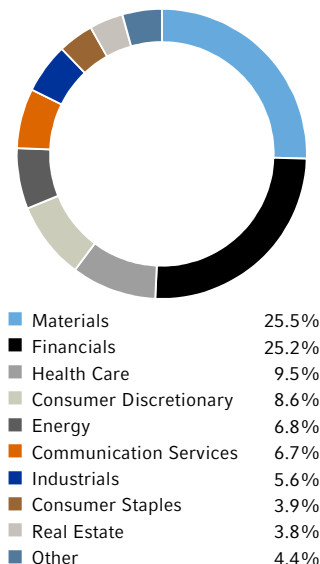


Russell Investments Australian Opportunities Fund

Sector allocation



Fund objective

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

Fund strategy

The Fund invests predominantly in shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The Fund may also engage in short selling of securities. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.

Performance review¹

Period ending 31/05/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	1.82	6.68	28.17	7.57	8.78	8.62

Growth of \$10,000



Fund facts

Share class

Class A

Inception date

31 May 2004

Fund size

AUD 520.56m

Benchmark

S&P/ASX 300 Accumulation Index

Portfolio manager

Symon Parish

Recommended investment timeframe

7 years

Tax structure

Investment - Class A

APIR code

RIM0029AU

ARSN code

108-895-469

Management cost[†]

1.20%

Performance-related fee[‡]

0.08%

Fund commentary

The Russell Investments Australian Opportunities Fund underperformed the benchmark in May. However, the Fund did deliver positive absolute returns for the month.

Much of the Fund's underperformance was driven by a handful of stock-specific positions. In particular, returns were impacted by a sizable underweight to CBA, which hit a record high on a combination of better-than-expected earnings and the general optimism surrounding the domestic growth outlook. Stock selection within the materials sector also weighed on performance; notably overweights to Incitec Pivot, Oil Search and Nufarm. Other notable positions to detract from returns were underweights to Westpac, CSL Ltd. and Woolworths. In contrast, the Fund benefited from positive stock selection within the value space, including overweights to QBE Insurance, Newcrest Mining and Virgin Money UK. An underweight to the poor-performing information technology sector also added value; notably an underweight to buy now, pay later platform Afterpay. An underweight to utilities added further value over the period, including an underweight to AGL Energy. Other key holdings to add value were underweights to Transurban, Macquarie Group and New Zealand's a2 Milk Company.

There were no material changes to the Fund's overall positioning during the month. We continue to favour cyclical exposures across both value and growth (with a preference for the former) and remain underweight quality and low-volatility stocks.

[†] For the year ending 30/6/2020 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

[‡] For the year ending 30/6/2020. May be charged if performance targets are met. Refer to PDS for further information.

Russell Investments Australian Opportunities Fund (continued)

Detailed performance review^{1,2}

	1 year %p.a.	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	28.2	7.6	8.8	8.6
Distribution	2.4	6.3	6.4	6.3
Growth	25.8	1.3	2.4	2.3

ESG data

	Fund	Benchmark
ESG Risk Score**	24.67	24.06
Carbon Footprint***	271.32	205.93
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 of the Scope 1 (direct) and Scope 2 (electricity consumption) carbon emissions of companies in the portfolio, measured in metric tons of carbon dioxide equivalent (CO₂-e) divided by company revenue (USD). Tobacco exposure is defined as the weight of securities in the portfolio classified as being in the GICS tobacco subindustry.

Top ten holdings

Security
CSL LTD
BHP GROUP LTD
AUST AND NZ BANKING GROUP
COMMONWEALTH BANK OF AUSTRALIA
NATIONAL AUSTRALIA BANK LTD
NEWCREST MINING LTD
QBE INSURANCE GROUP LTD
WESTPAC BANKING CORP
TELSTRA CORP LTD
OIL SEARCH LTD

Russell Investments Australian Opportunities Fund (continued)

Portfolio structure*

Manager	Style	Weight %
Allan Gray	Deep Value	15.0
Ausbil Investment Management	Style Neutral, 130/30	15.0
Firetrail Investments	Opportunistic, high conviction	15.0
L1 Capital	Opportunistic, high conviction	7.5
Liquidity Reserve	Cash	3.0
Platypus Asset Management	Aggressive growth	17.5
Russell Investments	Positioning strategies	9.5
Vinva	Quantitative, 130/30	17.5

Contact Russell Investments

To find out more about Russell Investments or how you can diversify your portfolio in just one transaction, you can:

visit our website at russellinvestments.com.au

To invest in Russell Investments Retail Funds, contact your adviser today.

For more information:

NSW, QLD, ACT & NT : 02 9229 5111 VIC, SA, WA & TAS: 03 9270 8111

Footnotes

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

2 The distribution return reflects income paid from the Fund, whilst the growth return reflects changes in the capital values of the units.

*Russell Investments retains the discretion to change the investment managers at any time without notice. Please check russellinvestments.com.au/disclosures for the latest list of managers.

Allocations may not equal 100% due to rounding

Important information

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