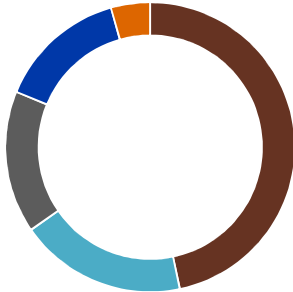


# Russell Investments Multi-Asset Growth Strategy Fund (Retail)

Asset allocation as at  
30 September 2021<sup>3</sup>



■ Fixed Int & Cash	46.7%
■ Aust Shares	18.6%
■ Int Shares	15.9%
■ Alternatives	14.4%
■ Property	4.4%

## Fund facts

### Share class

Class A

### Performance objective as at 30 June 2021

CPI +4%\*

3 Months % 1.75

1 Year % 7.85

3 Years % p.a. 5.69

### Inception date

18 December 2012

### Fund size

AUD 10.32m

### APIR code

RIM0086AU

### ARSN code

160-346-967

### Management cost<sup>†</sup>

0.97%

### Performance-related fee<sup>‡</sup>

N/A

## 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.

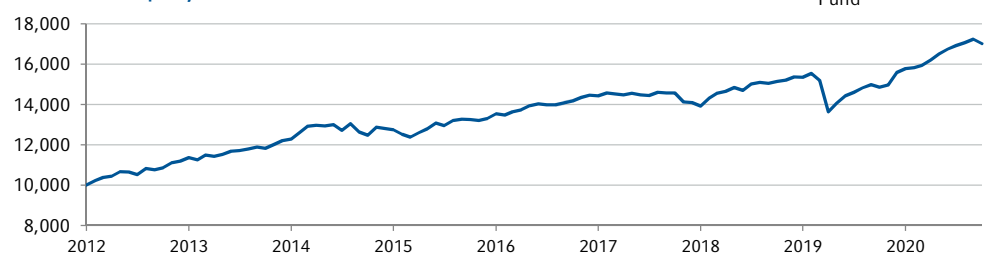
## Fund strategy

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 30/09/21	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-1.27	0.59	14.57	5.30	5.14	6.34
Distribution	-	-	3.48	2.31	2.39	4.75
Growth	-1.27	0.59	11.10	2.99	2.74	1.59

## Growth of \$10,000<sup>1</sup>



## Market

Global share markets made good gains in unhedged Australian dollar terms in the September quarter, benefiting from a series of robust earnings results globally, news the US Senate had approved a US\$1 trillion infrastructure package and some encouraging economic data; including better-than-expected US and euro-zone growth figures. Partly offsetting this was rising US inflation, with the US consumer price index climbing a further 0.3% in August. In saying that, the outcome was the measure's smallest advance in seven months. Stocks also benefited from a material pickup in vaccination rates across the euro-zone and the European Central Bank's pledge to keep interest rates lower for longer. Limiting the advance were concerns a worldwide resurgence in coronavirus infections could slow the recovery, a late spike in global bond yields and increasing US Federal Reserve (Fed) 'taper talk'. Australian shares tracked their global counterparts higher over the period, driven by the Reserve Bank of Australia's decision to maintain its ultra-easy monetary policy settings and some encouraging economic data, including the latest jobs and growth figures.

Global bonds were relatively flat for the quarter. Longer-term government bond yields were slightly higher, while credit markets underperformed. Australian bonds narrowly outperformed their global peers.

<sup>†</sup> For the year ending 30/6/2020 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

<sup>‡</sup> For the year ending 30/6/2020. May be charged if performance targets are met. Refer to PDS for further information.

\* Reserve Bank of Australia Cash Rate + 3.0% until 04/05/2016 and CPI+4% thereafter.

# Russell Investments

## Multi-Asset Growth Strategy Fund (Retail) (continued)

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### Fund performance and outlook

The Fund's domestic equity portfolio contributed positively to performance, with the Russell Investments Australian Opportunities Fund (RAOF) delivering positive absolute and benchmark-relative returns for the quarter. RAOF benefited from strong stock selection within the more cyclical parts of the market; notably underweights to mining heavyweights Fortescue Metals Group and BHP Billiton. Both stocks fell on the back of a 46% decline in iron ore prices. The Russell Investments Australian Factor Exposure Fund (RAFEF) also recorded positive absolute returns for the quarter, though it did underperform its benchmark. Much of RAFEF's underperformance was driven by its exposure to value and high-momentum stocks. Vinva's Australian Equitised Long-Short Fund also underperformed its benchmark over the period. Within our global equity portfolio, the Russell Investments Global Opportunities Fund (RGOF) delivered positive absolute returns for the quarter but underperformed its benchmark. RGOF's underperformance was driven in part by poor stock selection in the US and an overweight to emerging markets, which significantly underperformed their developed counterparts over the period. Moving forward, we maintain a diversified equity exposure across both global and Australian markets. The strong business cycle means we prefer the value equity factor over the growth factor and non-US equities over US equities. We also believe emerging market valuations are relatively more attractive.

