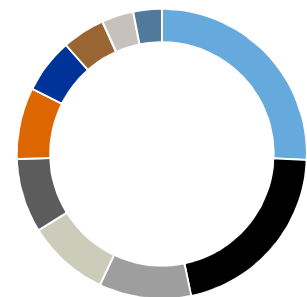


Russell Investments Australian Opportunities Fund

Sector allocation³



Materials	25.7%
Financials	21.1%
Health Care	10.3%
Consumer Discretionary	9.2%
Energy	8.3%
Communication Services	8.0%
Industrials	6.1%
Real Estate	4.8%
Information Technology	3.5%
Other	3.2%

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 31/01/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-5.73	-4.14	8.38	8.40	7.29	8.23

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 432.52m

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%

Growth of \$10,000



Fund commentary

The Russell Investments Australian Opportunities Fund outperformed the benchmark in January. However, the Fund did deliver negative absolute returns for the month.

Contributing to the Fund's outperformance was a material overweight to the energy space. Stock selection within the sector also added value, including overweights to oil and gas producer, Santos, Woodside Petroleum and Worley Ltd. All three stocks posted strong gains for the month. Stock selection within financials added further value over the period; notably our overweights to Virgin Money UK and QBE Insurance. The Fund also benefited from underweight exposures to more defensive growth names such as CSL Ltd. and Sonic Healthcare. Other notable positions to contribute positively to performance were overweights to Origin Energy and Alumina and an underweight to Wesfarmers. In contrast, poor stock selection within the materials space weighed the most on overall performance in January. This included underweights to mining heavyweights BHP Billiton, Fortescue Metals Group and Rio Tinto; all of which recorded good gains for the month. Stock selection within industrials also detracted from returns, albeit modestly. Other key holdings to impact performance were overweights to ResMed, Newcrest Mining and James Hardie Industries.

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.

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	8.4	8.4	7.3	8.2
Distribution	6.7	5.3	6.6	6.4
Growth	1.7	3.1	0.7	1.8

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**	24.66	23.55
Carbon Footprint***	355.82	236.78
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
AUST AND NZ BANKING GROUP
QBE INSURANCE GROUP LTD
NATIONAL AUSTRALIA BANK LTD
COMMONWEALTH BANK OF AUSTRALIA
NEWCREST MINING LTD
WOODSIDE PETROLEUM LTD
MACQUARIE GROUP LTD

Russell Investments Australian Opportunities Fund (continued)

Portfolio structure⁴

Manager	Style	Weight %
Allan Gray	Deep Value	12.5
Ausbil Investment Management	Style Neutral, 130/30	15.0
Firetrail Investments	Opportunistic, high conviction	14.0
L1 Capital	Opportunistic, high conviction	9.0
L1 Capital (Catalyst)	Concentrated, activist	2.5
Platypus Asset Management	Aggressive growth	17.5
Russell Investments	Liquidity Reserve	3.0
Russell Investments	Positioning strategies	9.5
Vinva	Quantitative, 130/30	17.0

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

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

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

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