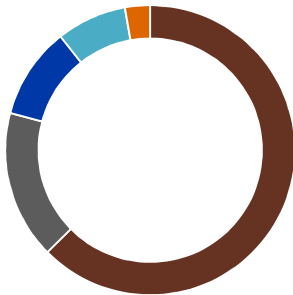


Russell Investments Multi-Asset Income Strategy Fund

Asset allocation as at
28 February 2021³



| | |
|--------------------|-------|
| ■ Fixed Int & Cash | 62.6% |
| ■ Aust Shares | 16.6% |
| ■ Int Shares | 10.2% |
| ■ Alternatives | 7.8% |
| ■ Property | 2.8% |

Fund facts

Share class

Class A

Performance objective as at 31 December 2020

CPI +2%*

3 Months % 1.36

1 Year % 2.86

3 Years % p.a. 3.44

Inception date

12 December 2012

Fund size

AUD 49.41m

APIR code

RIM0089AU

ARSN code

160-347-384

Management cost[†]

0.83%

Performance-related fee[‡]

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.

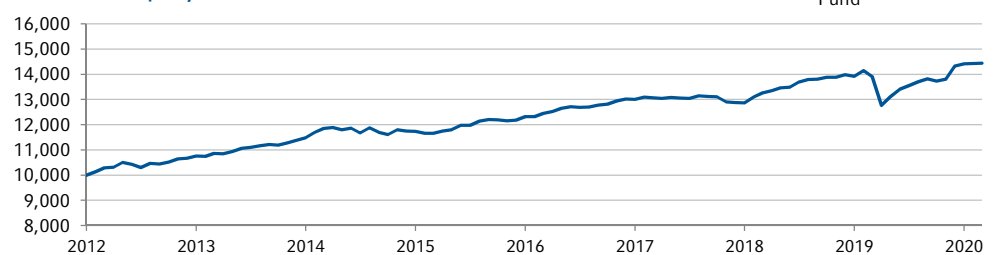
Fund strategy

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^{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 | 0.81 | 3.80 | 3.37 | 4.38 | 4.64 |
| Distribution | - | 0.02 | 4.86 | 3.40 | 3.51 | 3.95 |
| Growth | 0.06 | 0.78 | -1.06 | -0.03 | 0.87 | 0.69 |

Growth of \$10,000¹



Market

The global bond market was weaker in February, with longer-term government bond yields rising (prices falling) on concerns the pace of the recovery will drive up inflation and cause interest rates to rise. The global growth outlook has improved amid considerable fiscal and monetary stimulus, an acceleration in vaccination efforts worldwide and a slowdown in the number of new coronavirus infections in some of the hardest hit regions. Yields were higher in Europe, the UK, Japan and the US; though US Federal Reserve chairman, Jerome Powell, did move to allay investors' fears by saying that he wasn't concerned about rising bond yields or threats from inflation. In contrast, credit markets were positive in February, benefiting from ongoing fiscal and monetary policy support, surging oil prices and the general optimism surrounding the global recovery. Australian bonds also underperformed over the period, with the yield on 10-year government debt hitting its highest level in almost two years amid heightened inflation fears. Meanwhile, domestic credit spreads were relatively flat for the month.

Global share markets performed well in February despite giving up some of their early gains in the second half amid higher bond yields. Australian shares were also positive.

[†] For the year ending 30/6/2020 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

[‡] 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)

Fund performance and outlook

The Fund's global and Australian equity portfolios contributed positively to performance over the period. In terms of global equities, both the Russell Investments Global Opportunities Fund and the Russell Investments Global Opportunities Fund (AUD Hedged) delivered strong excess returns for the month; the two funds benefiting largely from their value bias as investors continued to rotate out of growth-oriented names in favour of more cyclical and cheaper value stocks. Within our Australian equity portfolio, the Russell Investments High Dividend Australian Shares ETF, the Russell Investments Australian Factor Exposure Fund and Vinva's Australian Equitised Long/Short Fund all recorded positive excess returns in February; the latter's outperformance driven in part by strength from its behavioural and segmentation signals. We maintain a diversified equity exposure across both global and Australian markets. We continue to favour non-US stocks over US stocks as the post-vaccine economic recovery should favour undervalued cyclical value names over expensive technology and growth stocks. Additionally, we believe emerging markets should benefit from China's early exit from lockdown and further stimulus measures. The Fund's credit exposure also added value over the period. In particular, the Fund benefited from its exposure to global floating rate credit, which outperformed as bank loans and securitised assets were shielded from rising interest rates. Metrics Credit recorded more modest gains in February, while our global high-yield debt exposure was relatively flat for the month. We maintain our view that high-yield and investment-grade debt are slightly expensive; though they remain attractive given the post-vaccine cycle outlook. In contrast, the Fund's exposure to the Russell Investments Australian Bond Fund and the Russell Investments International Bond Fund (AUD Hedged) detracted from overall performance. Both funds recorded negative absolute returns in February as government bonds sold off sharply amid rising inflation expectations. We still view government bonds as universally expensive. Moreover, we expect low inflation and dovish central banks will limit rises in bond yields during the economic recovery phase. Our exposure to the Russell Investments Emerging Market Debt Local Currency Fund also weighed on returns (in unhedged Australian dollar terms) as global bond yields rose and emerging markets currencies weakened against the US dollar.

