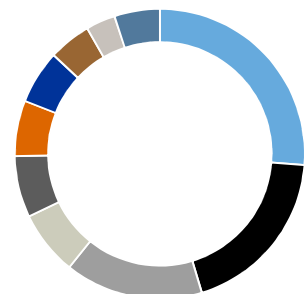


# Russell Investments Australian Opportunities Fund

## Sector allocation<sup>3</sup>



Materials	26.2%
Financials	19.1%
Health Care	15.4%
Consumer Discretionary	7.2%
Energy	6.9%
Industrials	6.2%
Real Estate	6.0%
Communication Services	4.7%
Consumer Staples	3.3%
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 review<sup>1</sup>

Period ending 31/03/2023	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-0.37	3.68	-2.17	15.85	6.39	8.03

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

## Growth of \$10,000



## Fund facts

### Share class

Class A

### Inception date

31 May 2004

### Fund size

AUD 222.51m

### 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<sup>†</sup>

1.11%

### Performance fees<sup>‡</sup>

0.13%

## Fund commentary

The Russell Investments Australian Opportunities Fund outperformed the benchmark in the March quarter.

Contributing to the Fund's outperformance was a large underweight exposure and strong stock selection within the financials space. This included underweights to National Australia Bank, Commonwealth Bank of Australia, Westpac Banking Corp. and ANZ Group; collectively known as the 'Big Four'. All four banks significantly underperformed the broader market over the period. An overweight to QBE Insurance also added value. Stock selection amongst real estate investment trusts added further value in the first quarter; notably an overweight to industrial property giant Goodman Group, which climbed more than 8% after management upgraded its earnings guidance. The Fund also benefited from positive stock selection within the energy space, including a nil exposure to Whitehaven Coal, which fell almost 26% on the back of declining coal prices. Other notable positions to add value over the period were overweights to takeover target Newcrest Mining, The Lottery Corp. and plumbing supplies group Reece Ltd. In contrast, stock selection amongst consumer-related names detracted from overall performance, including underweights to Wesfarmers, Flight Centre and Woolworths.

<sup>3</sup> Allocations may not equal 100% due to rounding.

<sup>†</sup> 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.

<sup>‡</sup> 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<sup>1,2</sup>

	1 year %p.a.	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-2.2	15.9	6.4	8.0
Distribution	10.0	7.1	7.2	6.6
Growth	-12.2	8.7	-0.8	1.5

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

<sup>2</sup> 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	23.51
Carbon Footprint***	280.16	196.06
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 (CO<sub>2</sub>-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
BHP GROUP LTD
COMMONWEALTH BANK OF AUSTRALIA
NEWCREST MINING LTD
QBE INSURANCE GROUP LTD
SANTOS LTD
RESMED INC-CDI
ANZ GROUP HOLDINGS LTD
WOODSIDE ENERGY GROUP LTD
GOODMAN GROUP

## Russell Investments Australian Opportunities Fund (continued)

### Portfolio structure<sup>4</sup>

Manager	Style	Weight %	Comment
Allan Gray	Deep Value	12.5	Allan Gray underperformed the benchmark over the quarter, driven by overweights to Alumina, Virgin Money UK and AMP. An underweight to BHP Group also weighed on returns.
Ausbil Investment Management	Style Neutral, 130/30	15.0	Ausbil underperformed the benchmark over the quarter, driven in part by a short position in takeover target Liontown Resources and underweights to South32 and Fortescue Metals Group.
Firetrail Investments	Opportunistic, high conviction	14.0	Firetrail narrowly outperformed the benchmark over the period, benefiting from overweights to takeover target Newcrest Mining and The Lottery Corp. An underweight to National Australia Bank also added value.
L1 Capital	Opportunistic, high conviction	9.0	L1 Capital's Australian Equities strategy outperformed the benchmark over the quarter, benefiting from overweights to takeover target Newcrest Mining, BlueScope Steel and The Lottery Corp.
L1 Capital (Catalyst)	Concentrated, activist	2.5	L1 Capital's Catalyst strategy outperformed the benchmark over the period, driven by overweights to BlueScope Steel, James Hardie Industries and Sandfire Resources.
Platypus Asset Management	Aggressive growth	17.5	Platypus outperformed the benchmark over the quarter, driven by overweights to Reece Ltd., WiseTech Global and REA Group.
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	9.5	The strategy narrowly underperformed the benchmark over the quarter, hurt in part by overweights to Charter Hall Group and a2 Milk Company. An underweight to Xero also weighed on returns.
Vinva	Quantitative, 130/30	17.0	Vinva underperformed the benchmark over the quarter, driven in part by a short position in takeover target Liontown Resources. An overweight to real estate investment trusts also weighed on returns.

<sup>4</sup> Russell Investments retains the discretion to change the investment managers at any time without notice. Please check [russellinvestments.com.au/disclosures](https://russellinvestments.com.au/disclosures) for the latest list of managers.

### Contact Russell Investments

For further information about Russell Investments please visit [russellinvestments.com.au](https://russellinvestments.com.au)

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