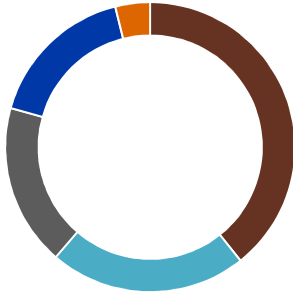


# Russell Investments Multi-Asset Growth Strategy Fund

Asset allocation as at  
31 December 2022<sup>3</sup>



Fixed Int & Cash	39.3%
Int Shares	22.0%
Aust Shares	18.0%
Alternatives	16.8%
Property	3.9%

### Fund objective

To provide a return (after fees and costs) of 4.0% pa above inflation over the medium to long term, with a focus on 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.

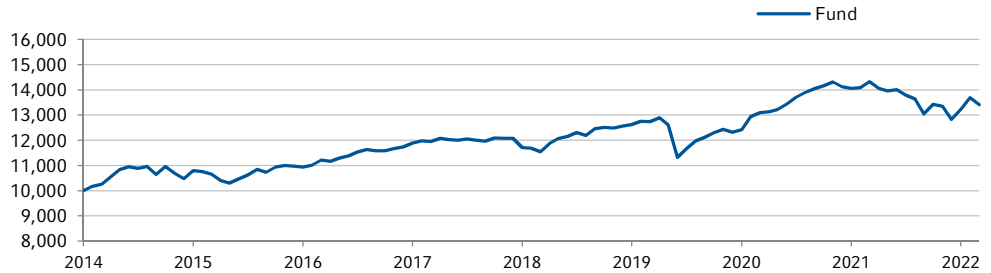
### Performance review<sup>1,2</sup>

Period ending 31/12/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-2.09	4.50	-6.44	1.72	2.33	3.92
Distribution	-	-	7.66	5.30	3.98	4.84
Growth	-2.09	4.50	-14.11	-3.57	-1.65	-0.92

<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 values of the units.

### Growth of \$10,000



### Fund facts

#### Share class

Class A

#### Performance objective as at 30 September 2022

CPI +4%	
3 Months %	2.81
1 Year %	11.27
3 Years % p.a.	7.63

#### Inception date

08 October 2014

#### Fund size

AUD 492.45m

#### APIR code

RIM0098AU

#### ARSN code

163-276-864

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

0.91%

#### Performance fees<sup>‡</sup>

0.03%

### Market

Global share markets made good gains in the December quarter, driven largely by expectations the world's major central banks would soon pivot to smaller rate hikes amid increasing evidence inflation may have peaked. The US Federal Reserve (Fed), the European Central Bank and the Bank of England (BoE) all raised their benchmark rates by smaller (0.50%) increments in December; though the banks did warn that further rate hikes were needed to tame inflation. Stocks also benefited from a series of mostly encouraging US and European earnings updates and Beijing's decision to begin relaxing its strict COVID-19-related restrictions. Limiting the advance were renewed recession fears and ongoing geopolitical risks. Australian shares outperformed their global counterparts over the period, benefiting from the Reserve Bank of Australia's decision to reduce the size of its interest rate hikes despite high inflation; the Bank raising the official cash rate just 0.25% at its early October meeting and again by the same increment in November and December. The local market also benefited from strong gains across the major banks and miners, which together comprise a large part of the index.

Global bonds made only modest gains for the quarter, with longer-term government bond yields rising (prices falling) over the period. In contrast, credit markets were stronger. Australian bonds underperformed their global peers on the back of further, albeit smaller, domestic rate hikes.

<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

## Multi-Asset Growth Strategy Fund (continued)

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### Fund commentary

Within our global equity portfolio, both the Russell Investments Global Opportunities Fund and the Russell Investments Global Opportunities Fund – \$A Hedged posted strong absolute and excess returns for the quarter; the two funds benefiting from very strong stock selection in the US. This included underweights to large growth names like Apple, electric car maker Tesla and e-commerce giant Amazon.com. In contrast, our domestic equity portfolio weighed on overall performance. The Russell Investments Australian Opportunities Fund (RAOF) recorded strong absolute returns over the period, though it did underperform its benchmark. Contributing to RAOF's underperformance was poor stock selection within the materials space, including underweights to iron ore majors BHP Group, Fortescue Metals Group and Rio Tinto; all of which posted double-digit gains for the quarter. Vinva's Australian Equitised Long-Short Fund also underperformed its benchmark, albeit modestly, as weakness across the strategy's segmentation and tactical signals overshadowed gains from its valuation and quality signals. We maintain a diversified equity exposure across both global and Australian markets. We still prefer non-US developed equities over US equities as we believe non-US developed equities are relatively cheaper and likely to benefit from weakness in the US dollar (USD) should the Fed become less hawkish.

