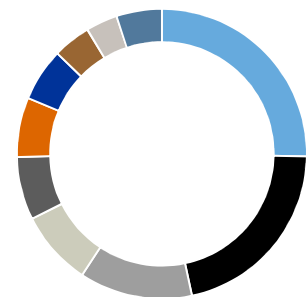


Russell Investments Australian Opportunities Fund

Sector allocation³



Materials	25.3%
Financials	21.4%
Health Care	12.6%
Industrials	8.3%
Consumer Discretionary	7.0%
Energy	6.6%
Real Estate	5.9%
Communication Services	4.3%
Consumer Staples	3.5%
Other	5.1%

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 31/07/2023	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	3.01	2.24	10.63	11.41	5.61	8.12

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

Fund facts

Share class

Class A

Inception date

31 May 2004

Fund size

AUD 200.08m

Benchmark

S&P/ASX 300 Accumulation Index

Portfolio manager

James Harwood

Recommended investment timeframe

7 years

Tax structure

Investment - Class A

APIR code

RIM0029AU

ARSN code

108-895-469

Management fees and costs[†]

1.11%

Performance fees[‡]

0.13%

Growth of \$10,000



Fund commentary

The Russell Investments Australian Opportunities Fund outperformed the benchmark in July.

Contributing to the Fund's outperformance was stock selection within the materials space. This included an underweight to iron ore major Fortescue Metals Group, which fell after management warned that inflationary pressures would lead to higher unit costs over the next 12 months. Other materials positions to add value were overweights to James Hardie Industries, Incitec Pivot and BlueScope Steel. All three stocks posted strong gains for the month. The Fund also benefited from stock selection within the industrials sector; notably an overweight to Downer EDI and an underweight to supply-chain logistics firm Brambles. Stock selection amongst communication services names added further value in July, including an underweight to Telstra and overweights to Seek and REA Group. In contrast, a material underweight to the strong-performing financials sector detracted from overall performance. This included underweights to the 'Big Four' banks – all of which recorded good gains for the month – and an overweight to QBE Insurance. Stock selection within the information technology space also weighed on returns; notably an underweight to internet connectivity business Megaport, which climbed almost 42% after management upgraded the company's earnings guidance. Performance was further impacted by an overweight to the poor-performing healthcare sector; notably an overweight to Ansell, which fell nearly 10% after the company warned that an oversupply of its products would impact earnings.

³ Allocations may not equal 100% due to rounding.

[†] As a percentage of net assets. Includes management fee, indirect costs and expense recoveries. Reflects RIM's reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for previous financial year and may include RIM's reasonable estimates where information was not available or where RIM was unable to determine the exact amount. Refer to the PDS for further information.

[‡] As a percentage of net assets. RIM does not charge a performance fee at the Fund level, however underlying funds and managers may charge a performance fee. This estimated fee is based on the average of actual performance fees incurred over the past 5 financial years. 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	10.6	11.4	5.6	8.1
Distribution	6.2	8.0	6.6	6.7
Growth	4.4	3.4	-1.0	1.4

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.

ESG data

	Fund	Benchmark
ESG Risk Score**	24.79	23.35
Carbon Footprint***	266.16	178.79
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
BHP GROUP LTD
CSL LTD
SANTOS LTD
QBE INSURANCE GROUP LTD
COMMONWEALTH BANK OF AUSTRALIA
ANZ GROUP HOLDINGS LTD
NEWCREST MINING LTD
RESMED INC-CDI
GOODMAN GROUP
BLUESCOPE STEEL LTD

Russell Investments Australian Opportunities Fund (continued)

Portfolio structure⁴

Manager	Style	Weight %
Allan Gray	Deep Value	12.0
Ausbil Investment Management	Style Neutral, 130/30	15.0
Firetrail Investments	Opportunistic, high conviction	14.0
L1 Capital (Catalyst)	Concentrated, activist	7.0
Platypus Asset Management	Aggressive growth	14.0
Russell Investments	Liquidity Reserve	3.0
Russell Investments	Positioning strategies	9.0
Vinva	Quantitative, 130/30	12.0
WaveStone Capital	Quality growth	14.0

⁴ 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.

Contact Russell Investments

For further information about Russell Investments please visit russellinvestments.com.au

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