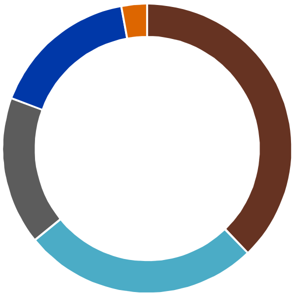
31 July 2022

Russell Investments Multi-Asset Growth Strategy Fund

Asset allocation as at 31 July 2022[3]



Fixed Int & Cash	37.8%
Int Shares	26.3%
Alternatives	16.5%
Aust Shares	16.5%
Property	2.9%

Fund facts

Share class	
Class A	
Performance objective as at 30 June 2022	
CPI +4%	
3 Months %	2.76
1 Year %	10.14
3 Years % p.a.	7.18
Inception date	
08 October 2014	
Fund size	
AUD 465.00m	
APIR code	
RIM0098AU	
ARSN code	
163-276-864	
Management fees and costs†	
0.90%	
Performance fees‡	
0.05%	

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

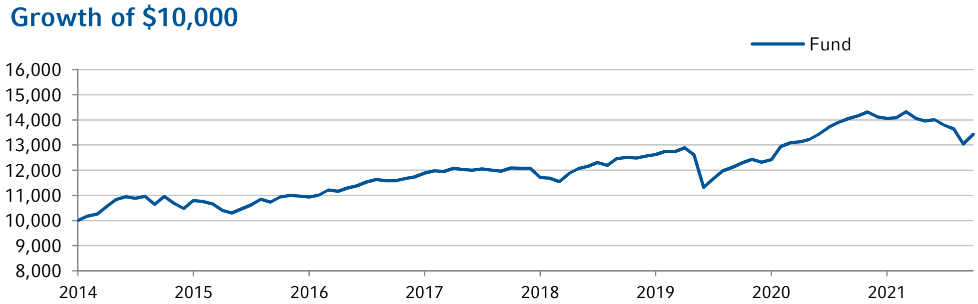
The Fund is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation. Derivatives may be used to implement investment strategies.

Performance review[1,2]

Period ending 31/07/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	2.96	-2.62	-5.18	2.38	3.00	4.16
Distribution	-	7.80	7.76	5.33	4.02	5.11
Growth	2.96	-10.42	-12.95	-2.95	-1.02	-0.95

[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.

Growth of $10,000



Market

Global share markets performed well even as central banks continued to raise interest rates in the face of persistently high inflation. In the US, the Federal Reserve (Fed) raised its benchmark rate by a further 0.75% in July after inflation surged 9.1% in the year to 30 June. However, investors had already begun to speculate that the Fed could be forced to reduce the size of future rate hikes if growth in the world's biggest economy was to slow too quickly. Compounding this speculation was data just a day after the Fed's rate hike decision which showed the US economy shrank 0.9% on an annualised basis in the June quarter. Elsewhere, rising prices in the euro-zone saw the European Central Bank deliver its first rate hike in 11 years in July, while the Bank of England raised rates in early August after UK inflation hit 9.4% in the 12 months to 30 June. Stocks also benefited from a series of encouraging US and European earnings updates; which is to say results to date haven't been as bad as many had feared. Australian shares rose despite the Reserve Bank of Australia lifting the official cash rate by a further 0.50% (to 1.35%) early in the period; investors encouraged by the fact that the move wasn't more aggressive, easing fears that the current tightening cycle may trigger a sharp economic downturn.

Global bonds rose in July and global credit markets were stronger. Australian bonds outperformed their global peers over the period, while domestic credit spreads narrowed slightly.

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.

Fund commentary

Within our global equity portfolio, both the Russell Investments Global Opportunities Fund and the Russell Investments Global Opportunities Fund – $A Hedged delivered positive absolute returns for the month. However, the two funds did underperform their benchmarks. This was due in part to the funds' value bias as growth stocks outperformed. Poor stock selection in Japan also weighed on returns. In terms of Australian equities, the Russell Investments Australian Opportunities Fund and the Russell Investments Australian Factor Exposure Fund recorded strong absolute returns in July; though, like their global counterparts, both funds underperformed their benchmarks. Vinva's Australian Equitised Long-Short Fund also recorded negative excess returns for the month. This was driven largely by weakness across the strategy's valuation and behavioural signals. We maintain a diversified equity exposure across both global and Australian markets. We still prefer non-US developed equities over US equities as non-US developed equities are relatively cheaper and likely to benefit from weakness in the US dollar should the Fed become less hawkish.

