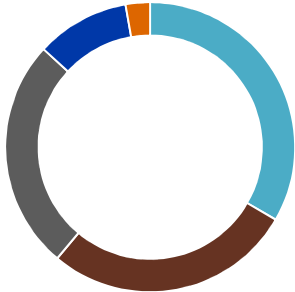


# Russell Investments Multi-Asset Growth Strategy Plus Fund

Asset allocation as at  
31 May 2024<sup>3</sup>



Fixed Int & Cash	33.3%
Int Shares	27.8%
Aust Shares	25.7%
Alternatives	10.4%
Property	2.7%

## Fund facts

### Share class

Class A

### Performance objective as at 31 March 2024

CPI +5%*	
3 Months %	2.18
1 Year %	8.62
3 Years % p.a.	9.78

### Inception date

11 December 2012

### Fund size

AUD 158.46m

### APIR code

RIM0087AU

### ARSN code

160-347-151

### Management fees and costs<sup>†</sup>

1.07%

### Performance fees<sup>‡</sup>

0.05%

## Fund objective

To provide a return (after fees and costs) of 5.0% p.a. above inflation over the long term, with a focus on 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.

For detailed information on the Fund's ESG considerations, including applicable investment exclusions, refer to 'ESG considerations' in section 5 of the Additional Information Booklet that forms part of the Fund's Product Disclosure Statement, available at [russellinvestments.com/au/RFA/investing](http://russellinvestments.com/au/RFA/investing).

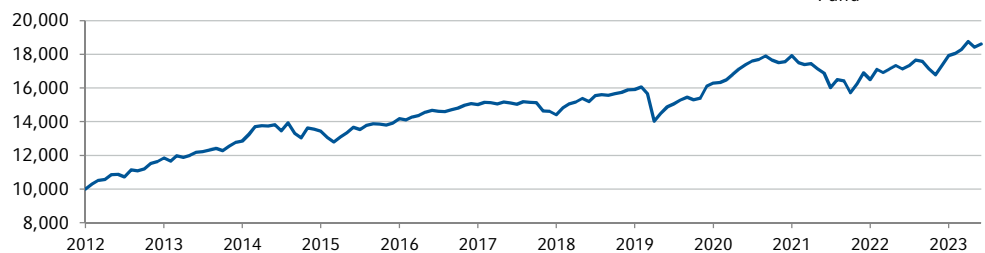
## Performance review<sup>1,2</sup>

Performance review	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	0.98	1.75	8.61	2.26	4.15	5.70
Distribution	-	0.19	1.49	3.77	3.44	5.02
Growth	0.98	1.56	7.12	-1.50	0.71	0.68

<sup>1</sup> Performance is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance.

<sup>2</sup> The distribution return reflects income paid from the Fund, whilst the growth return reflects changes in the capital value of the units.

## Growth of \$10,000



## Market

Global share markets made good gains in May, driven largely by central bank activity. In the US, the Federal Reserve (Fed) left its benchmark fed funds rate on hold at a target range of between 5.25% and 5.50% but signalled that interest rates are likely to remain higher for longer amid still 'sticky' inflation. Speaking after the Fed's latest gathering, chairman Jerome Powell acknowledged that while inflation has moderated over the past year or so, it nonetheless remains elevated, and that policymakers remain mindful of the lack of further progress toward the Bank's 2.0% inflation target in recent months. Encouragingly, though, Powell said he believes current monetary policy is sufficiently restrictive to achieve the Bank's inflation goal and ruled out another rate increase this year, saying it's unlikely the Fed's next move will be a hike. Stocks rallied on the back of his comments, which were interpreted as less hawkish than initially feared given the recent run of data that showed inflation creeping higher. Share markets also benefited from strong gains across much of the 'Magnificent 7' and another series of mostly positive corporate updates. Australian shares were also higher for the month. We saw a similar theme locally, with stocks continuing to be influenced largely by central bank activity and the outlook for domestic interest rates.

Global bonds rose over the period, while credit markets were mostly positive. Australian bonds underperformed their global peers in May, while domestic credit markets edged slightly higher, with spreads narrowing throughout the month.

