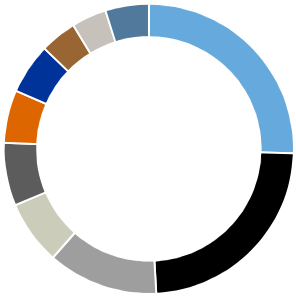
Russell Investments

Russell Investments Australian Shares Fund

Sector allocation[3]



Financials	25.5%
Materials	23.7%
Health Care	12.3%
Industrials	7.1%
Consumer Discretionary	7.0%
Real Estate	5.9%
Energy	5.6%
Information Technology	4.1%
Communication Services	3.9%
Other	4.8%

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

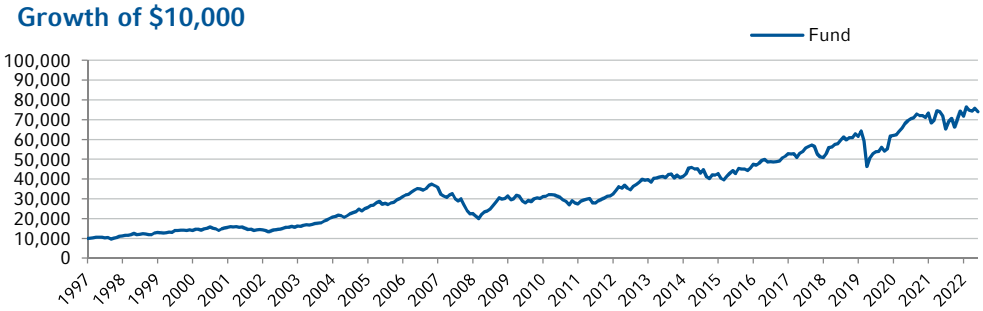
The Fund invests predominantly in shares and unit trusts listed or about to be listed on the Australian Securities Exchange. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.

Performance review[1]

Period ending 31/05/2023	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-2.37	-1.10	2.79	11.91	6.54	8.19

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 facts

Share class	Class A
Inception date	31 December 1997
Fund size	AUD 61.92m
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†	0.84%
Performance fees‡	N/A

Fund commentary

The Russell Investments Australian Shares Fund outperformed the benchmark in May. Contributing to the Fund's outperformance was an overweight to the information technology sector. This included overweights to Xero, WiseTech Global and NEXTDC; all of which recorded strong gains for the month. We have a material overweight to NEXTDC in particular; the stock, like the wider tech sector, benefiting from the artificial intelligence theme that drove strong gains across major technology names globally, including US software giant NVIDIA. Stock selection amongst industrials also added value in May; notably overweights to engineering firm Worley and rail transport company Aurizon. Stock selection amongst property trusts added further value over the period, including an overweight to industrial property giant Goodman Group. Other notable positions to add value were underweights to Wesfarmers and iron ore major Fortescue Metals Group. Both stocks fell sharply in May. In contrast, stock selection within the materials sector detracted from overall performance. This included an overweight to gold producer Perseus Mining, which fell almost 20% after the company withdrew staff from Sudan amid armed conflict in and around the country's capital. Overweights to BlueScope Steel and Sandfire Resources also weighed on returns. Performance was further impacted by stock selection within the consumer discretionary space; notably an overweight to IDP Education. Other key holdings to impact returns were overweights to poor-performing names like Whitehaven Coal and Super Retail Group, owner of brands like Rebel and Supercheap Auto.

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	2.8	11.9	6.5	8.2
Distribution	6.7	4.8	4.2	5.7
Growth	-3.9	7.1	2.3	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**	24.04	23.41
Carbon Footprint***	182.75	179.62
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
COMMONWEALTH BANK OF AUSTRALIA
NATIONAL AUSTRALIA BANK LTD
ANZ GROUP HOLDINGS LTD
ARISTOCRAT LEISURE LTD
WOODSIDE ENERGY GROUP LTD
WESTPAC BANKING CORP
MACQUARIE GROUP LTD
TELSTRA GROUP 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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