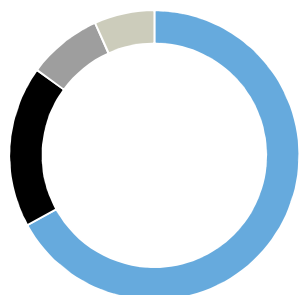


# Russell Investments Portfolio Series - Conservative

Asset allocation as at  
31 March 2019<sup>3</sup>



Fixed Int & Cash	67.0%
Int Shares	18.0%
Alternatives	8.3%
Aust Shares	6.7%

## Fund objective

To provide returns over the short to medium term, with low volatility, consistent with a diversified mix of predominantly defensive assets and some growth oriented assets.

## Fund strategy

The Fund typically invests in a diversified portfolio mix with exposure to growth investments of around 30% and defensive investments of around 70%. Derivatives may be used to implement investment strategies.

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

Period ending 31/03/2019	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	1.00	4.14	3.92	4.69	4.52	5.88
Distribution	-	0.27	3.14	3.43	3.95	5.81
Growth	1.00	3.87	0.78	1.26	0.57	0.08

## Growth of \$10,000



## Fund facts

### Share class

Class A

### Inception date

30 April 2002

### Fund size

AUD 53.27m

### Portfolio manager

Symon Parish

### Recommended investment timeframe

3 years

### Tax structure

Investment - Class A

### APIR code

RIM0023AU

### ARSN code

099-584-639

### Management cost<sup>†</sup>

0.76%

### Performance-related fee<sup>‡</sup>

0.00%

## Fund commentary

Contributing to the underperformance were negative benchmark-relative returns from several of our global and domestic equity sector funds; including the Russell Investments Global Opportunities Fund, the Russell Investments Multi-Asset Factor Exposure Fund and the Russell Investments Australian Shares Tracker Fund. Also weighing on performance were underweights to growth alternatives like global high-yield debt, Australian listed property and global listed infrastructure; all of which delivered strong absolute and benchmark-relative returns for the quarter. Other positions to detract from performance were our exposures to defensive assets like the Amundi Absolute Volatility World Equities Fund (AUD hedged) and the Japanese yen; both of which struggled as volatility compressed sharply from the heights we saw in the final quarter of last year.

In contrast, the Fund benefited from a broader overweight to global equities; most notably emerging markets. Emerging markets performed well over the period, with China in particular recording very strong gains. An overweight to emerging markets local currency debt also added value. Meanwhile, our fixed income portfolio had a relatively neutral impact on returns, with both the Russell Investments International Bond Fund (AUD hedged) and the Russell Investments Australian Bond Fund performing in line with their respective benchmarks.

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

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

## Russell Investments Portfolio Series - Conservative (continued)

### Actual asset allocation as at 31 March 2019<sup>3</sup>



■	Russell Investments Australian Bond Fund	25.6%		
■	Russell Investments International Bond Fund - A\$ Hedged	16.3%		
■	Russell Investments Australian Cash Enhanced Fund	14.7%		
■	Russell Investments Global Bond Fund AUD Hedged	5.7%		
■	Russell Investments Floating Rate Fund	4.7%		
■	Russell Investments Global Bond Fund AUD Hedged DUR Hedged	0.0%		
			<b>Fixed Interest and Cash</b>	<b>67.0%</b>
■	Russell Investments Multi-Asset Factor Exposure Fund	5.5%		
■	Russell Investments Global Opportunities Fund - A\$ Hedged	4.3%		
■	Vanguard International Properties Securities Fund	4.0%		
■	Russell Investments Tax Effective Global Shares Fund	3.4%		
■	Russell Investments Global Opportunities Fund	0.3%		
■	International Shares - Derivatives	0.5%		
			<b>International Shares</b>	<b>18.0%</b>
■	Russell Investments Multi Asset Income Strategy Fund	3.1%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	2.6%		
■	Amundi Absolute Volatility World Equities Fund	1.4%		
■	Russell Investments Global Listed Infrastructure Fund	1.1%		
■	Russell Investments Multi-Strategy Volatility Premia Fund	0.0%		
■	Russell Investments Global High Yield Fund	0.0%		
			<b>Alternatives</b>	<b>8.3%</b>
■	Russell Investments Australian Shares Tracker Fund	18.7%		
■	Australian Shares - Derivatives	-12.0%		
			<b>Australian Shares</b>	<b>6.7%</b>

