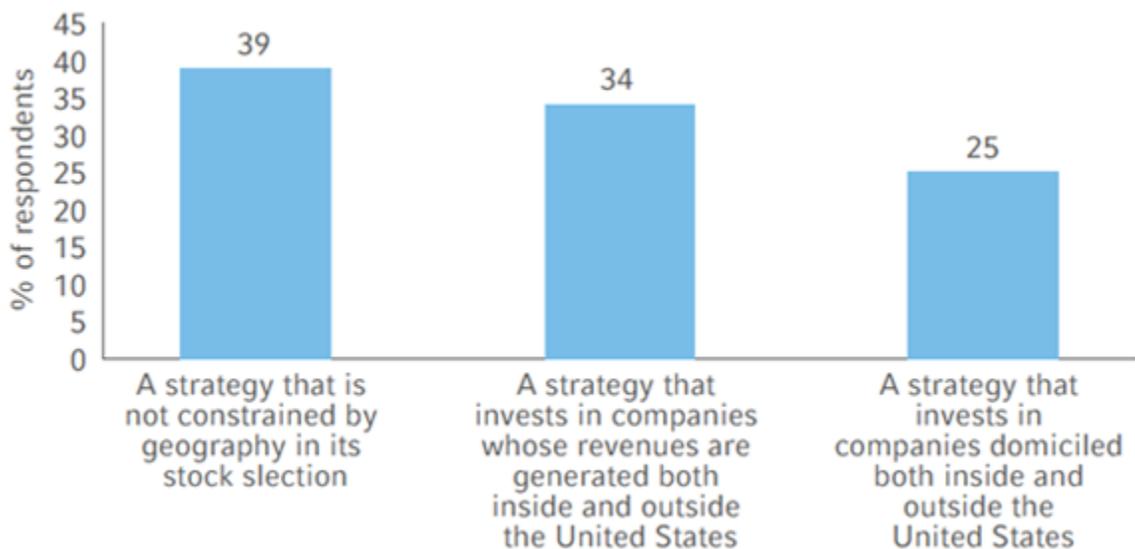
Mike Smith,  
Consulting Director for  
PCS Consulting  
Services Group

Given all the uncertainty in Europe these days and increasing signs of a slowdown in China, we thought **the time might be right to ask advisors what global investing means to them** and how they provide global exposure to clients. We were also curious to know if their global strategies changed over the last five years. That's the focus for this quarter's Financial Professional Outlook.

So what does it really mean to be a global investor? Is it merely a matter of geography (where a company is domiciled)? Is it where a company makes its money? **Could it be both?**

In our efforts to put a definition around the term "global investing," we offered several options to advisors. We decided to frame the question specifically around their exposure to global equity and below you'll see the question and choices.

### Advisor's definition of global equity



*Responses from Russell's 2012 3rd Quarter Financial Professional Outlook question, "Which of the following best describes an investment strategy that has global equity exposure? (Please choose only one.)"*

The top definition, "a strategy that is not constrained by geography," had a 39% response, while 34% chose "a strategy that invests in companies whose revenues are generated both inside and outside the United States" and 25% selected "a strategy that invests in companies domiciled both inside and outside the United States."

There wasn't a runaway winner here. In fact, **it's pretty clear to us that the way advisors define global investing is open to interpretation.** Since there isn't one definition of what it means to be a global investor, it's important that advisors articulate their own view to get clients on the same page. That **opens the door for advisors to have a conversation** on the role global investing can play in a diversified portfolio.

In the coming weeks we'll discuss in more depth additional findings from the September 2012 Financial Professional Outlook, so please stay tuned.

Download the most recent version of the quarterly Financial Professional Outlook.

## Disclosures

---

Russell Investments does not control, endorse or accept responsibility for content, services, security or privacy on third-party sites.

Nothing contained in this material is intended to constitute legal, tax, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth.

Russell Investment Group, a Washington USA corporation, operates through subsidiaries worldwide, including Russell Investments, and is a subsidiary of The Northwestern Mutual Life Insurance Company.

The Russell logo is a trademark and service mark of Russell Investments.

Copyright © Russell Investments 2013. All rights reserved. This material is proprietary and may not be reproduced, transferred, or distributed in any form without prior written permission from Russell Investments. It is delivered on an "as is" basis without warranty.

**Russell Financial Services, Inc., member FINRA ([www.finra.org](http://www.finra.org)), part of Russell Investments.**

Not FDIC Insured • May Lose Value • No Bank Guarantee

[Read this post on our blog: http://blog.helpingadvisors.com/2012/09/13/what-is-global-investing-exactly/](http://blog.helpingadvisors.com/2012/09/13/what-is-global-investing-exactly/)