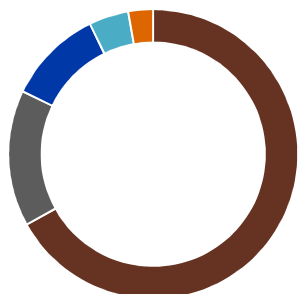


# Russell Investments Multi-Asset Income Strategy Fund

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



Fixed Int & Cash	66.9%
Aust Shares	15.2%
Int Shares	10.7%
Alternatives	4.4%
Property	2.8%

## 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. 3.68

### Inception date

12 December 2012

### Fund size

AUD 86.48m

### 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.

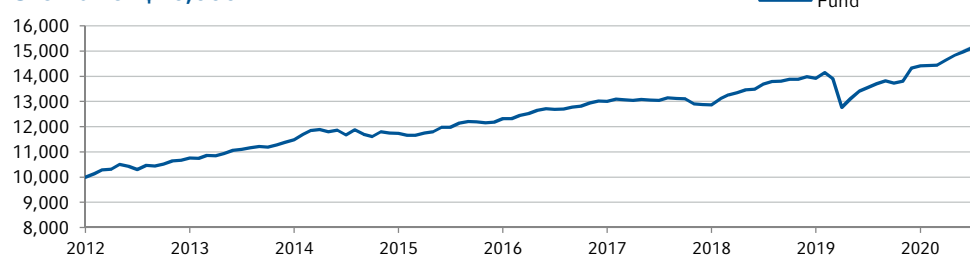
## Fund strategy

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	0.77	2.76	11.24	5.07	4.66	5.07
Distribution	-	3.86	4.60	4.30	3.77	4.24
Growth	0.77	-1.11	6.63	0.77	0.89	0.83

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



## Market

Global bonds made good gains in July. Longer-term government bond yields fell (prices rose) over the period, driven largely by fears that a worldwide resurgence in coronavirus infections could slow the recovery. Bonds also benefited from rising tensions between China and the West and Beijing's decision to extend its regulatory crackdown to the country's booming private education sector. Limiting the advance was a series of robust earnings results and another sharp jump in US inflation. Meanwhile, global credit markets were weaker for the month. Australian bonds outperformed their global peers over the period, with the yield on domestic 10-year government debt falling amid fears the spread of coronavirus in New South Wales will derail the recovery. Compounding this were snap lockdowns in Victoria and Queensland and ongoing concerns over the pace of the local vaccine rollout. Domestic credit markets were flat in July against a backdrop of competing positive and negative influences.

Global shares made strong gains over the period, benefiting from a series of robust earnings results and some 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 further encouraging jobs data.

<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 Fund's global and domestic equity portfolios drove performance. In terms of global equities, both the Russell Investments Global Opportunities Fund and the Russell Investments Global Opportunities Fund – \$A Hedged delivered positive absolute returns for the month; though they did narrowly underperform their respective benchmarks. Strong stock selection in the US and the UK contributed positively to the funds' performance, however this was more than offset by a combination of poor stock picking in Japan and an overweight to emerging markets. Within our Australian equity portfolio, both the Russell Investments High Dividend Australian Shares ETF and the Russell Investments Australian Factor Exposure Fund performed in line with their respective benchmarks, while Vinva's Australian Equitised Long-Short Fund underperformed; driven largely by its valuation signals and poor stock selection. 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 exposures to the Russell Investments International Bond Fund – \$A Hedged and the Russell Investments Australian Bond Fund; both of which recorded positive absolute returns for the month as fears over the resurgence in new coronavirus infections globally pushed bond yields lower. 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. The Fund's credit exposure added further, albeit modest, value in July. In particular, the Fund benefited from its exposures to global high-yield debt, global floating rate credit and Metrics Credit. Our exposure to the Russell Investments Emerging Market Debt Local Currency Fund was also positive for the month, benefiting in part from good gains across emerging market bonds. 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. Meanwhile, 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.

# 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 July 2021<sup>3</sup>



■	Russell Investments Australian Bond Fund	14.6%		
■	Russell Investments Floating Rate Fund	9.6%		
■	Russell Investments Absolute Return Bond Fund	8.9%		
■	Russell Investments International Bond Fund - A\$ Hedged	7.7%		
■	Russell Investments Australian Floating Rate Fund	7.2%	<b>Fixed Interest and Cash</b>	<b>66.9%</b>
■	Metrics Credit Partners	6.5%		
■	Perpetual High Grade Treasury Fund	5.7%		
■	Russell Investments Extended Strategies Fund	3.6%		
■	Cash	3.1%		
■	Russell Investments High Dividend Australian Shares ETF	6.3%		
■	Russell Investments Australian Factor Exposure Fund	5.2%	<b>Australian Shares</b>	<b>15.2%</b>
■	Vinva Australian Equitised Long-Short Fund	3.7%		
■	Russell Investments Global Opportunities Fund - A\$ Hedged	6.8%		
■	Russell Investments Global Opportunities Fund	3.8%	<b>International Shares</b>	<b>10.7%</b>
■	International Shares - Derivatives	0.2%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	2.5%		
■	Russell Investments Global Listed Infrastructure Fund	1.9%	<b>Alternatives</b>	<b>4.4%</b>
■	Amundi Absolute Volatility World Equities Fund	0.0%		
■	Russell Investments Global High Yield Fund	0.0%		
■	Vanguard Australian Properties Securities Fund	1.8%	<b>Property</b>	<b>2.8%</b>
■	Russell Investments International Property Securities Fund	0.9%		

# 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	Colonial First State
	Western Asset	Hermes		Nissay	Nuveen
	BlueBay	GLG Partners		Numeric	Russell Investments
	Schroders	Colchester		Oaktree	
Bank Loans	Russell Investments	THL		RWC	Listed Property
Metrics Credit		Voya		Sanders	Cohen & Steers
Volatility Strategies		TwentyFour		Wellington	RREEF
		ICG		Russell Investments	
Putnam		Russell Investments			

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