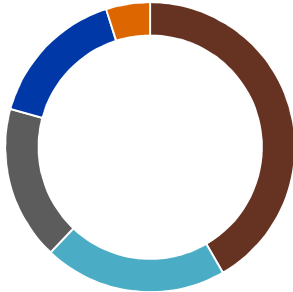


# Russell Investments Multi-Asset Growth Strategy Fund (Retail)

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



Fixed Int & Cash	41.7%
Aust Shares	20.4%
Int Shares	17.2%
Alternatives	15.8%
Property	4.9%

## Fund facts

### Share class

Class A

### Performance objective as at 31 March 2021

CPI +4%\*

3 Months % 1.58

1 Year % 5.11

3 Years % p.a. 5.55

### Inception date

18 December 2012

### Fund size

AUD 11.17m

### 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.

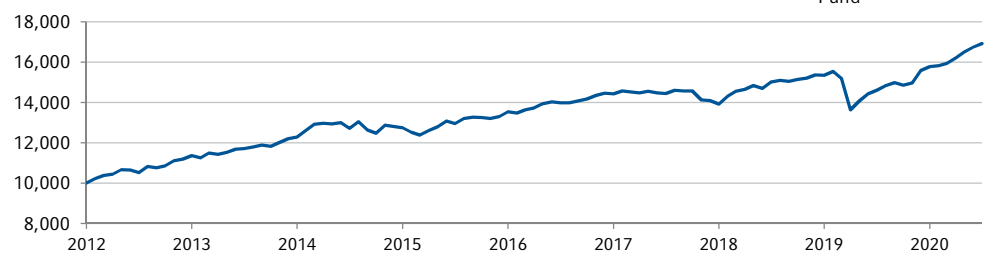
## Fund strategy

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 30/06/21	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	1.04	4.44	15.87	5.41	5.48	6.46
Distribution	3.07	3.17	3.52	2.32	2.40	4.89
Growth	-2.02	1.27	12.35	3.09	3.07	1.57

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



## Market

Global share markets made strong gains in the June quarter, benefiting from ongoing fiscal and monetary policy support and optimism that an acceleration in vaccination efforts in some of the world's biggest (and hardest hit) economies will help drive the recovery. Stocks also benefited from a series of positive economic data, including news the US economy expanded at a 6.4% annualised pace in the March quarter. We also saw better-than-expected US manufacturing and services activity figures and improving euro-zone factory output. Limiting the advance was a series of outbreaks of the highly transmissible delta variant of coronavirus, a sharp rise in US inflation and a hawkish pivot by the US Federal Reserve (Fed). The Fed said it now expects to raise interest rates twice by the end of 2023 after saying in March that it didn't expect to lift rates until at least 2024. 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 made only modest gains over the period. Longer-term government bond yields were mixed, while credit markets performed well. Australian bonds outperformed their global counterparts.

<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 global and domestic equity portfolios drove performance. In terms of global equities, the Russell Investments Global Opportunities Fund delivered very strong absolute returns for the quarter; though it narrowly underperformed its benchmark over the period. It was a similar theme within our Australian equity portfolio, with both the Russell Investments Australian Opportunities Fund and the Russell Investments Australian Factor Exposure Fund recording strong absolute returns but underperforming their respective benchmarks. Contributing to the two Australian funds' underperformance was their value exposure, as investors tended to favour quality and growth names over more cyclical, cheaper value stocks. This was a partial reversal of the trend we saw through much of the previous two quarters and was driven largely by macroeconomic news flow, including uncertainty over the direction of interest rates. Vinva's Australian Equitised Long-Short Fund also underperformed its benchmark 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 exposure was also positive for the quarter. Credit markets continued to perform well over the period, with spreads narrowing amid ongoing government and central bank stimulus and encouraging earnings growth. In particular, the Fund benefited from its exposures to global floating rate credit and global high-yield debt. Our exposure to the Russell Investments Emerging Market Debt Local Currency Fund also added value. We continue to view both high-yield and investment-grade debt as slightly expensive; though they are attractive given the post-vaccine cycle outlook.