<sup>3</sup> Allocations may not equal 100% due to rounding.

<sup>†</sup> As a percentage of net assets. Includes management fee, indirect costs and expense recoveries. Reflects RIM's reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for previous financial year and may include RIM's reasonable estimates where information was not available or where RIM was unable to determine the exact amount. Refer to the PDS for further information.

<sup>‡</sup> As a percentage of net assets. RIM does not charge a performance fee at the Fund level, however underlying funds and managers may charge a performance fee. This estimated fee is based on the average of actual performance fees incurred over the past 5 financial years. Refer to PDS for further information.

\* Reserve Bank of Australia Cash Rate + 4.5% until 04/05/2016 and CPI+5% thereafter.

# Russell Investments

## Multi-Asset Growth Strategy Plus Fund (continued)

---

### Fund performance and outlook

Within the Fund's global equity portfolio, the Russell Investments Global Opportunities Fund and the Russell Investments Global Opportunities Fund – \$A Hedged delivered positive excess returns for the month; though both funds underperformed their benchmarks over the period. Contributing to the funds' underperformance was stock selection in Japan, including overweights to pharmaceutical company Nippon Shinyaku Co. and video game maker Square Enix. Stock selection in the US also weighed on returns; notably an underweight to leading chip maker NVIDIA, which climbed almost 24% on the back of another strong earnings report. In terms of domestic equities, the Russell Investments Australian Opportunities Fund (RAOF) underperformed its benchmark over the period; though absolute returns were positive. Contributing to RAOF's underperformance was stock selection amongst financials, including underweights to Commonwealth Bank of Australia, Westpac Banking Corp. and National Australia Bank. A broader underweight to the financials sector also weighed on returns. In contrast, Vinva's Australian Equitised Long-Short strategy delivered both positive absolute and excess returns for the month, driven largely by its behavioural and quality signals. We maintain a diversified equity exposure across both global and Australian markets. Non-US developed equities are relatively cheaper than US equities from a valuation perspective and likely to benefit from weakness in the US dollar (USD) should the Fed become less hawkish. However, given the threat of a US recession and the USD's traditional 'safe haven' characteristics, we maintain a neutral preference for non-US developed equities.

Within our traditional fixed income portfolio, both the Russell Investments International Bond Fund – \$A Hedged and the Russell Investments Australian Bond Fund delivered positive absolute and excess returns in May. In terms of our extended fixed income exposure, Metrics Credit outperformed cash and traditional fixed income assets over the period, with Australian loans continuing to generate income-like returns. The Russell Investments Australian Floating Rate Fund also performed well; the Fund outperforming cash as floating rate assets continued to benefit from a higher interest rate environment. We believe US, UK and German government bonds offer reasonable value. In the US, the spread between two- and 10-year government bond yields remains negative; though not nearly as negative as it was midway through last year. At current levels, we believe exposure to government bonds, including US Treasuries, remains attractive from a valuation perspective.

More broadly, our exposure to Australian listed property added value over the period, while a stronger Australian dollar (relative to the USD) weighed on the returns of the Fund's assets denominated in foreign currency.

Markets have faced multiple concerns over the past 12 to 24 months. In particular, higher inflation driven by post-COVID economic abnormalities and several major geopolitical events saw central banks aggressively raise interest rates, which in turn led to a material increase in market volatility. Despite these concerns, the US economy has to date proven remarkably resilient, and markets are pricing in a 'soft landing' as inflationary pressures continue to ease and unemployment remains low. However, we are seeing several leading economic indicators that suggest caution is warranted. As a result, we believe recessionary risks in the US are elevated; though the risk has reduced gradually as continued migration has allowed inflation to moderate without materially impacting the labour market.

