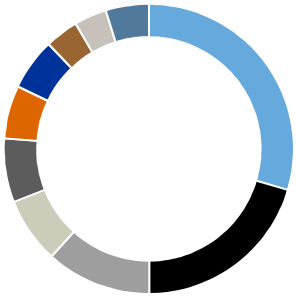
Russell Investments

Russell Investments Australian Shares Fund

Sector allocation[3]



Financials	29.6%
Materials	20.4%
Health Care	11.8%
Consumer Discretionary	7.4%
Energy	7.1%
Industrials	5.9%
Real Estate	5.8%
Information Technology	3.7%
Consumer Staples	3.6%
Other	4.8%

Fund facts

Share class
Class A

Inception date
31 December 1997

Fund size
AUD 164.34m

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
RIM0006AU

ARSN code
092-807-728

Management fees and costs†
0.84%

Performance fees‡
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

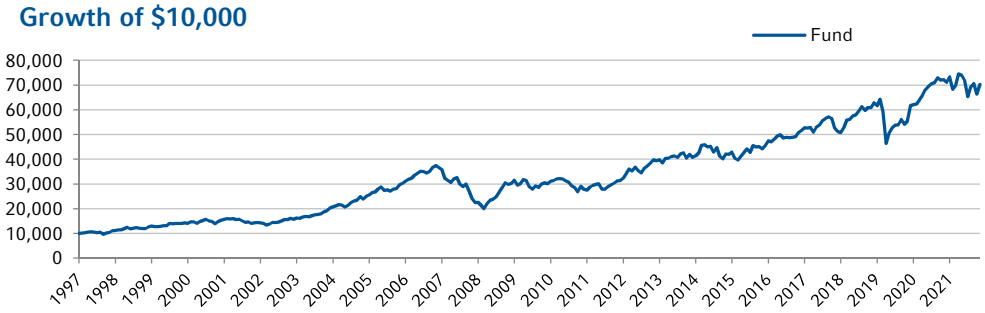
The Fund invests predominantly in shares and unit trusts listed or about to be listed on the Australian Securities Exchange. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.

Performance review[1]

Period ending 31/10/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	5.99	1.63	-2.60	4.87	6.70	8.17

1 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 outperformed the benchmark in October.

Contributing to the Fund's outperformance was positive stock selection amongst consumer-related names. This included material underweights to Woolworths and Coles and an overweight to gaming machine maker Aristocrat Leisure. Stock selection within the industrials space also added value over the period; notably overweights to strong-performing names like Qantas and Reece Ltd. Both stocks posted double-digit gains in October. Other notable positions to add value were underweights to major miners Fortescue Metals Group, Rio Tinto and BHP Group, and overweights to Suncorp Group and Australia and New Zealand Banking Group (ANZ). In contrast, an overweight exposure to the healthcare space detracted from performance; the sector significantly underperforming the broader market over the period. Stock selection within financials also weighed on returns, including underweights to Commonwealth Bank of Australia and Westpac Banking Corp.; both of which recorded very strong gains for the month. We still favour National Australia Bank and ANZ amongst the major banks on the basis that they offer better value. Other key holdings to impact performance were overweights to OZ Minerals, CSL Ltd. and Scentre Group. Meanwhile, factor positioning had no material impact on overall performance in October.

We prefer more balanced exposures across both value and growth and have reduced our underweight positioning in low-volatility stocks. We recently reduced our overweight to value and added to our quality growth exposure.

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.

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Russell Investments Australian Shares 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	-2.6	4.9	6.7	8.2
Distribution	3.8	3.7	3.7	5.7
Growth	-6.4	1.2	3.0	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**	23.60	23.30
Carbon Footprint***	226.78	213.96
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
NATIONAL AUSTRALIA BANK LTD
COMMONWEALTH BANK OF AUSTRALIA
AUST AND NZ BANKING GROUP
WOODSIDE ENERGY GROUP LTD
WESTPAC BANKING CORP
MACQUARIE GROUP LTD
GOODMAN GROUP
ARISTOCRAT LEISURE LTD

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Russell Investments Australian Shares Fund (continued)

Portfolio structure[4]

Manager	Style	Weight
Ausbil	Core, earnings revisions focus	23.0
DFA	Deep value small cap	14.0
Liquidity Reserve	Cash	3.0
Numeric Investors	Quantitative	20.0
Platypus	Aggressive growth	20.0
Russell Investments	Active positioning strategy	10.0
Russell Investments	Systematic positioning strategy - defensive	10.0

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

Contact Russell Investments

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For more information:
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