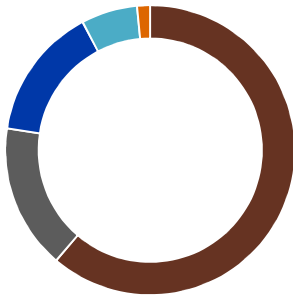


# Russell Investments Multi-Asset Income Strategy Fund

Asset allocation as at  
31 July 2022<sup>3</sup>



Fixed Int & Cash	61.2%
Aust Shares	16.2%
Int Shares	14.9%
Alternatives	6.3%
Property	1.5%

## 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.

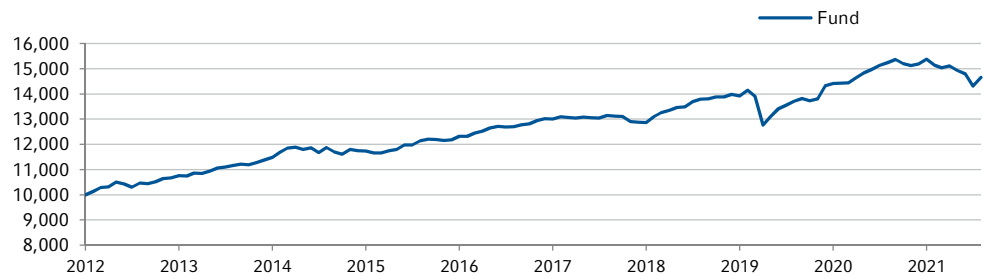
## Performance review<sup>1,2</sup>

Performance review	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	2.45	-1.84	-3.85	2.06	2.91	4.10
Distribution	-	4.83	5.29	4.94	4.05	4.36
Growth	2.45	-6.67	-9.14	-2.88	-1.13	-0.26

<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.

## Growth of \$10,000



## Market

Global bonds made reasonable gains in July. Longer-term government bond yields fell (prices rose) over the period even as major central banks continued to raise interest rates in the face of persistently high inflation; investors instead betting that tighter monetary policy globally may tip the world economy into recession. In the US, the Federal Reserve (Fed) raised its benchmark rate by a further 0.75% in July after inflation surged 9.1% in the year to 30 June; the measure's highest reading in more than four decades. Elsewhere, rising prices in the euro-zone saw the European Central Bank deliver its first rate hike in 11 years, while the Bank of England (BoE) is expected to raise interest rates by a similar amount when it next meets in early August after UK inflation hit 9.4% in the 12 months to 30 June [Note: the BoE did go on to raise interest rates a further 0.50% at its latest meeting.] Bonds also benefited from their traditionally defensive qualities amid heightened geopolitical risks and mostly softer economic data globally. Credit markets were stronger in July, with spreads on US and European investment-grade and high-yield debt narrowing in line with improving investor sentiment. Australian bonds outperformed their global peers over the period, while domestic credit markets were also stronger.

Global shares performed well amid a series of encouraging US and European earnings updates and speculation the Fed could be forced to reduce the size of future rate hikes if growth in the world's biggest economy was to slow too quickly. Australian shares were also positive for the month.

<sup>3</sup> All allocations 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 facts

### Share class

Class A

### Performance objective as at 30 June 2022

CPI +2%\*

3 Months % 2.27

1 Year % 8.14

3 Years % p.a. 5.18

### Inception date

12 December 2012

### Fund size

AUD 126.75m

### APIR code

RIM0089AU

### ARSN code

160-347-384

### Management fees and costs<sup>†</sup>

0.84%

### Performance fees<sup>‡</sup>

0.03%

# Russell Investments

## Multi-Asset Income Strategy Fund (continued)

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### Fund performance and outlook

The Fund's traditional fixed income portfolio contributed positively to performance over the period, with both the Russell Investments International Bond Fund – \$A Hedged and the Russell Investments Australian Bond Fund recording positive absolute and excess returns in July. Within our extended fixed income portfolio, the Russell Investments Floating Rate Fund performed well as prices on loans and securitised assets rebounded in line with a pickup in credit market activity. Our global high-yield debt exposure and the Metrics Credit Diversified Australian Senior Loan Fund also added value over the period. Partly offsetting this was our exposure to the Russell Investments Emerging Market Debt Local Currency Fund, which underperformed in unhedged Australian dollar (AUD) terms. We believe government bond valuations have improved, with US bonds now offering good value. However, we still view Japanese, German and UK bonds as moderately expensive. In saying that, markets have fully priced in hawkish outlooks for most central banks, which should limit the extent of any further selloff in government bonds.

