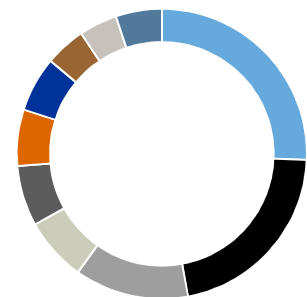


Russell Investments Australian Shares Fund

Sector allocation



Financials	25.7%
Materials	21.4%
Health Care	12.7%
Consumer Discretionary	7.1%
Industrials	6.7%
Real Estate	6.3%
Energy	6.1%
Communication Services	4.5%
Information Technology	4.3%
Other	5.1%

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.

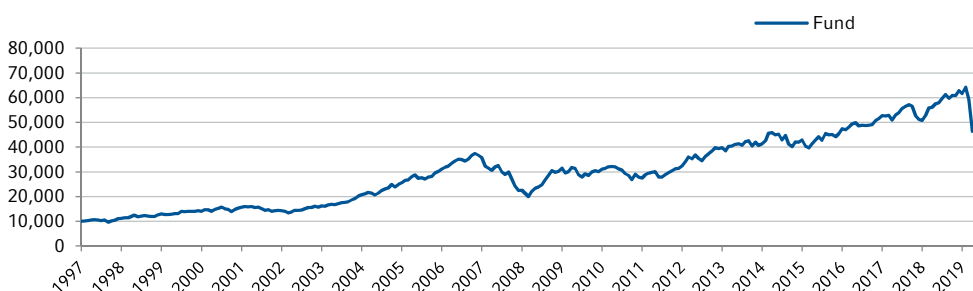
Fund strategy

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 30/06/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	2.03	16.08	-9.61	3.30	4.63	7.77

Growth of \$10,000



Fund commentary

The Russell Investments Australian Shares Fund underperformed the benchmark in the June quarter.

Contributing to the Fund's underperformance was our underweight to gold miners, including Newcrest Mining, which posted strong gains for the quarter as gold prices hit multi-year highs. Also weighing on returns was our overweight to insurers; namely QBE Insurance and Suncorp Group. Other notable positions to detract from performance were underweights to Wesfarmers and Scentre Group. In contrast, the Fund benefited from strong stock selection amongst value and growth names. Within the value space, our overweights to Santos and BlueScope Steel contributed the most to performance, while growth positions included overweights to REA Group and JB Hi-Fi. Also adding value was the Fund's broader pro-cyclical bias, including an overweight to the energy sector. An overweight to the strong-performing information technology space and our tilt away from traditionally defensive sectors like consumer staples and utilities was also positive. 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.

Fund facts

Share class

Class A

Inception date

31 December 1997

Fund size

AUD 215.48m

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 30/6/2019 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 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	-9.6	3.3	4.6	7.8
Distribution	4.0	4.3	4.0	5.9
Growth	-13.6	-1.0	0.6	1.8

ESG data

	Fund	Benchmark
ESG Risk Score**	25.50	24.61
Carbon Footprint***	254.86	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
BHP Group Ltd
Commonwealth Bank of Australia
National Australia Bank Limited
Westpac Banking Corporation
Australia and New Zealand Banking Group Ltd
Goodman Group
Rio Tinto Limited
Telstra Corporation Limited
Macquarie Group Limited

Russell Investments Australian Shares Fund (continued)

Portfolio structure*

Manager	Style	Weight %	Comment
Ausbil	Core, earnings revisions focus	17.5	Ausbil outperformed the benchmark over the quarter, benefiting from overweights to Afterpay, Santos and Macquarie Group. Not holding IAG and AGL Energy also added value.
DFA	Deep value small cap	12.5	DFA outperformed the benchmark over the quarter, benefiting from zero exposures to defensive names like CSL Ltd., Telstra and Woolworths. Overweights to Boral Ltd. and Fortescue Metals Group also added value.
Investors Mutual Limited	Bottom-up with defensive characteristics	15.0	Investors Mutual underperformed the benchmark over the quarter, hurt in part by not holding Afterpay and overweights to both IAG and Telstra. Underweights to Macquarie Group and Fortescue Metals Group also weighed on returns.
Numeric Investors	Quantitative	17.5	Numeric narrowly outperformed the benchmark over the quarter, benefiting from overweights to Kogan.com, Charter Hall Group and Ansell Ltd. Overweights to Santos and Macquarie Group also added value.
Platypus	Aggressive growth	17.5	Platypus outperformed the benchmark over the quarter, benefiting from overweights to Afterpay, JB Hi-Fi and REA Group. Not holding Telstra and Woolworths also added value.
Russell Investments	Positioning strategies	20.0	The strategy underperformed the benchmark over the quarter, hurt in part by not holding Afterpay and an underweight to Newcrest Mining. Overweights to Whitehaven Coal and Unibail-Rodamco-Westfield also weighed on returns.

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

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