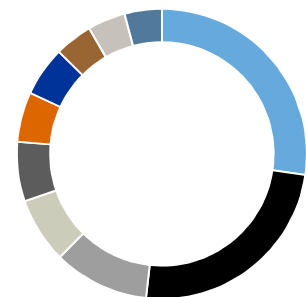


# Russell Investments Australian Shares Fund

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



Financials	27.3%
Materials	24.4%
Health Care	10.7%
Consumer Discretionary	7.3%
Industrials	6.6%
Real Estate	5.6%
Energy	5.5%
Information Technology	4.2%
Consumer Staples	4.2%
Other	4.2%

## Fund facts

### Share class

Class A

### Inception date

31 December 1997

### Fund size

AUD 65.65m

### Benchmark

S&amp;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

## 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

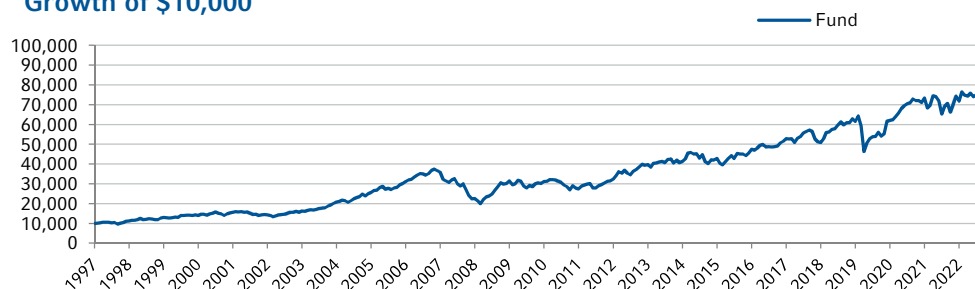
The Fund invests predominantly in shares and unit trusts listed or about to be listed on the Australian Securities Exchange. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.

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

Period ending 30/09/2023	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-3.33	-1.16	11.87	11.07	5.57	8.09

<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 narrowly 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, New Zealand's Fisher & Paykel Healthcare and CSL Ltd. All three stocks recorded sharp declines for the quarter. Performance was further impacted by an underweight exposure and stock selection within the energy space; notably underweights to Woodside Energy Group, Paladin Energy and coal miner New Hope. Other key holdings to impact returns over the period were an overweight to mobile payments company Block and underweights to Wesfarmers and Carsales.com. In contrast, the Fund benefited from stock selection amongst industrials. This included 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. Stock selection amongst property trusts also added value over the period; notably an overweight to industrial property giant Goodman Group. An underweight exposure and stock selection within the consumer staples sector added further value, including underweights to major grocery retailers Coles and Woolworths. Other notable positions to contribute positively to performance were overweights to imaging IT provider Pro Medicus, gaming machine maker Aristocrat Leisure and Suncorp Group.

<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 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	11.9	11.1	5.6	8.1
Distribution	5.5	4.1	4.1	5.7
Growth	6.3	6.9	1.5	2.4

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**	24.00	23.40
Carbon Footprint***	155.58	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 (CO<sub>2</sub>e/\$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
COMMONWEALTH BANK OF AUSTRALIA
NATIONAL AUSTRALIA BANK LTD
ANZ GROUP HOLDINGS LTD
WESTPAC BANKING CORP
GOODMAN GROUP
WOODSIDE ENERGY GROUP LTD
ARISTOCRAT LEISURE LTD
TELSTRA GROUP LTD

## Russell Investments Australian Shares Fund (continued)

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

Manager	Style	Weight %	Comment
Ausbil	Core, earnings revisions focus	23.0	Ausbil performed in line with the benchmark over the quarter. The manager benefited from overweights to Worley Ltd. and Treasury Wine Estates, however these positions were offset by overweights to Allkem and IGO Ltd.
DFA	Deep value small cap	14.0	DFA outperformed the benchmark over the quarter, driven by overweights to Woodside Energy Group, ANZ Group and National Australia Bank. Overweights to Suncorp Group and Origin Energy also added value.
Liquidity Reserve	Cash	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.
Numeric Investors	Quantitative	20.0	Numeric Investors outperformed the benchmark over the quarter, benefiting in part from overweights to chemicals company Altium, Premier Investments and Ampol. Overweights to Seven Group and gaming machine maker Aristocrat Leisure also added value.
Platypus	Aggressive growth	20.0	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	Active positioning strategy	10.0	The strategy outperformed the benchmark over the quarter, benefiting from overweights to Ampol, Incitec Pivot and Woodside Energy Group. Overweights to retailer Harvey Norman, AMP and Santos also added value.
Russell Investments	Systematic positioning strategy - defensive	10.0	The strategy underperformed the benchmark over the quarter, driven in part by overweights to APA Group and Iress. An underweight to Woodside Energy 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)

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