The Fund's traditional fixed income portfolio added value over the period, with both the Russell Investments International Bond Fund – $A Hedged and the Russell Investments Australian Bond Fund recording positive absolute and excess returns in July. Within our extended fixed income portfolio, the Russell Investments Floating Rate Fund performed well as prices on loans and securitised assets rebounded in line with a pickup in credit market activity. Our global high-yield debt exposure and the Metrics Credit Diversified Australian Senior Loan Fund also contributed positively to performance over the period. Partly offsetting this was our exposure to the Russell Investments Emerging Market Debt Local Currency Fund, which underperformed in unhedged Australian dollar (AUD) terms. We believe government bond valuations have improved, with US bonds now offering good value. However, we still view Japanese, German and UK bonds as moderately expensive. In saying that, markets have fully priced in hawkish outlooks for most central banks, which should limit the extent of any further selloff in government bonds.

Our exposure to Australian listed property added further value over the period. Australian listed property benefited in part from a decline in longer-term government bond yields.

In contrast, Amundi's Absolute Volatility World Equities Fund – $A Hedged (long volatility strategy) detracted from performance in July as volatility across major equity markets eased amid speculation the Fed could potentially cut interest rates in 2023.

Meanwhile, a stronger AUD impacted the returns of the Fund's assets denominated in foreign currency.

Moving forward, recession fears and central bank tightening will continue to drive market volatility. We believe equity markets are oversold and that US core inflation has likely peaked. In our view, this should help markets stabilise and possibly recover through the second half of 2022.

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 July 2022[3]

Cash	8.9%	Fixed Interest and Cash	37.8%
Metrics Credit Partners	7.3%		
Russell Investments Floating Rate Fund	7.0%		
Russell Investments Extended Strategies Fund	2.4%		
Russell Investments Australian Bond Fund	2.1%		
Russell Investments International Bond Fund - A$ Hedged	1.7%		
Russell Investments Australian Floating Rate Fund	1.4%		
Russell Investments Global Bond Fund AUD Hedged	0.0%		
Perpetual High Grade Treasury Fund	0.0%		
Fixed Interest and Cash - Derivatives	6.9%		
Russell Investments Global Opportunities Fund - A$ Hedged	15.3%	International Shares	26.3%
Russell Investments Global Opportunities Fund	11.5%		
International Shares - Derivatives	-0.5%		
Russell Investments Global Listed Infrastructure Fund	3.8%	Alternatives	16.5%
FIRETRAIL ABSOLUTE RETURN FUND	3.4%		
Amundi Absolute Volatility World Equities Fund	2.9%		
Commodities Futures	2.2%		
Russell Investments Global High Yield Fund	2.2%		
Russell Investments Emerging Markets Debt Local Currency Fund	2.1%		
Russell Investments Australian Opportunities Fund	9.1%	Australian Shares	16.5%
Russell Investments Australian Factor Exposure Fund	5.4%		
Vinva Australian Equitised Long-Short Fund	3.8%		
Australian Shares - Derivatives	-1.8%		
Vanguard Australian Properties Securities Fund	1.4%	Property	2.9%
Russell Investments International Property Securities Fund	1.4%		

3 Allocations may not equal 100% due to rounding.

31 July 2022

Russell Investments Multi-Asset Growth Strategy Fund (continued)

Portfolio structure[4]

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

ABSOLUTE RETURN	FIXED INCOME		EQUITIES			REAL ASSETS
Cash Cash-Benchmarked Strategies	Australian & International Bonds	High Yield, EMD, Floating Rate & Absolute Return Credit	Australian Equities	Global Equities	Long / Short Manager	Commodities
Perpetual	Macquarie	Barings	Vinva	Fiera	Firetrail	Russell Investments
Bank Loans	UBS	Hermes	Allan Gray	J O Hambro	Vinva	Listed Infrastructure
	Western Asset	Colchester	Ausbil	Nissay		
Metrics Credit	BlueBay	First Eagle	Firetrail	Numeric		Cohen & Steers
	Schroders	ICG	L1 Capital	Oaktree		First Sentier
	Russell Investments	TwentyFour	Platypus	RWC		Nuveen
		Russell Investments	Russell Investments	Sanders		Russell Investments
Volatility Strategies				Wellington		Listed Property
				Russell Investments		
Amundi						Cohen & Steers
Putnam						RREEF
						Russell Investments
						Vanguard

4 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 July 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
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