# Russell Investments

## Multi-Asset Growth Strategy Plus 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 Growth Strategy Plus Fund (MAGS+) 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 31 May 2024<sup>3</sup>



■	Russell Investments Australian Cash Fund	10.5%		
■	Metrics Credit Partners	7.8%		
■	Russell Investments Australian Floating Rate Fund	7.1%		
■	Russell Investments Australian Bond Fund	4.4%		
■	Russell Investments International Bond Fund - A\$ Hedged	3.7%		
■	Russell Investments Floating Rate Fund	2.7%		
■	Russell Investments Extended Strategies Fund	0.6%		
■	Perpetual High Grade Treasury Fund	0.0%		
■	Cash	-9.1%		
■	Fixed Interest and Cash - Derivatives	5.4%		
			<b>Fixed Interest and Cash</b>	<b>33.3%</b>
■	Russell Investments Global Opportunities Fund	15.2%		
■	Russell Investments Global Opportunities Fund - A\$ Hedged	15.0%		
■	International Shares - Derivatives	-2.4%		
			<b>International Shares</b>	<b>27.8%</b>
■	Russell Investments Australian Opportunities Fund	17.7%		
■	Vinva Australian Equitised Long-Short Fund	3.4%		
■	Australian Shares - Derivatives	4.6%		
			<b>Australian Shares</b>	<b>25.7%</b>
■	FIRETRAIL ABSOLUTE RETURN FUND	3.4%		
■	Commodities Futures	3.0%		
■	Amundi Absolute Volatility World Equities Fund	2.3%		
■	Russell Investments Global High Yield Fund	0.9%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	0.8%		
■	Russell Investments Global Listed Infrastructure Fund	0.0%		
			<b>Alternatives</b>	<b>10.4%</b>
■	Russell Investments International Property Securities Fund	1.0%		
■	Vanguard Australian Properties Securities Fund	1.0%		
■	Vanguard International Properties Securities Fund	0.7%		
			<b>Property</b>	<b>2.7%</b>

<sup>3</sup> Allocations may not equal 100% due to rounding.

# Russell Investments

## Multi-Asset Growth Strategy Plus Fund (continued)

### Portfolio structure

The table below shows a selection of MAGS+ current strategies and highlights some of the MAGS+ managers.

ABSOLUTE RETURN	FIXED INCOME		EQUITIES			REAL ASSETS
Cash	Australian & International Bonds	High Yield, EMD, Floating Rate Credit	Australian Equities	Global Equities	Long / Short Manager	Commodities
Cash-benchmarked Strategies						
Perpetual	Macquarie	Barings	Vinva	PineStone	Firetrail	Russell Investments
Bank Loans	UBS	Hermes	Allan Gray	Nissay	Vinva	Listed Infrastructure
Metrics Credit	Western Asset	DDJ (Polen capital)	Ausbil	Numeric		Cohen & Steers
	RBC (BlueBay)	Colchester	Firetrail	Oaktree		First Sentier
Volatility Strategies	Schroders	First Eagle	L1 Capital	RWC		Nuveen
	Russell Investments	ICG	Platypus	Sanders		Russell Investments
Amundi		TwentyFour	WaveStone Capital	Wellington		Listed Property
		Russell Investments	Russell Investments	Brandywine		Cohen & Steers
				Joh, Berenberg, Gossler & Co		RREEF
				Russell Investments		Russell Investments
						Vanguard

<sup>4</sup> 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. The above does not represent an exhaustive list of the managers and strategies in the fund. Source: Russell Investments. Data as at May 2024.

#### Contact Russell Investments

For further information about Russell Investments please visit [russellinvestments.com.au](https://russellinvestments.com.au)

#### Important information

Issued by Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence 247185 (RIM). This document provides general information only and has not been 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. This document is not intended to be a complete statement or summary of the Russell Investments Funds (the Funds). Investing in the Funds has risks. You should consider these risks in light of your objectives, financial situation and needs. 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](https://russellinvestments.com.au) or by phoning (02) 9229 5111. The Target Market Determinations for the RIM Funds are available on our website at [russellinvestments.com/au/support/tmds](https://russellinvestments.com/au/support/tmds). RIM is 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. Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates Management, L.P., with a significant minority stake held by funds managed by Reverence Capital Partners, L.P. Certain of Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes. This work is copyright 2024. Apart from any use permitted under the Copyright Act 1968, no part may be reproduced by any process, nor may any other exclusive right be exercised, without the permission of Russell Investment Management Ltd. 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](https://russellinvestments.com).