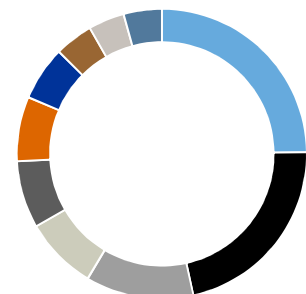


Russell Investments Australian Opportunities Fund

Sector allocation³



Materials	24.8%
Financials	21.7%
Health Care	12.0%
Industrials	8.2%
Consumer Discretionary	7.5%
Energy	7.2%
Real Estate	6.1%
Communication Services	4.3%
Consumer Staples	4.0%
Other	4.2%

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 30/09/2023	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-3.41	-1.86	10.90	9.61	4.66	7.77

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 190.51m

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 underperformed the benchmark in the September quarter.

Contributing to the Fund's underperformance was a material overweight to the poor-performing healthcare space. Stock selection within the sector also weighed on returns, including overweights to ResMed, Ansell and New Zealand's Fisher & Paykel Healthcare. All three stocks recorded sharp declines for the quarter. An underweight exposure to the financials space also detracted from performance; notably underweights to National Australia Bank, Commonwealth Bank of Australia and ANZ Group. Performance was further impacted by stock selection within the consumer discretionary sector. This included underweights to Wesfarmers, Premier Investments and electronics retailer JB Hi-Fi. Other key holdings to impact returns over the period were overweights to Alumina and mobile payments company Block. In contrast, the Fund benefited from stock selection amongst consumer staples, including underweights to major grocery retailers Coles and Woolworths and New Zealand's a2 Milk Company. Stock selection amongst property trusts also added value over the period; notably an overweight to industrial property giant Goodman Group. Stock selection within the utilities space added further value; notably an underweight to APA Group, which fell sharply after raising capital to buy Alinta Energy. Other notable positions to contribute positively to performance were an overweight to oil and gas producer Santos and an underweight to Transurban Group, which fell 11% after the competition watchdog denied the company's planned acquisition of the EastLink toll road in Melbourne.

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	10.9	9.6	4.7	7.8
Distribution	6.2	7.8	6.5	6.7
Growth	4.7	1.8	-1.8	1.1

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**	24.64	23.40
Carbon Footprint***	271.89	172.64
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 which we define as relative carbon emissions as the weighted average of portfolio companies' Scope 1 & 2 GHG emissions divided by revenue (CO₂e/\$1M 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
COMMONWEALTH BANK OF AUSTRALIA
QBE INSURANCE GROUP LTD
ANZ GROUP HOLDINGS LTD
GOODMAN GROUP
NATIONAL AUSTRALIA BANK LTD
NEWCREST MINING LTD
WOODSIDE ENERGY GROUP LTD

Russell Investments Australian Opportunities Fund (continued)

Portfolio structure⁴

Manager	Style	Weight %	Comment
Allan Gray	Deep Value	12.0	Allan Gray underperformed the benchmark over the quarter, driven by overweights to Alumina, Ansell and Sims. Underweights to National Australia Bank, Wesfarmers and Commonwealth Bank of Australia also weighed on returns.
Ausbil Investment Management	Style Neutral, 130/30	15.0	Ausbil underperformed the benchmark over the quarter, driven by overweights to CSL Ltd. and Telstra. An underweight to Megaport and an overweight to Xero also weighed on returns.
Firetrail Investments	Opportunistic, high conviction	14.0	Firetrail underperformed the benchmark over the period, hurt in part by overweights to Alumina and CSL Ltd. Underweights to National Australia Bank and ANZ Group also weighed on returns.
L1 Capital (Catalyst)	Concentrated, activist	7.0	L1 Capital's Catalyst strategy underperformed the benchmark over the period, driven by overweights to national carrier Qantas, Nickel Industries and Chorus Ltd. An overweight to BlueScope Steel also weighed on returns.
Platypus Asset Management	Aggressive growth	14.0	Platypus underperformed the benchmark over the quarter, driven in part by overweights to poor-performing names like Endeavour Group, WiseTech Global and New Zealand's Fisher & Paykel Healthcare.
Russell Investments	Liquidity Reserve	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.
Russell Investments	Positioning strategies	9.0	The strategy underperformed the benchmark over the quarter, driven in part by overweights to Orora, Dexs and Mirvac Group. An underweight to Woodside Energy Group also weighed on returns.
Vinva	Quantitative, 130/30	12.0	Vinva outperformed the benchmark over the quarter, driven in part by their value exposure. Stock selection amongst materials also added value, including short positions in Chalice Mining and Core Lithium.
WaveStone Capital	Quality growth	14.0	WaveStone Capital underperformed the benchmark over the quarter, hurt in part by overweights to Endeavour Group, CSL Ltd. and Transurban. An underweight to industrial property giant Goodman Group also weighed on returns.

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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