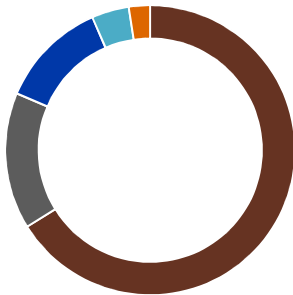


# Russell Investments Multi-Asset Income Strategy Fund

Asset allocation as at  
28 February 2022<sup>3</sup>



■ Fixed Int & Cash	66.2%
■ Aust Shares	15.2%
■ Int Shares	12.1%
■ Alternatives	4.2%
■ Property	2.4%

## Fund objective

To provide a return (after fees and costs) of 2% pa above inflation over the short to medium term with a focus on income and risk management.

## Fund strategy

The Fund is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation. Derivatives may be used to implement investment strategies.

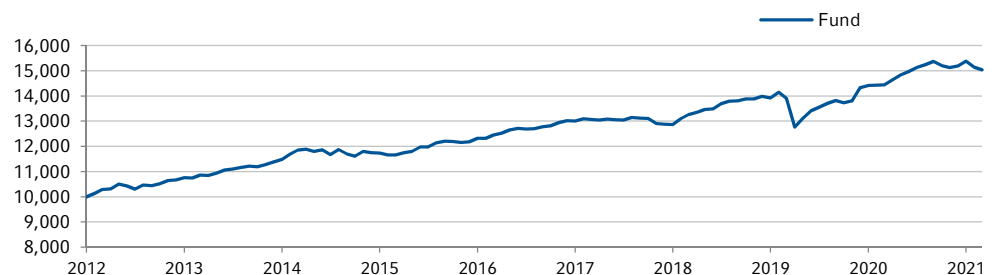
## Performance review<sup>1,2</sup>

Performance review	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-0.69	-1.02	4.13	4.29	3.85	4.58
Distribution	-	0.14	4.40	4.39	3.73	4.00
Growth	-0.69	-1.16	-0.27	-0.09	0.12	0.58

<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 value of the units.

## Growth of \$10,000



## Fund facts

### Share class

Class A

### Performance objective as at 31 December 2021

CPI +2%\*

3 Months % 1.83

1 Year % 5.50

3 Years % p.a. 3.98

### Inception date

12 December 2012

### Fund size

AUD 113.32m

### APIR code

RIM0089AU

### ARSN code

160-347-384

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

0.84%

### Performance fees<sup>‡</sup>

0.03%

## Market

Global bonds were weaker in February. Longer-term government bond yields rose (prices fell) over the period. Much of the rise in yields was driven by global rate hike expectations through the first half of the month. In the US, the odds of a 0.50% rate hike in March increased in the wake of yet another spike in inflation, with the consumer price index climbing 7.5% in the year to 31 January. Elsewhere, UK inflation hit a 30-year high, which will likely see the Bank of England raise interest rates for a third consecutive month when it meets in March, while record high inflation in the euro-zone saw European Central Bank president Christine Lagarde open the door to a rate hike this year. More broadly, bond prices were impacted by a series of robust US and European earnings updates and some encouraging economic data globally. However, bond prices were able to recoup some of their early losses toward the end of the period as investors, spooked by Russia's invasion of Ukraine, sought the asset class's 'safe haven' characteristics. Credit markets also underperformed in February. Australian bonds tracked their global counterparts lower over the period, while domestic credit markets were also weaker.

Global shares fell in February, driven by increasingly hawkish central bank comments and the war in Ukraine. Australian shares made good gains, benefiting in part from the Reserve Bank of Australia's insistence that it's still too early to discuss raising interest rates.

<sup>3</sup> All 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.

\* Reserve Bank of Australia Cash Rate + 1.7% until 04/05/2016 and CPI+2% thereafter.

# Russell Investments

## Multi-Asset Income Strategy Fund (continued)

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### Fund performance and outlook

The Fund's traditional fixed income portfolio was impacted by the rise in government bond yields we saw over the period, with both the Russell Investments International Bond Fund – \$A Hedged and the Russell Investments Australian Bond Fund posting negative absolute and benchmark-relative returns for the month. Within our extended fixed income portfolio, global high-yield debt and local currency emerging markets debt underperformed amid global rate hike expectations and heightened geopolitical risks following Russia's invasion of Ukraine. We continue to view government bonds, high-yield debt and investment-grade debt as expensive. However, both high-yield debt and investment-grade debt should continue to benefit from an environment of improving corporate profits and low default rates.

Within our global equity portfolio, both the Russell Investments Global Opportunities Fund and the Russell Investments Global Opportunities Fund – \$A Hedged recorded negative absolute and benchmark-relative returns for the month. Both funds were impacted by stock selection in emerging markets; notably ex-benchmark holdings in Russian names like Sberbank, Lukoil and Rosneft. Partly offsetting this were good gains across our Australian equity portfolio, with the Russell Investments High Dividend Australian Shares ETF posting strong absolute returns for the month. Vinva's Australian Equitised Long-Short Fund also delivered positive excess returns in February (the strategy benefiting from its valuation signals and strong stock-specific performance), while the Russell Investments Australian Factor Exposure Fund was flat for the month. We maintain a diversified equity exposure across both global and Australian markets. The strong business cycle gives us a preference for equities over bonds for at least the next 12 months, despite expensive valuations. We believe above-trend global growth and steeper yield curves should favour undervalued cyclical value stocks over expensive technology and growth stocks, and non-US equities over US equities.