Within our fixed income portfolio, both the Russell Investments International Bond Fund – \$A Hedged and the Russell Investments Australian Bond Fund recorded positive absolute and benchmark-relative returns for the quarter, benefiting largely from their respective credit exposures. We still view government bonds as expensive, even after the recent selloff. Central bank policy should limit rises in government bond yields during the recovery.

The performance of the Fund's hedges was mixed over the period. Amundi's Absolute Volatility World Equities Fund – \$A Hedged underperformed as longer-term equity volatility declined amid encouraging vaccine developments. Our overweight to the Japanese yen, which fell against the US dollar, also weighed on performance, while a weaker Australian dollar boosted the returns of the Fund's assets denominated in foreign currency.

Vaccine rollouts and US stimulus have the global economy on track for a strong rebound in the second half of this year. However, there are fears that vaccine rollouts and US stimulus could see economic growth accelerate too quickly, placing more upward pressure on interest rates. Whilst we agree that economies are poised to rebound sharply as restrictions are gradually lifted, we disagree that inflation pressures and interest rates are likely to increase significantly over the next 12 months. Given the strong business cycle, we maintain our preference for equities over bonds for the remainder of 2021.

# 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 June 2021<sup>3</sup>



■	Cash	11.2%		
■	Russell Investments Floating Rate Fund	9.9%		
■	Metrics Credit Partners	5.1%		
■	Russell Investments Absolute Return Bond Fund	4.1%		
■	Russell Investments Australian Bond Fund	2.7%		
■	Russell Investments Extended Strategies Fund	2.2%		
■	Russell Investments International Bond Fund - A\$ Hedged	2.2%		
■	Russell Investments Australian Floating Rate Fund	0.3%		
■	Russell Investments Global Bond Fund AUD Hedged	0.0%		
■	Perpetual High Grade Treasury Fund	0.0%		
■	Fixed Interest and Cash - Derivatives	3.9%		
			<b>Fixed Interest and Cash</b>	<b>41.7%</b>
■	Russell Investments Australian Opportunities Fund	9.3%		
■	Vinva Australian Equitised Long-Short Fund	6.3%		
■	Russell Investments Australian Factor Exposure Fund	5.3%		
■	Australian Shares - Derivatives	-0.5%		
			<b>Australian Shares</b>	<b>20.4%</b>
■	Russell Investments Global Opportunities Fund - A\$ Hedged	13.3%		
■	Russell Investments Global Opportunities Fund	10.3%		
■	International Shares - Derivatives	-6.5%		
			<b>International Shares</b>	<b>17.2%</b>
■	Russell Investments Global Listed Infrastructure Fund	4.1%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	2.9%		
■	Amundi Absolute Volatility World Equities Fund	2.6%		
■	Commodities Futures	2.6%		
■	Russell Investments Global High Yield Fund	2.1%		
■	Vinva Equity Market Neutral Fund	1.5%		
			<b>Alternatives</b>	<b>15.8%</b>
■	Russell Investments International Property Securities Fund	2.8%		
■	Vanguard Australian Properties Securities Fund	2.1%		
			<b>Property</b>	<b>4.9%</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 Credit	Australian Equities	Global Equities	Long / Short Manager	Commodities
Cash-Benchmarked Strategies						
Perpetual	AMP Capital	Barings	Vinva	Fiera	Vinva	Russell Investments
Bank Loans	UBS Western Asset	Hermes Babson	Russell Investments	J O Hambro Nissay		Listed Infrastructure
Metrics Credit	BlueBay Schroders Russell Investments	Colchester GLG Partners First Eagle ICG		Numeric Oaktree RWC Sanders Wellington		Cohen & Steers Colonial First State Nuveen Russell Investments
Volatility Strategies		TwentyFour Voya Russell Investments		Russell Investments		Listed Property
Amundi Russell Investments						Cohen & Steers RREEF Russell Investments

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