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 for the month. However, the two funds did underperform their benchmarks. This was due in part to the funds' value bias as growth stocks outperformed. Poor stock selection in Japan also weighed on returns. In terms of Australian equities, both the Russell Investments High Dividend Australian Shares ETF and the Russell Investments Australian Factor Exposure Fund recorded strong absolute returns in July; though the latter narrowly underperformed its benchmark. Vinva's Australian Equitised Long-Short Fund also recorded negative excess returns for the month. This was driven largely by weakness across the strategy's valuation and behavioural signals. We maintain a diversified equity exposure across both global and Australian markets. We still prefer non-US developed equities over US equities as non-US developed equities are relatively cheaper and likely to benefit from weakness in the US dollar should the Fed become less hawkish.

Meanwhile, a stronger AUD impacted the returns of the Fund's assets denominated in foreign currency.

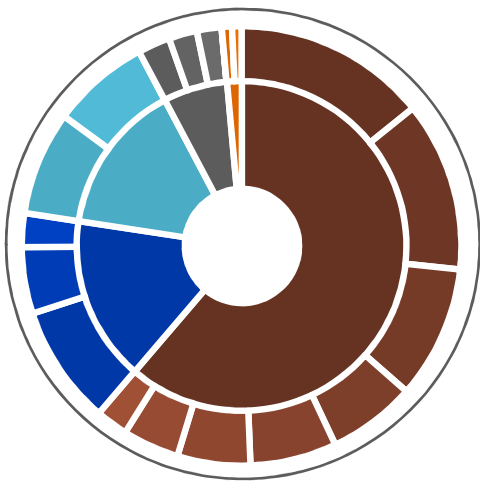
Moving forward, recession fears and central bank tightening will continue to drive market volatility. We believe equity markets are oversold and that US core inflation has likely peaked. In our view, this should help markets stabilise and possibly recover through the second half of 2022.

# 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 2022<sup>3</sup>



■	Russell Investments Australian Floating Rate Fund	14.2%		
■	Russell Investments Australian Bond Fund	12.5%		
■	Metrics Credit Partners	9.8%		
■	Russell Investments International Bond Fund - A\$ Hedged	6.5%		
■	Russell Investments Floating Rate Fund	6.4%		
■	Cash	5.4%		
■	Perpetual High Grade Treasury Fund	4.2%		
■	Russell Investments Extended Strategies Fund	2.4%		
<b>Fixed Interest and Cash 61.2%</b>				
■	Russell Investments Australian Factor Exposure Fund	8.8%		
■	Russell Investments High Dividend Australian Shares ETF	4.9%		
■	Vinva Australian Equitised Long-Short Fund	2.5%		
			<b>Australian Shares</b>	<b>16.2%</b>
■	Russell Investments Global Opportunities Fund - A\$ Hedged	7.6%		
■	Russell Investments Global Opportunities Fund	7.2%		
			<b>International Shares</b>	<b>14.9%</b>
■	Russell Investments Global Listed Infrastructure Fund	2.4%		
■	Russell Investments Global High Yield Fund	2.1%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	1.8%		
■	Amundi Absolute Volatility World Equities Fund	0.0%		
			<b>Alternatives</b>	<b>6.3%</b>
■	Russell Investments International Property Securities Fund	0.8%		
■	Vanguard Australian Properties Securities Fund	0.7%		
			<b>Property</b>	<b>1.5%</b>

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

# Russell Investments

## Multi-Asset Income Strategy Fund (continued)

### Portfolio structure<sup>4</sup>

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	Macquarie	Barings	Vinva	Fiera	Cohen & Steers
	UBS	Hermes		Russell Investments	J O Hambro
	Western Asset	Colchester		Nissay	Nuveen
	BlueBay	First Eagle		Numeric	Russell Investments
	Schroders	ICG		Oaktree	
Bank Loans	Russell Investments	TwentyFour		RWC	Listed Property
Metrics Credit		Russell Investments		Sanders	Cohen & Steers
Volatility Strategies				Wellington	RREEF
				Russell Investments	Russell Investments
Putnam					Vanguard

<sup>4</sup> 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 July 2022.

#### 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

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