Elsewhere in the portfolio, Amundi's Absolute Volatility World Equities Fund (AUD Hedged) performed well in February as volatility climbed across major global equity markets, while our commodities exposure benefited from higher oil and industrial metal prices.

Moving forward, inflation remains a near-term risk; though we expect this to recede as the year progresses. New COVID-19 variants that are resistant to vaccines are also likely to remain a threat, with still much uncertainty over the implications of potential COVID-19 scenarios. With respect to the conflict between Russia and Ukraine and the subsequent rise in market volatility this has caused, we will continue to monitor events closely while keeping an eye on sentiment indicators to determine whether investor psychology has reached an unsustainable level of panic that justifies a more 'risk on' stance.

# Russell Investments Multi-Asset Income Strategy Fund (continued)

After researching the most effective strategies in each asset class, our team selects from the best of active management, passive and smart beta approaches. The Multi-Asset Income Strategy Fund (MAIS) also includes dynamic tactical positioning, which Russell Investments can implement either through changes to the manager mix and/or through direct management of custom portfolios which are designed to address specific sector and/or country strategies.

## Actual asset allocation as at 28 February 2022<sup>3</sup>



■	Russell Investments Australian Bond Fund	12.0%		
■	Russell Investments Australian Floating Rate Fund	10.5%		
■	Metrics Credit Partners	9.0%		
■	Russell Investments Absolute Return Bond Fund	8.4%		
■	Russell Investments Floating Rate Fund	7.4%	<b>Fixed Interest and Cash</b>	<b>66.2%</b>
■	Russell Investments International Bond Fund - A\$ Hedged	6.3%		
■	Cash	5.1%		
■	Perpetual High Grade Treasury Fund	4.6%		
■	Russell Investments Extended Strategies Fund	2.7%		
■	Russell Investments Australian Factor Exposure Fund	7.0%		
■	Russell Investments High Dividend Australian Shares ETF	5.4%	<b>Australian Shares</b>	<b>15.2%</b>
■	Vinva Australian Equitised Long-Short Fund	2.9%		
■	Russell Investments Global Opportunities Fund - A\$ Hedged	7.2%		
■	Russell Investments Global Opportunities Fund	4.7%	<b>International Shares</b>	<b>12.1%</b>
■	International Shares - Derivatives	0.1%		
■	Russell Investments Global Listed Infrastructure Fund	2.3%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	1.8%	<b>Alternatives</b>	<b>4.2%</b>
■	Amundi Absolute Volatility World Equities Fund	0.0%		
■	Russell Investments Global High Yield Fund	0.0%		
■	Vanguard Australian Properties Securities Fund	1.5%	<b>Property</b>	<b>2.4%</b>
■	Russell Investments International Property Securities Fund	0.9%		

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

# Russell Investments

## Multi-Asset Income Strategy Fund (continued)

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

The table below shows a selection of MAIS current strategies and highlights some of the MAIS managers.

ABSOLUTE RETURN	FIXED INCOME		EQUITIES		REAL ASSETS
Cash	Australian & International Bonds	High Yield, EMD & Floating Rate Credit	Australian Equities	Global Equities	Listed Infrastructure
Cash-benchmarked Strategies					
Perpetual	AMP Capital	Barings	Vinva	Fiera	Cohen & Steers
	UBS	DDJ	Russell Investments	J O Hambro	First Sentier
	Western Asset	Hermes		Nissay	Nuveen
	BlueBay	Lazard		Numeric	Russell Investments
	Schroders	GLG Partners		Oaktree	
Bank Loans	Russell Investments	Colchester		RWC	Listed Property
Metrics Credit		THL		Sanders	Cohen & Steers
Volatility Strategies		Voya		Wellington	RREEF
		TwentyFour		Russell Investments	Russell Investments
Putnam		ICG			Vanguard
		Russell Investments			

<sup>4</sup> In order to manage a fund/portfolio to its investment objectives, Russell Investments retains the discretion to change the underlying investments at any time, without notice to investors. Please refer to the relevant Product Disclosure Statement for more information. The above does not represent an exhaustive list of the managers and strategies in the fund. Source: Russell Investments. Data as at February 2022.

#### Contact Russell Investments

To find out more about Russell Investments or how you can diversify your portfolio in just one transaction, you can:  
visit our website at [www.russellinvestments.com.au](http://www.russellinvestments.com.au)  
To invest in Russell Investments Retail Funds, contact your adviser today.  
For more information:  
NSW, QLD, ACT & NT: 02 9229 5111 VIC, SA, WA & TAS: 03 9270 8111

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