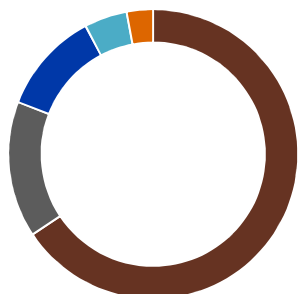


# Russell Investments Multi-Asset Income Strategy Fund

Asset allocation as at  
31 August 2021<sup>3</sup>



Fixed Int & Cash	65.7%
Aust Shares	15.2%
Int Shares	11.4%
Alternatives	4.8%
Property	2.9%

## Fund facts

### Share class

Class A

### Performance objective as at 30 June 2021

CPI +2%\*

3 Months % 1.26

1 Year % 5.85

3 Years % p.a. 3.62

### Inception date

12 December 2012

### Fund size

AUD 86.56m

### APIR code

RIM0089AU

### ARSN code

160-347-384

### Management cost<sup>†</sup>

0.83%

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

N/A

## 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.

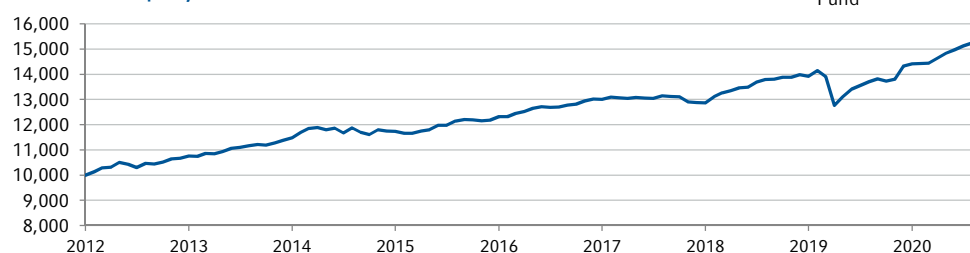
## Fund strategy

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	0.80	2.61	11.18	5.43	4.72	5.11
Distribution	-	3.86	4.60	4.32	3.78	4.20
Growth	0.80	-1.25	6.58	1.11	0.95	0.91

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



## Market

Global bonds fell slightly in August. Longer-term government bond yields rose (prices fell) over the period, driven in part by a further rise in US inflation and a series of encouraging earnings results globally. Bonds were also impacted by confirmation the US Senate had approved a US\$1 trillion infrastructure package, additional corporate activity and some encouraging economic data, including news the euro-zone economy returned to growth in the second quarter and better-than-expected US non-farm payrolls. Meanwhile, global credit markets were mixed for the month. Australian bonds narrowly outperformed their global peers, with the yield on domestic 10-year government debt falling on the back of the Reserve Bank of Australia (RBA)'s decision to move forward with its plan to taper its bond purchases and the extension of the lockdown in NSW. Domestic credit markets were flat for the month against a backdrop of competing positive and negative influences.

Global shares made good gains over the period, benefiting from a series of strong earnings results, the latest US infrastructure plan and further encouraging economic data. Australian shares also performed well, driven by the Reserve Bank of Australia's decision to maintain its ultra-easy monetary policy settings and a further decline in the unemployment rate.

<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 + 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 Russell Investments Multi-Asset Income Strategy Fund returned 0.9% on a gross of fees and tax basis in August.

The Fund's domestic and global equity portfolios drove performance. In terms of domestic equities, the Russell Investments High Dividend Australian Shares ETF recorded positive absolute returns for the month. In contrast, both the Russell Investments Australian Factor Exposure Fund and Vinva's Australian Equitised Long-Short Fund underperformed their benchmarks; the latter strategy impacted by its valuation signals and poor stock selection. 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 in August; though they did underperform their benchmarks. Strong stock selection in the UK and China contributed positively to the funds' performance, however this was over-shadowed by poor stock picking in the US and Continental Europe. 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 remain relatively more attractive.

The Fund also benefited from its exposure to extended fixed income; notably the Russell Investments Emerging Market Debt Local Currency Fund, which benefited from positive returns across emerging markets bonds. Our exposures to global high-yield debt, Australian and global floating rate credit and Metrics Credit recorded more modest returns over the period. We maintain our view that high-yield and investment-grade debt are slightly expensive. However, we believe both remain attractive given the post-vaccine cycle outlook.

The Fund's exposures to global and Australian listed property added further value in August; the latter benefiting from a modest decline in longer-term government bond yields and some encouraging earnings results within the sector.

Meanwhile, the Fund's exposure to traditional fixed income had a relatively neutral impact on overall returns, with both the Russell Investments International Bond Fund – \$A Hedged and the Russell Investments Australian Bond Fund performing in line with their benchmarks. However, the two funds did deliver positive absolute returns for the month. We continue to see government bonds as universally expensive. Moreover, we expect central bank policy will limit rises in government bond yields during the recovery phase.

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.

# 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 31 August 2021<sup>3</sup>



■	Russell Investments Australian Bond Fund	13.8%		
■	Russell Investments Floating Rate Fund	9.6%		
■	Russell Investments Absolute Return Bond Fund	9.4%		
■	Russell Investments Australian Floating Rate Fund	8.0%		
■	Russell Investments International Bond Fund - A\$ Hedged	7.3%	<b>Fixed Interest and Cash</b>	<b>65.7%</b>
■	Metrics Credit Partners	6.9%		
■	Perpetual High Grade Treasury Fund	5.7%		
■	Russell Investments Extended Strategies Fund	3.5%		
■	Cash	1.4%		
■	Russell Investments High Dividend Australian Shares ETF	6.4%		
■	Russell Investments Australian Factor Exposure Fund	5.1%	<b>Australian Shares</b>	<b>15.2%</b>
■	Vinva Australian Equitised Long-Short Fund	3.7%		
■	Russell Investments Global Opportunities Fund - A\$ Hedged	7.2%		
■	Russell Investments Global Opportunities Fund	4.1%	<b>International Shares</b>	<b>11.4%</b>
■	International Shares - Derivatives	0.1%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	2.5%		
■	Russell Investments Global Listed Infrastructure Fund	2.3%	<b>Alternatives</b>	<b>4.8%</b>
■	Amundi Absolute Volatility World Equities Fund	0.0%		
■	Russell Investments Global High Yield Fund	0.0%		
■	Vanguard Australian Properties Securities Fund	2.0%	<b>Property</b>	<b>2.9%</b>
■	Russell Investments International Property Securities Fund	1.0%		

# Russell Investments

## Multi-Asset Income Strategy Fund (continued)

### Portfolio structure\*

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			

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

### 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.

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