The Fund's traditional fixed income portfolio outperformed over the period, with the Russell Investments International Bond Fund – \$A Hedged and the Russell Investments Australian Bond Fund delivering positive absolute and excess returns for the quarter. Both funds benefited from their credit exposure. Within our extended fixed income portfolio, both Metrics Credit (Australian bank loans) and the Russell Investments Floating Rate Fund performed well over the period due to their lower sensitivity to interest rate movements. High-yield debt also outperformed, while the Russell Investments Emerging Market Debt Local Currency Fund posted strong absolute and excess returns on the back of general USD weakness and smaller rate hikes across major developed markets. We believe government bond valuations have improved, with US Treasuries now offering good value. UK bonds have also moved into bands which we believe offer good value, as have German bunds. However, there are concerns over the current economic situation in the UK and the volatility in bond markets caused by recent fiscal policy announcements and the BoE's response. We view Japanese bonds as moderately expensive. A positive for government bonds is that we believe markets have fully priced in hawkish outlooks for most central banks. In our view, this should limit the extent of any further selloff.

More broadly, the Fund's exposures to global and domestic listed property added value over the period, while a stronger Australian dollar weighed on the returns of the Fund's assets denominated in foreign currency.

In terms of overall positioning, we increased bond duration early in the quarter and added equity options protection in December in response to the strong rebound in equity markets. Both changes are likely to reduce volatility if recession risks continue to rise.

Moving forward, recession fears and central bank tightening continue to drive market volatility. Share markets have bounced considerably since their recent lows amid expectations that inflation may have peaked. This is consistent with our view that markets would stabilise and possibly even recover through the second half of 2022. However, we acknowledge that heightened short-term market volatility is likely to remain given responses across markets to ongoing inflation prints and central bank rate hike decisions.

# Russell Investments

## Multi-Asset Growth 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 Growth Strategy Fund 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.

### Asset allocation as at 31 December 2022<sup>3</sup>



■	Russell Investments Australian Floating Rate Fund	8.0%		
■	Metrics Credit Partners	6.9%		
■	Cash	4.9%		
■	Russell Investments Floating Rate Fund	4.8%		
■	Russell Investments International Bond Fund - A\$ Hedged	2.2%		
■	Russell Investments Australian Bond Fund	2.2%		
■	Russell Investments Extended Strategies Fund	1.2%		
■	Russell Investments Global Bond Fund AUD Hedged	0.0%		
■	Perpetual High Grade Treasury Fund	0.0%		
■	Fixed Interest and Cash - Derivatives	9.2%		
			<b>Fixed Interest and Cash</b>	<b>39.3%</b>
■	Russell Investments Global Opportunities Fund - A\$ Hedged	14.4%		
■	Russell Investments Global Opportunities Fund	10.6%		
■	International Shares - Derivatives	-3.0%		
			<b>International Shares</b>	<b>22.0%</b>
■	Russell Investments Australian Opportunities Fund	9.7%		
■	Vinva Australian Equitised Long-Short Fund	3.3%		
■	Australian Shares - Derivatives	5.0%		
			<b>Australian Shares</b>	<b>18.0%</b>
■	FIRETRAIL ABSOLUTE RETURN FUND	3.5%		
■	Russell Investments Global Listed Infrastructure Fund	2.9%		
■	Commodities Futures	2.7%		
■	Amundi Absolute Volatility World Equities Fund	2.7%		
■	Russell Investments Global High Yield Fund	2.4%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	2.1%		
■	Russell Investments Private Assets Fund - Infrastructure Portion	0.5%		
			<b>Alternatives</b>	<b>16.8%</b>
■	Russell Investments Private Assets Fund - Property Portion	1.5%		
■	Vanguard Australian Properties Securities Fund	1.3%		
■	Russell Investments International Property Securities Fund	1.2%		
			<b>Property</b>	<b>3.9%</b>

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

## Russell Investments

## Multi-Asset Growth Strategy Fund (continued)

Portfolio structure<sup>4</sup>

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

ABSOLUTE RETURN	FIXED INCOME		EQUITIES			REAL ASSETS	UNLISTED ASSETS
Cash	Australian & International Bonds	High Yield, EMD, Floating Rate Credit	Australian Equities	Global Equities	Long / Short Manager	Commodities	
Cash-Benchmarked Strategies							
Perpetual	Macquarie UBS	Barings Hermes	Vinva Allan Gray	StonePine (Fiera)	Firetrail Vinva	Russell Investments	
Bank Loans	Western Asset BlueBay	DDJ (Polen capita) Colchester	Ausbil Firetrail	J O Hambro Nissay		Listed Infrastructure	Unlisted infrastructure
Metrics Credit	Schroders Russell Investments	First Eagle ICG TwentyFour Russell Investments	L1 Capital Platypus Russell Investments	Numeric Oaktree RWC Sanders Wellington Russell Investments		Cohen & Steers First Sentier Nuveen Russell Investments	IFM Morrison & Co Morrison & Co UTA
Volatility Strategies						Listed Property	Unlisted Property
Amundi						Cohen & Steers RREEF Russell Investments Vanguard	Charter Hall Dexus Brookfield

<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 December 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 [russellinvestments.com.au](http://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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