## Russell Investments Portfolio Series - Conservative (continued)

### Portfolio structure\*

Australian Shares	
<b>Russell Investments Australian Shares Tracker Fund</b>	
DFA	Deep value small cap
Investors Mutual Limited	Bottom-up with defensive characteristics
Karara Capital	Core
Numeric Investors	Quantitative
Platypus	Aggressive growth
Russell Investments	Positioning strategies
International Shares	
<b>Russell Investments Global Opportunities Fund - \$A Hedged</b>	
Fiera Capital	Core global equities
J O Hambro Capital Management	UK equity dynamic
Janus (Perkins)	Core global equities
Man Numeric Investors	Core global equities
QUAERO CAPITAL	Japanese equities
Russell Investments	Positioning strategies
RWC Partners	Global emerging markets
Sanders Capital, LLC	Core global value
Wellington Management Company LLP	Core global growth horizons
<b>Russell Investments Global Opportunities Fund</b>	
Fiera Capital	Core global equities
J O Hambro Capital Management	UK equity dynamic
Janus (Perkins)	Core global equities
Man Numeric Investors	Core global equities
QUAERO CAPITAL	Japanese equities
Russell Investments	Positioning strategies
RWC Partners	Global emerging markets
Sanders Capital, LLC	Core global value
Wellington Management Company LLP	Core global growth horizons
<b>Russell Investments Multi-Asset Factor Exposure Fund</b>	
Russell Investments	Core
<b>Russell Investments Tax Effective Global Shares Fund</b>	
Fiera Capital	Quality growth
J O Hambro	UK equity dynamic
Janus (Perkins)	Defensive value
Morgan Stanley	Growth global
QUAERO CAPITAL	Japanese equities
Russell Investments	Positioning strategies
RWC Asset Advisors	Opportunistic theme-driven, emerging markets
Sanders Capital	Value global
<b>Vanguard International Property Securities Index Fund (Hedged)</b>	
Vanguard	Passive
Alternatives	
<b>Amundi Absolute Volatility World Equities Fund AUD Hedged</b>	
Amundi	Volatility
<b>Russell Investments Multi-Asset Income Strategy Fund</b>	
Russell Investments	Alternatives

## Russell Investments Portfolio Series - Conservative (continued)

### Portfolio structure\*

Russell Investments Global High Yield Fund	
Barings, LLC	Credit selection
DDJ Capital	Sector specialist, lower rated high yield
Hermes Sourcecap	Global, top-down
PIMCO	Core, global
Russell Investments	Positioning strategy
Russell Investments Global Listed Infrastructure Fund - Hedged	
Cohen & Steers	Growth, valuation sensitive
Colonial First State	Fundamental with growth at a reasonable price
Maple-Brown Abbott Limited	Absolute return, benchmark agnostic
Nuveen	Style Neutral, diversified
Russell Investments	Active risk overlay
Russell Investments Emerging Market Debt Local Currency Fund	
Babson	Value driven, quant & qualitative
Colchester	Value driven, country selection & currency management
GLG Partners	Fundamental approach, currency & rates
Russell Investments Multi-Strategy Volatility Premia Fund	
Russell Investments	Volatility
Fixed Interest and Cash	
Russell Investments Australian Bond Fund	
AMP Capital	Alpha seeking
Russell Investments	Positioning strategy
UBS	Alpha seeking
Western Asset	Alpha seeking
Russell Investments Australian Cash Enhanced Fund	
Perpetual	Cash enhanced
Russell Investments	Positioning strategies
Russell Investments Global Bond Fund	
BlueBay	Country & credit selection
Colchester	Rates & currency – value
Insight	Macro / Sector rotation
PIMCO	Macro / Sector rotation
Russell Investments	Positioning strategy, currency factors
Schroders	Securitised specialist
Russell Investments International Bond Fund - \$A Hedged	
BlueBay	Country & credit selection
Colchester	Rates & currency – value
Insight	Macro / Sector rotation
PIMCO	Macro / Sector rotation
Russell Investments	Positioning strategy, currency factors
Schroders	Securitised specialist
Russell Investments Global Bond Fund AUDH DURH	
BlueBay	Country & credit selection
Colchester	Rates & currency – value
Insight	Macro / Sector rotation
PIMCO	Macro / Sector rotation
Russell Investments	Positioning strategy, currency factors

## Russell Investments Portfolio Series - Conservative (continued)

### Portfolio structure\*

Russell Investments Global Bond Fund AUDH DURH	
Schroders	Securitised specialist
Russell Investments Floating Rate Fund	
Intermediate Capital Group PLC	European leveraged loans
THL Credit Advisors	US leveraged loans
TwentyFour Asset Management	European asset backed securities
Voya Investment Management	US asset-backed securities

#### 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](http://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 Portfolio, whilst the growth return reflects changes in the capital values of the units.

3 Allocations may not equal 100% due to rounding.

\*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](http://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.