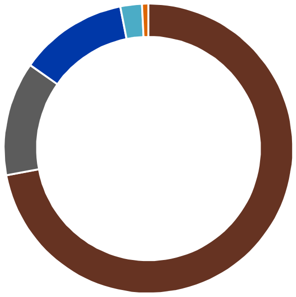
31 August 2023

Russell Investments Multi-Asset Income Strategy Fund

Asset allocation as at 31 August 2023[3]



Fixed Int & Cash	72.0%
Int Shares	12.7%
Aust Shares	12.1%
Alternatives	2.4%
Property	0.7%

Fund facts

Share class	
Class A	
Performance objective as at 30 June 2023	
CPI +2%*	
3 Months %	1.33
1 Year %	8.03
3 Years % p.a.	7.14
Inception date	
12 December 2012	
Fund size	
AUD 202.39m	
APIR code	
RIM0089AU	
ARSN code	
160-347-384	
Management fees and costs†	
0.84%	
Performance fees‡	
0.01%	

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

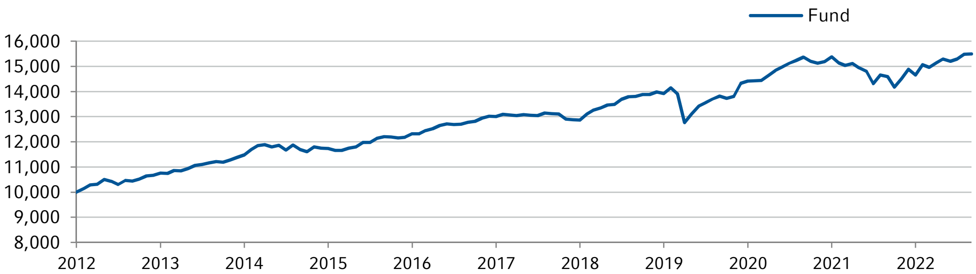
The Fund is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation. Derivatives may be used to implement investment strategies.
For detailed information on the Fund's ESG considerations, including applicable investment exclusions, refer to 'ESG considerations' in section 5 of the Additional Information Booklet that forms part of the Fund's Product Disclosure Statement, available at russellinvestments.com/au/RFA/investing.

Performance review[1,2]

Performance review	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	0.06	1.92	6.18	3.87	3.39	4.22
Distribution	-	1.39	2.60	4.19	4.19	4.16
Growth	0.06	0.53	3.58	-0.32	-0.80	0.05

[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 value of the units.

Growth of $10,000



Market

Global bonds fell slightly in August. Contributing to the decline was speculation that US interest rates will remain higher for longer amid still high inflation and a robust jobs market. Headline inflation in the US rose 3.2% in the 12 months to 31 July, which was up slightly on the 3.0% outcome we saw in June, while core inflation slowed only slightly from 4.8% to 4.7%. At the same time, US unemployment held near record lows and wage pressures remained elevated, which will concern the Federal Reserve (Fed) since higher labour costs mean companies are more likely to raise prices. Whilst market pricing implies the Fed will leave interest rates on hold when it next meets in September, recent Fed rhetoric suggests the Bank believes its fight against inflation is far from over, with chairman Jerome Powell saying the Bank is prepared to raise interest rates further if necessary and will keep them high until it's convinced inflation is on a sustainable path back toward its 2.0% target. Meantime, the Bank of England lifted interest rates a further 0.25% (to 5.25%) against a backdrop of persistently high inflation. Neither the European Central Bank nor the Bank of Japan met in August. In contrast, bonds benefited from a downward revision to US growth and concerns over the deteriorating economic outlook in China. Global credit markets were weaker in August, with spreads on US and European investment-grade and high-yield debt widening over the period. Australian bonds outperformed their global peers, while domestic credit spreads narrowed.

Global share markets fell (in local currency terms) in August. Australian shares were also weaker for the month.

3 Alllocations 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.
* Reserve Bank of Australia Cash Rate + 1.7% until 04/05/2016 and CPI+2% thereafter.

Fund performance and outlook

Within the Fund's traditional fixed income portfolio, the Russell Investments Australian Bond Fund outperformed its benchmark over the period, benefiting in part from an overweight to credit. In terms of our extended fixed income exposure, Metrics Credit outperformed government bonds, with Australian loans continuing to generate income-like returns. Global floating rate credit and the Russell Investments Australian Floating Rate Fund also performed well in August. In contrast, the Russell Investments International Bond Fund – $A Hedged delivered both negative absolute and excess returns for the month, driven largely by interest rate and active currency positioning. We believe US, UK and German government bonds offer reasonable value. In the US, the spread between two- and 10-year government bond yields is close to an extreme. We believe it's likely the yield curve will steepen in the coming months, which it tends to do when the Fed finishes raising interest rates and markets start looking toward rate cuts. Meanwhile, Japanese government bonds look expensive despite the Bank of Japan's recent announcement regarding their yield curve control policy.

