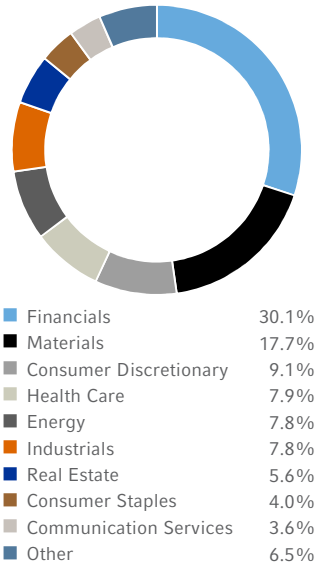


Russell Investments Australian Shares Fund

Sector allocation



Fund objective

To provide a total return, before costs and tax, higher than the Fund's benchmark over the long term by providing exposure to a diversified portfolio of predominantly Australian shares.

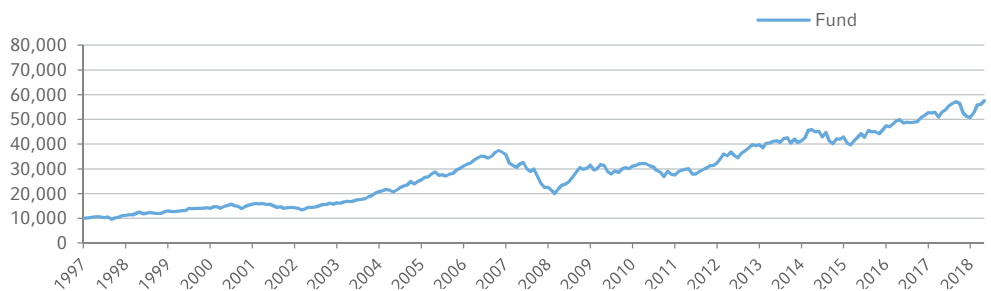
Fund strategy

The Fund invests predominantly in shares and unit trusts listed or about to be listed on the Australian Securities Exchange. 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 30/04/2019	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	2.41	8.72	8.58	10.35	6.97	8.55

Growth of \$10,000



Fund commentary

The Russell Investments Australian Shares Fund performed in line with the benchmark in April.

Contributing positively to performance was the Fund's pro-cyclical positioning; most notably our underweight to listed property trusts. This included underweight holdings in Scentre Group, GPT Group and industrial property heavyweight, Goodman Group. Also adding value was positive stock selection within the consumer discretionary space; particularly our overweight to Crown Resorts, which surged in the wake of a takeover bid from Las Vegas giant, Wynn Resorts. Other notable positions to add value in April were underweights to mining heavyweights, BHP Billiton and Rio Tinto, and an overweight to Reliance Worldwide Corp. In contrast, our broad underweight to the banks weighed the most on overall returns, with Commonwealth Bank of Australia and Westpac Banking Corp. the biggest detractors. Also weighing on performance were our overweights to BHP Billiton spinoff, South32, and insurer, Suncorp Group. Meanwhile, strategic factor performance had no material impact on overall returns in April.

The Fund maintains underweight exposures to expensive defensives, such as property trusts and communication services, and remains overweight deeper value names. Relative to strategic targets, the Fund is overweight value and underweight momentum and growth.

Fund facts

Share class

Class A

Inception date

31 December 1997

Fund size

AUD 251.31m

Benchmark

S&P/ASX 300 Accumulation Index

Portfolio manager

Symon Parish

Recommended investment timeframe

7 years

Tax structure

Investment - Class A

APIR code

RIM0006AU

ARSN code

092-807-728

Management cost[†]

0.84%

Performance-related fee[‡]

N/A

[†] For the year ending 30/6/2018 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

[‡] For the year ending 30/6/2018. May be charged if performance targets are met. Refer to PDS for further information.

Russell Investments Australian Shares 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	8.6	10.4	7.0	8.5
Distribution	3.5	4.0	4.0	6.0
Growth	5.1	6.4	3.0	2.5

Top ten holdings

Security
BHP Group Ltd
Australia and New Zealand Banking Group Ltd
National Australia Bank Limited
Westpac Banking Corporation
Commonwealth Bank of Australia
CSL Limited
Macquarie Group Limited
QBE Insurance Group Limited
Woodside Petroleum Ltd
Telstra Corporation Limited

Portfolio structure*

Manager	Style	Weight %
DFA	Deep value small cap	12.5
Investors Mutual Limited	Bottom-up with defensive characteristics	15.0
Karara Capital	Core	17.5
Numeric Investors	Quantitative	17.5
Platypus	Aggressive growth	17.5
Russell Investments	Positioning strategies	20.0

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 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 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.
 Manager strategic weights sum to 100% and exclude the 3% risk sleeve allocation.
 Allocations may not equal 100% due to rounding

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 © 2019 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.