Vaccine prospects are likely to make 2021 a year of global economic recovery. While markets have priced in a fair amount of the good news, more gains seem possible as corporate profits rebound and central banks maintain accommodative monetary policies. With the world in the early post-recession recovery phase of the business cycle, our medium-term outlook for economies and corporate earnings is positive. We believe 2021 will feature an extended period of low-inflation, low-interest-rate growth that favours equities over bonds.






















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 28 February 2021³



| | | | | |
|---|---|-------|--------------------------------|--------------|
|  | Russell Investments Australian Bond Fund | 14.1% | | |
|  | Perpetual High Grade Treasury Fund | 8.9% | | |
|  | Russell Investments Floating Rate Fund | 8.8% | | |
|  | Russell Investments International Bond Fund - A\$ Hedged | 8.0% | | |
|  | Russell Investments Australian Floating Rate Fund | 6.9% | Fixed Interest and Cash | 62.6% |
|  | Metrics Credit Partners | 4.9% | | |
|  | Cash | 4.4% | | |
|  | Russell Investments Absolute Return Bond Fund | 4.3% | | |
|  | Vanguard Inflation Linked Bond Fund | 2.4% | | |
|  | Vinva Australian Equitised Long-Short Fund | 5.8% | | |
|  | Russell Investments High Dividend Australian Shares ETF | 5.8% | Australian Shares | 16.6% |
|  | Russell Investments Australian Factor Exposure Fund | 5.0% | | |
|  | Russell Investments Global Opportunities Fund - A\$ Hedged | 6.1% | | |
|  | Russell Investments Global Opportunities Fund | 3.8% | International Shares | 10.2% |
|  | International Shares - Derivatives | 0.4% | | |
|  | Russell Investments Global High Yield Fund | 4.7% | | |
|  | Russell Investments Emerging Markets Debt Local Currency Fund | 2.4% | | |
|  | Russell Investments Global Listed Infrastructure Fund | 0.6% | Alternatives | 7.8% |
|  | Amundi Absolute Volatility World Equities Fund | 0.0% | | |
|  | Russell Investments International Property Securities Fund | 1.9% | Property | 2.8% |
|  | Vanguard Australian Properties 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 UBS Western Asset BlueBay Schroders | Barings DDJ Hermes GLG Partners Colchester THL Voya TwentyFour ICG Russell Investments | Vinva Russell Investments | Fiera J O Hambro Nissay Numeric Oaktree RWC Sanders Wellington Russell Investments | Cohen & Steers Colonial First State Nuveen Russell Investments |
| Bank Loans | Russell Investments | | | | Listed Property |
| Metrics Credit | | | | | Cohen & Steers RREEF |

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

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.
³ Allocations may not equal 100% due to rounding.
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.

Important information

Issued by Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence 247185 (RIM). This document provides general information for wholesale investors only and has not prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation or needs. This information has been compiled from sources considered to be reliable, but is not guaranteed. The performance data shown does not take into account fees, charges and taxes, and is not a reliable indicator of the net return to you as an investor. Past performance is not a reliable indicator of future performance. Any potential investor should consider the latest PDS in deciding whether to acquire, or to continue to hold, an investment in any Russell Investments product. The PDS can be obtained by visiting russellinvestments.com.au or by phoning (02) 9229 5111. RIM and TRM are part of Russell Investments. Russell Investments or its associates, officers or employees may have interests in the financial products referred to in this information by acting in various roles including broker or adviser, and may receive fees, brokerage or commissions for acting in these capacities. In addition, Russell Investments or its associates, officers or employees may buy or sell the financial products as principal or agent. The Russell Indexes mentioned in this document are trademarks of Frank Russell Company. Frank Russell Company is the owner of the Russell trademarks and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Russell or any entity operating under the 'FTSE Russell' brand. Copyright © 2021 RIM. All rights reserved. This material is proprietary and may not be reproduced, transferred, or distributed in any form without prior written permission from RIM. Russell Investments became a signatory of the Principles for Responsible Investment (PRI) in 2009; the Carbon Disclosure Project's climate change program since 2010; and the Climate Action 100 in 2017. Russell Investments is also a member of the Institutional Investors Group on Climate Change (IIGCC) since 2015; and the Responsible Investment Association of Australasia. Russell Investments became a supporter for the Taskforce on Climate-Related Financial Disclosures (TCFD) in May 2019. Russell Investments has consecutively achieved an A+ rating for our strategy and governance approach from the PRI from 2016-2020. For further information visit russellinvestments.com.