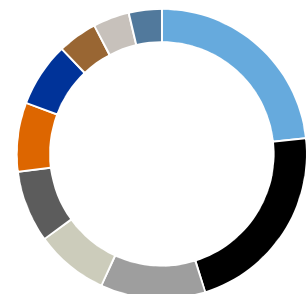


Russell Investments Australian Opportunities Fund

Sector allocation



Financials	23.3%
Materials	21.9%
Health Care	11.7%
Consumer Discretionary	8.2%
Energy	8.0%
Communication Services	7.7%
Industrials	7.2%
Information Technology	4.4%
Real Estate	4.0%
Other	3.7%

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 30/09/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-1.10	1.90	30.28	7.51	8.93	8.64

Growth of \$10,000



Fund facts

Share class

Class A

Inception date

31 May 2004

Fund size

AUD 471.55m

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 outperformed the benchmark in the September quarter.

Contributing to the Fund's outperformance was positive stock selection within the more cyclical parts of the market, including underweights to Fortescue Metals Group and BHP Billiton and an overweight to Alumina. Stock selection within the healthcare space was also positive for the quarter; notably an overweight to ResMed. A material overweight to the strong-performing energy sector added further value over the period, including our holdings in Oil Search and Woodside Petroleum. Other notable positions to benefit performance were an underweight to Wesfarmers and an overweight to QBE Insurance. In contrast, an underweight exposure to banks detracted from overall returns; notably Commonwealth Bank of Australia, which hit a record high on the back of a solid earnings result and the general optimism surrounding the recovery. Poor stock selection within the information technology space also weighed on performance, including an underweight to WiseTech Global. Other key holdings to impact performance were underweights to Macquarie Group and takeover target Sydney Airport.

There were no material changes to the Fund's overall positioning during the quarter. However, we did trim our value factor exposure in favour of more cyclical growth exposure. Overall, 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	30.3	7.5	8.9	8.6
Distribution	7.5	5.5	7.0	6.5
Growth	22.8	2.0	1.9	2.1

ESG data

	Fund	Benchmark
ESG Risk Score**	24.21	23.48
Carbon Footprint***	291.02	202.81
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
COMMONWEALTH BANK OF AUSTRALIA
BHP GROUP LTD
NATIONAL AUSTRALIA BANK LTD
QBE INSURANCE GROUP LTD
TELSTRA CORP LTD
NEWCREST MINING LTD
WESTPAC BANKING CORP
ARISTOCRAT LEISURE LTD
AUST AND NZ BANKING GROUP

Russell Investments Australian Opportunities Fund (continued)

Portfolio structure*

Manager	Style	Weight %	Comment
Allan Gray	Deep Value	15.0	Allan Gray outperformed the benchmark over the quarter, driven in part by overweights to Alumina, Incitec Pivot and QBE Insurance. A material underweight to BHP Billiton also added value.
Ausbil Investment Management	Style Neutral, 130/30	15.0	Ausbil underperformed the benchmark over the quarter, hurt in part by overweights to BHP Billiton, PointsBet and Northern Star Resources. An underweight to Sydney Airport also weighed on returns.
Firetrail Investments	Opportunistic, high conviction	15.0	Firetrail outperformed the benchmark over the quarter, driven by overweights to Qantas, ResMed and Oil Search. An underweight to BHP Billiton also added value.
L1 Capital	Opportunistic, high conviction	7.5	L1 Capital outperformed the benchmark over the quarter, driven by overweights to Coronado Global Resources, Downer EDI, Qantas and Star Entertainment Group.
Liquidity Reserve	Cash	3.0	The Fund's liquidity reserve comprises cash awaiting investment or held to meet redemption requests or to pay expenses. The Fund typically exposes all or a portion of its cash to the performance of appropriate markets by purchasing equity securities and/or derivatives. Any remaining cash is invested in an unregistered cash management fund advised by Russell Investment Management Ltd.
Platypus Asset Management	Aggressive growth	17.5	Platypus underperformed the benchmark over the quarter, driven by overweights to Reece Ltd., Cochlear and Netwealth. An underweight to WiseTech Global also weighed on returns.
Russell Investments	Positioning strategies	9.5	The strategy underperformed the benchmark over the quarter, driven by overweights to AGL Energy, Rio Tinto and Fortescue Metals Group. Overweights to Worley Ltd. and AMP Ltd. also weighed on returns.
Vinva	Quantitative, 130/30	17.5	Vinva underperformed the benchmark over the quarter, driven in part by poor stock selection within the materials space; including an underweight to Alumina. An underweight to banks also weighed on returns.

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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