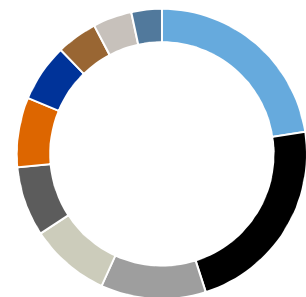


Russell Investments Australian Opportunities Fund

Sector allocation



Materials	22.6%
Financials	22.6%
Health Care	11.7%
Consumer Discretionary	8.9%
Energy	7.8%
Communication Services	7.8%
Industrials	6.4%
Information Technology	4.6%
Real Estate	4.3%
Other	3.4%

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 31/10/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	0.29	1.66	28.40	9.94	9.49	8.61

Growth of \$10,000



Fund facts

Share class

Class A

Inception date

31 May 2004

Fund size

AUD 473.32m

Benchmark

S&P/ASX 300 Accumulation Index

Portfolio manager

Andrew Zenonos and Symon Parish

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[‡]

0.23%

Fund commentary

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

Contributing to the Fund's outperformance was strong stock selection within the materials space; notably an overweight to Newcrest Mining. Underweights to BHP Billiton, Rio Tinto and Fortescue Metals Group also added value over the period. All three stocks fell sharply amid further weakness in iron ore prices. Stock selection within the consumer discretionary sector added further value in October, including underweights to Domino's Pizza and Flight Centre. Our underweight exposure to more defensive consumer-related names was also positive; notably an underweight to Woolworths. Other key positions to add value in October were overweights to Netwealth Group and Perenti Global. In contrast, an underweight exposure and poor stock selection within the banking sector detracted from performance, including an overweight to Virgin Money UK. Other notable holdings to impact returns were overweights to Qantas and Nufarm. Performance was further impacted by our overweight to the energy space; though this was more than offset by positive stock selection within the sector. Meanwhile, our strategic factor positioning had no material impact on overall returns in October.

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.

[†] 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	28.4	9.9	9.5	8.6
Distribution	7.4	5.6	7.0	6.5
Growth	21.0	4.3	2.5	2.1

ESG data

	Fund	Benchmark
ESG Risk Score**	24.17	23.43
Carbon Footprint***	294.42	213.28
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
NEWCREST MINING LTD
RESMED INC-CDI
ARISTOCRAT LEISURE LTD
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

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 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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