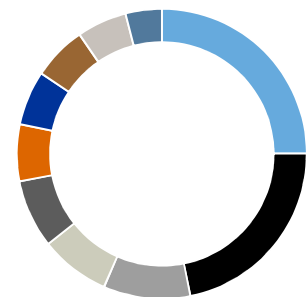


Russell Investments Australian Opportunities Fund

Sector allocation



Materials	25.0%
Financials	21.9%
Health Care	9.7%
Industrials	7.8%
Energy	7.6%
Consumer Discretionary	6.4%
Communication Services	6.1%
Consumer Staples	6.0%
Real Estate	5.6%
Other	4.0%

Fund objective

To significantly outperform the Fund's benchmark, before costs and tax, over the long term by providing exposure to a diversified portfolio of predominantly Australian shares.

Fund strategy

The Fund invests predominantly in shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The Fund may also engage in short selling of securities. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.

Performance review¹

Period ending 30/06/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	1.60	17.31	-10.49	2.64	5.17	7.57

Growth of \$10,000



Fund facts

Share class

Class A

Inception date

31 May 2004

Fund size

AUD 224.83m

Benchmark

S&P/ASX 300 Accumulation Index

Portfolio manager

Symon Parish

Recommended investment timeframe

7 years

Tax structure

Investment - Class A

APIR code

RIM0029AU

ARSN code

108-895-469

Management cost[†]

1.16%

Performance-related fee[‡]

0.05%

Fund commentary

The Russell Investments Australian Opportunities Fund outperformed the benchmark in the June quarter.

Contributing to the Fund's outperformance was strong stock selection amongst value names, which rebounded from the sharp selloff we saw in the first quarter. This included overweight holdings in Boral Ltd. and Perenti Global (formerly Ausdrill). Also positive was the Fund's broader pro-cyclical bias, including an overweight to the energy sector. An overweight to gold miners added further value; notably Newcrest Mining, which posted strong gains as gold prices hit multi-year highs during the quarter. Our underweight to banks and a tilt away from traditionally defensive sectors like consumer staples, utilities and healthcare was also positive. In contrast, several stock-specific positions detracted from performance, including overweights to Nufarm and Metcash; both of which posted material declines for the quarter. An underweight to property trusts also weighed on returns after the sector outperformed the broader market over the period.

In terms of overall positioning, we continued to reduce the Fund's defensive exposures and increase active risk throughout the quarter; which we did by adding to our deeper value and more aggressive growth exposures. We will continue to look for opportunities to add risk in the coming months, though we'll do this incrementally given market volatility remains elevated.

[†] For the year ending 30/6/2019 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

[‡] For the year ending 30/6/2019. May be charged if performance targets are met. Refer to PDS for further information.

Russell Investments Australian Opportunities Fund (continued)

Detailed performance review^{1,2}

	1 year %p.a.	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-10.5	2.6	5.2	7.6
Distribution	2.2	6.2	6.3	6.5
Growth	-12.7	-3.5	-1.1	1.0

ESG data

	Fund	Benchmark
ESG Risk Score**	25.85	24.61
Carbon Footprint***	260.56	221.24
Tobacco Exposure	0.00%	0.00%

** Higher scores imply higher ESG risk

*** Higher score implies greater carbon exposure

The ESG Risk Score is the weighted average of the Sustainalytics' Risk Score for companies in the portfolio. The Sustainalytics' Risk Score focuses on ESG issues that are financially material to the company and incorporates both risk exposure and issue management. The scores range from 0 to 100 where higher scores imply higher ESG risk. The carbon footprint is the weighted average carbon intensity of the Scope 1 (direct) and Scope 2 (electricity consumption) carbon emissions of companies in the portfolio, measured in metric tons of carbon dioxide equivalent (CO₂-e) divided by company revenue (USD). Tobacco exposure is defined as the weight of securities in the portfolio classified as being in the GICS tobacco subindustry.

Top ten holdings

Security
CSL Limited
Commonwealth Bank of Australia
Newcrest Mining Limited
National Australia Bank Limited
BHP Group Ltd
Australia and New Zealand Banking Group Ltd
Rio Tinto Limited
Westpac Banking Corporation
Woolworths Group Ltd
Oil Search Limited

Russell Investments Australian Opportunities Fund (continued)

Portfolio structure*

Manager	Style	Weight %	Comment
Allan Gray	Deep Value	15.0	Allan Gray outperformed the benchmark over the quarter, benefiting from overweights to Newcrest Mining, AMP Ltd. and Oil Search. An underweight to CSL Ltd. also added value.
Ausbil Investment Management	Style Neutral, 130/30	15.0	Ausbil underperformed the benchmark over the quarter, hurt in part by underweights to Afterpay, Stockland and Scentre Group. Overweights to CSL Ltd. and Lendlease Group also weighed on returns.
Firetrail Investments	Opportunistic, high conviction	15.0	Firetrail outperformed the benchmark over the quarter, benefiting from overweights to Evolution Mining, OZ Minerals and Newcrest Mining. An underweight to CSL Ltd. also added value.
L1 Capital	Opportunistic, high conviction	7.5	L1 Capital outperformed the benchmark over the quarter, driven by overweight holdings in Perenti Global, Boral Ltd. and Downer EDI. An underweight to CSL Ltd. also added value.
Platypus Asset Management	Aggressive growth	17.5	Platypus outperformed the benchmark over the quarter, benefiting from overweights to Afterpay, JB Hi-Fi and REA Group. Not holding defensive names like Telstra and Woolworths also added value.
Russell Investments	Positioning strategies	12.5	The strategy underperformed the benchmark over the quarter, driven by a zero exposure to Afterpay and underweights to the 'Big Four' banks. Overweights to Dexs and Mirvac Group also weighed on returns.
Vinva	Quantitative, 130/30	17.5	Vinva outperformed the benchmark over the quarter, driven by overweights to JB Hi-Fi, Appen and Santos. Overweights to Fortescue Metals Group and Macquarie Group also added value.

Contact Russell Investments

To find out more about Russell Investments or how you can diversify your portfolio in just one transaction, you can:
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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 values of the units.

*Russell Investments retains the discretion to change the investment managers at any time without notice. Please check russellinvestments.com.au/disclosures for the latest list of managers.

Allocations may not equal 100% due to rounding

Important information

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