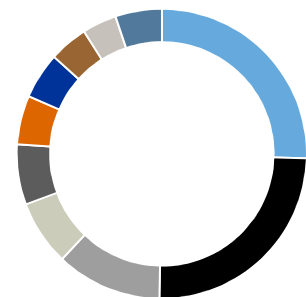


# Russell Investments Australian Shares Fund

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



Financials	25.5%
Materials	24.8%
Health Care	11.8%
Consumer Discretionary	7.3%
Industrials	6.7%
Real Estate	5.5%
Energy	5.2%
Information Technology	4.3%
Communication Services	3.9%
Other	5.2%

## Fund objective

To provide a total return, before costs and tax, higher than the Fund's benchmark over the long term by providing exposure to a diversified portfolio of predominantly Australian shares.

## Fund strategy

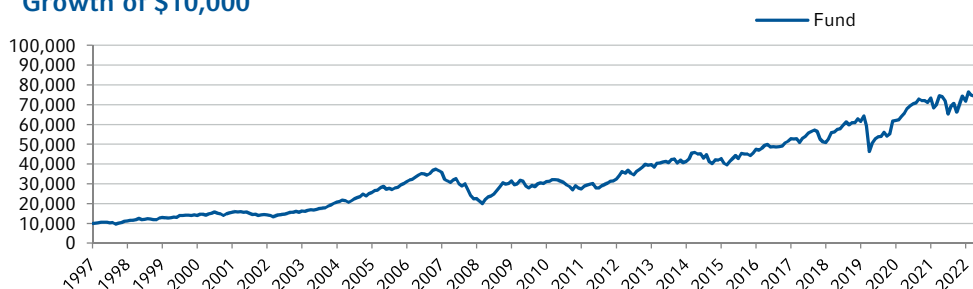
The Fund invests predominantly in shares and unit trusts listed or about to be listed on the Australian Securities Exchange. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.

## Performance review<sup>1</sup>

Period ending 30/06/2023	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	1.44	0.82	14.86	11.69	6.18	8.22

<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 commentary

The Russell Investments Australian Shares Fund performed in line with the benchmark in the June quarter.

Stock selection within the strong-performing information technology space contributed positively to performance over the period. This included overweights to Xero, WiseTech Global and NEXTDC; all of which posted double-digit gains for the quarter. Stock selection amongst financials also added value; notably material overweights to Suncorp Group and QBE Insurance. Stock selection within the industrials sector added further value over the period, including overweights to Aurizon Holdings, plumbing supplies group Reece Ltd. and engineering company Worley Ltd. Other notable positions to add value were underweights to Mineral Resources, Wesfarmers and New Zealand's a2 Milk Company. In contrast, stock selection within the consumer discretionary space detracted from overall performance in the second quarter. This included overweights to poor-performing names like IDP Education, jewellery chain Lovisa and Premier Investments; owner of brands like Just Jeans, Smiggle and Peter Alexander. Stock selection within the materials sector also weighed on returns; notably an overweight to gold miner Perseus Mining, which fell almost 31% over the period, and underweights to Pilbara Minerals and James Hardie Industries. Other key holdings to impact performance were underweights to AGL Energy, which climbed more than 34% for the quarter, Insurance Australia Group and Commonwealth Bank of Australia.

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

<sup>1</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>2</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.

## Fund facts

### Share class

Class A

### Inception date

31 December 1997

### Fund size

AUD 69.77m

### Benchmark

S&P/ASX 300 Accumulation Index

### Portfolio manager

James Harwood

### Recommended investment timeframe

7 years

### Tax structure

Investment - Class A

### APIR code

RIM0006AU

### ARSN code

092-807-728

### Management fees and costs<sup>†</sup>

0.84%

### Performance fees<sup>‡</sup>

N/A

## Russell Investments Australian Shares 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	14.9	11.7	6.2	8.2
Distribution	5.7	4.1	4.1	5.7
Growth	9.2	7.6	2.0	2.5

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**	24.08	23.45
Carbon Footprint***	174.81	176.40
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
BHP GROUP LTD
CSL LTD
COMMONWEALTH BANK OF AUSTRALIA
NATIONAL AUSTRALIA BANK LTD
ANZ GROUP HOLDINGS LTD
ARISTOCRAT LEISURE LTD
WESTPAC BANKING CORP
GOODMAN GROUP
TELSTRA GROUP LTD
RIO TINTO LTD

## Russell Investments Australian Shares Fund (continued)

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

Manager	Style	Weight %	Comment
Ausbil	Core, earnings revisions focus	23.0	Ausbil outperformed the benchmark over the quarter, driven in part by overweights to Xero, chemicals company Allkem and IGO Ltd. Overweights to James Hardie Industries and Santos also added value.
DFA	Deep value small cap	14.0	DFA narrowly outperformed the benchmark over the quarter, benefiting from overweights to Suncorp Group, ANZ Group and Santos. An overweight to QBE Insurance also added value. 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.
Liquidity Reserve	Cash	3.0	
Numeric Investors	Quantitative	20.0	Numeric Investors underperformed the benchmark over the quarter, hurt in part by overweights to Perseus Mining, Qantas and IMDEX. An underweight to chemicals company Allkem also weighed on returns.
Platypus	Aggressive growth	20.0	Platypus performed in line with the benchmark over the quarter. The manager benefited from overweights to Xero and WiseTech global, however these positions were offset by overweights to IDP Education and Lovisa.
Russell Investments	Active positioning strategy	10.0	The strategy underperformed the benchmark over the quarter, driven in part by overweights to South32, BHP Group and Bank of Queensland. Overweights to Incitec Pivot and Rio Tinto also weighed on returns.
Russell Investments	Systematic positioning strategy - defensive	10.0	The strategy underperformed the benchmark over the quarter, driven in part by an overweight to Perseus Mining. Underweights to Goodman Group and Insurance Australia Group 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.

Manager strategic weights sum to 100% and exclude the 3% risk sleeve allocation.

### Contact Russell Investments

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

### Important information

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