The Fund's credit positioning was also positive for the quarter; notably our exposures to extended fixed income such as Australian bank loans, global floating rate credit and high-yield debt. We still view high-yield and investment-grade debt as expensive; though both should continue to benefit from an environment of improving corporate profits and low default rates. Within our fixed income portfolio, the Russell Investments Australian Bond Fund recorded positive absolute and benchmark-relative returns for the quarter, benefiting in part from the excess carry gained from its overweight to credit. The Russell Investments International Bond Fund – \$A Hedged performed in line with its benchmark over the period. We believe government bond yields will rise as economic growth improves and central banks look to taper their asset purchases.

Meanwhile, the performance of the Fund's hedges was mixed. Amundi's Absolute Volatility World Equities Fund – \$A Hedged outperformed as longer-term equity volatility picked up through September amid the uncertainty surrounding property giant, China Evergrande Group. In addition, a weaker Australian dollar boosted the returns of the Fund's assets denominated in foreign currency, while our overweight to the Japanese yen, which fell against the US dollar, weighed on overall performance.

The post-lockdown recovery remains intact, albeit at a slower pace and against a backdrop of uncertainty over what happens next; particularly around the outlooks for monetary policy and inflation. Whilst the spike in inflation has been larger than expected, we maintain our view that it will be transitory, with prices likely to remain high through the remainder of 2021 before falling early next year. Therefore, even though the Fed will likely begin tapering its asset purchases by the end of this year, we don't expect interest rates to rise before the second half of 2023.

# Russell Investments

## Multi-Asset Growth Strategy Fund (Retail) (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 (Retail) (MAGSR) 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 30 September 2021<sup>3</sup>



■	Cash	13.2%		
■	Russell Investments Floating Rate Fund	8.7%		
■	Metrics Credit Partners	6.9%		
■	Russell Investments Absolute Return Bond Fund	5.1%		
■	Russell Investments Extended Strategies Fund	2.7%		
■	Russell Investments Australian Bond Fund	2.3%		
■	Russell Investments International Bond Fund - A\$ Hedged	1.8%		
■	Russell Investments Australian Floating Rate Fund	0.8%		
■	Russell Investments Global Bond Fund AUD Hedged	0.0%		
■	Perpetual High Grade Treasury Fund	0.0%		
■	Fixed Interest and Cash - Derivatives	5.2%		
			<b>Fixed Interest and Cash</b>	<b>46.7%</b>
■	Russell Investments Australian Opportunities Fund	9.4%		
■	Vinva Australian Equitised Long-Short Fund	5.4%		
■	Russell Investments Australian Factor Exposure Fund	4.8%		
■	Australian Shares - Derivatives	-0.9%		
			<b>Australian Shares</b>	<b>18.6%</b>
■	Russell Investments Global Opportunities Fund - A\$ Hedged	15.4%		
■	Russell Investments Global Opportunities Fund	10.0%		
■	International Shares - Derivatives	-9.6%		
			<b>International Shares</b>	<b>15.9%</b>
■	Russell Investments Global Listed Infrastructure Fund	4.0%		
■	Amundi Absolute Volatility World Equities Fund	3.2%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	2.5%		
■	Commodities Futures	2.3%		
■	Vinva Equity Market Neutral Fund	1.3%		
■	Russell Investments Global High Yield Fund	1.1%		
			<b>Alternatives</b>	<b>14.4%</b>
■	Russell Investments International Property Securities Fund	2.4%		
■	Vanguard Australian Properties Securities Fund	1.9%		
			<b>Property</b>	<b>4.4%</b>

# Russell Investments

## Multi-Asset Growth Strategy Fund (Retail) (continued)

### Portfolio structure\*

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

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

The above does not represent an exhaustive list of the managers and strategies in the fund. Source: Russell Investments. Data as at September 2021.

#### 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

#### Important information

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#### Footnotes

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