Our equity portfolio was mixed over the period. In terms of global equities, both the Russell Investments Global Opportunities Fund and the Russell Investments Global Opportunities Fund – $A Hedged underperformed their respective benchmarks in August; though the former did record positive absolute returns for the month. Much of the funds' underperformance was driven by stock selection in the US, including underweights to chip maker NVIDIA, e-commerce platform Amazon.com and pharmaceutical company Eli Lilly & Co. Within our domestic equity portfolio, the Russell Investments Australian Opportunities Fund recorded negative absolute and excess returns over the period, driven in part by stock selection within the healthcare space. This included overweights to poor-performing names like ResMed and New Zealand's Fisher & Paykel Healthcare. The Russell Investments High Dividend Australian Shares ETF also posted negative absolute returns in August, while Vinva's Australian Equitised Long-Short strategy outperformed, benefiting largely from its behavioural signals. Partly offsetting this was weakness from the strategy's quality signals. We maintain a diversified equity exposure across both global and Australian markets. We still prefer non-US developed equities over US equities. We believe non-US developed equities are relatively cheaper and likely to benefit from weakness in the US dollar (USD) should the Fed become less hawkish.

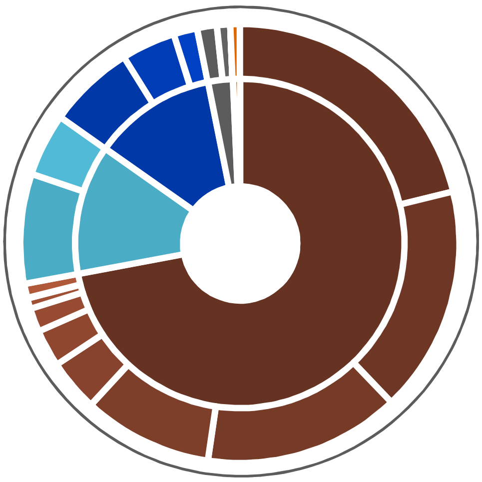
The Fund also benefited from its exposure to Australian listed property, while a weaker Australian dollar (relative to the USD) boosted the returns of the Fund's assets denominated in foreign currency.

Markets have faced multiple concerns in the past 12 to 24 months; including Russia's invasion of Ukraine, surging inflation, central bank tightening, a slowing Chinese economy and regional banking crises in the US and Europe. Moving forward, the main uncertainty for markets is the outlook for the US economy. Whilst economic data so far this year has proven more resilient than markets initially expected, our base case remains that a recession in the US is more likely than not. The upside risk for the US economy and markets comes from the possibility that US core inflation has peaked. This, combined with some softening in the labour market, could allow the Fed to become less hawkish later this year and into 2024.

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 2023[3]



Russell Investments Australian Bond Fund	21.2%	Fixed Interest and Cash	72.0%
Russell Investments Australian Floating Rate Fund	16.7%		
Russell Investments International Bond Fund - A$ Hedged	14.4%		
Metrics Credit Partners	9.5%		
Russell Investments Floating Rate Fund	3.8%		
Perpetual High Grade Treasury Fund	2.7%		
Russell Investments Australian Cash Fund	1.7%		
Russell Investments Extended Strategies Fund	0.8%		
Cash	0.0%		
Fixed Interest and Cash - Derivatives	1.0%		
Russell Investments Global Opportunities Fund	8.1%	International Shares	12.7%
Russell Investments Global Opportunities Fund - A$ Hedged	4.6%		
Russell Investments Australian Opportunities Fund	6.4%	Australian Shares	12.1%
Russell Investments High Dividend Australian Shares ETF	4.0%		
Vinva Australian Equitised Long-Short Fund	1.7%		
Russell Investments Global Listed Infrastructure Fund	1.5%	Alternatives	2.4%
Russell Investments Emerging Markets Debt Local Currency Fund	1.0%		
Amundi Absolute Volatility World Equities Fund	0.0%		
Russell Investments International Property Securities Fund	0.7%	Property	0.7%

3 Allocations may not equal 100% due to rounding.

Russell Investments
Multi-Asset Income Strategy Fund (continued)

Portfolio structure[4]

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 / **Cash-benchmarked Strategies**	**Australian & International Bonds**	**High Yield, EMD & Floating Rate Credit**	**Australian Equities**	**Global Equities**	**Listed Infrastructure**
Perpetual	Macquarie	Barings	Vinva	PineStone	Cohen & Steers
	UBS	Hermes	Allan Gray	J O Hambro	First Sentier
	Western Asset	DDJ(Polen Capital)	Ausbil	Nissay	Nuveen
	RBC (BlueBay)	Colchester	Firetrail	Numeric	Russell Investments
Bank Loans	Schroders	First Eagle	L1 Capital	Oaktree	**Listed Property**
Metrics Credit	Russell Investments	ICG	Platypus	RWC	Cohen & Steers
Volatility Strategies		TwentyFour	WaveStone Capital	Sanders	RREEF
Amundi		Russell Investments	Russell Investments	Wellington	Russell Investments
				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 August 2023.

Contact Russell Investments

For further information about Russell Investments please visit russellinvestments.com.au

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