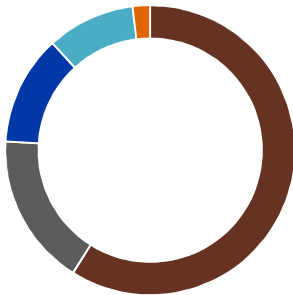


Russell Investments Multi-Asset Income Strategy Fund

Asset allocation as at
30 June 2020³



■ Fixed Int & Cash	58.9%
■ Aust Shares	17.0%
■ Alternatives	12.3%
■ Int Shares	9.8%
■ Property	2.0%

Fund facts

Share class

Class A

Performance objective as at 31 March 2020

CPI +2%*

3 Months % 0.84

1 Year % 4.19

3 Years % p.a. 3.81

Inception date

12 December 2012

Fund size

AUD 41.11m

APIR code

RIM0089AU

ARSN code

160-347-384

Management cost[†]

0.83%

Performance-related fee[‡]

N/A

Fund objective

To provide a return (after fees and costs) of 2% pa above inflation over the short to medium term with a focus on income and risk management.

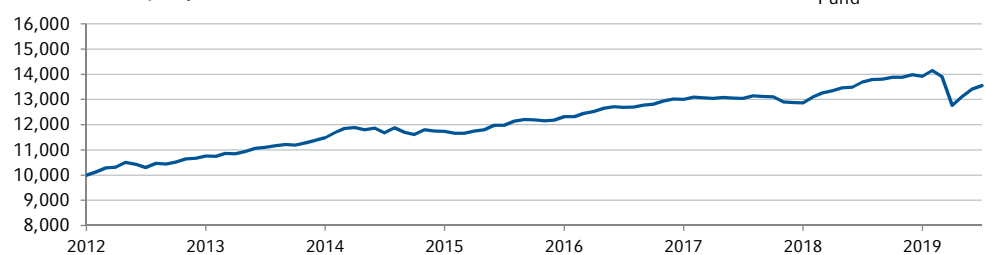
Fund strategy

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.

Performance review^{1,2}

Performance review	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	1.07	6.20	-0.97	2.22	3.03	4.18
Distribution	3.47	4.71	4.82	3.41	3.75	4.24
Growth	-2.41	1.49	-5.79	-1.19	-0.72	-0.06

Growth of \$10,000¹



Market

Global bonds made reasonable gains in the second quarter. Longer-term government bond yields were mixed against a backdrop of competing positive and negative influences. Bonds benefited from a series of disappointing economic data, rising US-China tensions and fears a potential second wave of coronavirus could derail the global recovery. Offsetting these factors was the general 'risk on' tone that permeated financial markets throughout the period. Credit markets performed well, with spreads narrowing amid easing lockdown measures and additional central bank stimulus. Australian bonds underperformed their global counterparts over the quarter. The yield on domestic 10-year government debt closed the period up 11 basis points at 0.87%, while domestic credit spreads tightened.

Global share markets made good gains over the period, driven by expectations economic activity would pick up amid a further loosening of coronavirus containment measures and ongoing fiscal and monetary policy support globally. Stocks also benefited from intermittent reports that a vaccine may be close; though an effective vaccine ultimately failed to materialise. Like their global peers, Australian shares rose as federal and state officials rolled back more of the virus-induced restrictions that brought the economy to a near standstill in recent months. The local market also benefited from continued fiscal and monetary policy support as well as strong performances from the major miners and 'Big Four' banks.

[†] 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.

* Reserve Bank of Australia Cash Rate + 1.7% until 04/05/2016 and CPI+2% thereafter.

Russell Investments

Multi-Asset Income Strategy Fund (continued)

Fund performance and outlook

Our Australian equity portfolio contributed positively to performance, with both the Russell Investments High Dividend Australian Shares ETF and the Vinva Australian Equitised Long-Short Fund outperforming their respective benchmarks. The Russell Investments Australian Factor Exposure Fund (RAFEF) underperformed its benchmark, though it did deliver strong absolute returns for the quarter. RAFEF was impacted by its value factor exposure, which continued to underperform growth over the period. Within our global equity portfolio, the Russell Investments Global Opportunities Fund (RGOF) performed well in absolute terms but underperformed its benchmark. A bias toward value stocks and an underweight to the US weighed on RGOF's performance. We maintain our preference for non-US equities over US equities; a view driven largely by expensive relative valuations. We also believe the post-coronavirus recovery will see corporate profits improve; a scenario that could favour cyclical and value stocks over defensive and growth names, which would be more supportive for stocks outside the US. Partly offsetting this positioning was strong stock selection amongst our specialist regional managers; notably Nissay (Japan), Oaktree Capital and RWC Partners (both emerging markets). Moving forward, we maintain a diversified equity exposure across both Australian and global markets as we expect stocks to perform well in the second half of this year; assuming of course the spread of coronavirus can be adequately contained.

The Fund's credit exposure added value over the period. Credit rebounded strongly from the sharp selloff we saw in the first quarter, with spreads narrowing amid massive central bank stimulus. In particular, the Fund benefited from its exposures to global high-yield debt and floating rate credit, with bank loans and securitised assets performing well. We now have a neutral view on high-yield and investment-grade debt. Since their levels in mid-March, credit spreads have compressed significantly and, in our view, only now adequately compensate for the likely rise in default rates following the current recession.

Within our fixed income portfolio, credit positioning also contributed to strong excess returns for both the Russell Investments Australian Bond Fund and the Russell Investments International Bond Fund – \$A Hedged. For now, we remain underweight domestic and global government bonds as we view both as too expensive.

Meanwhile, currency positioning detracted from overall fund performance in the second quarter; notably our overweight to the Japanese yen (JPY), which struggled amid improving risk sentiment. We maintain our overweight to the JPY as a defensive play. In addition, a stronger Australian dollar impacted the returns of the Fund's assets denominated in foreign currency.

Markets have rallied on hopes of an economic recovery and easing lockdown measures globally, while the cycle outlook has improved amid vast fiscal and monetary stimulus. However, the market rebound means value is no longer compelling for global equities or credit. Though markets may be vulnerable to negative headlines in the near term, in our view, the supportive cycle outlook should allow equities to continue to outperform bonds over the medium-term. The major risks to our outlook include a second wave of coronavirus infections, the US elections in November and a re-escalation of the US-China trade war.

Russell Investments Multi-Asset Income Strategy 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 Income Strategy Fund (MAIS) 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 30 June 2020³



■	Russell Investments Australian Bond Fund	16.6%		
■	Perpetual High Grade Treasury Fund	12.5%		
■	Russell Investments Australian Cash Enhanced Fund	9.1%		
■	Russell Investments Floating Rate Fund	7.8%	Fixed Interest and Cash	58.9%
■	Russell Investments International Bond Fund - A\$ Hedged	6.4%		
■	Metrics Credit Partners	4.3%		
■	Cash	2.2%		
■	Russell Investments High Dividend Australian Shares ETF	5.7%		
■	Russell Investments Australian Factor Exposure Fund	5.7%	Australian Shares	17.0%
■	Vinva Australian Equitised Long-Short Fund	5.7%		
■	Russell Investments Global High Yield Fund	6.6%		
■	Russell Investments Emerging Markets Debt Local Currency Fund	5.0%		
■	Russell Investments Global Listed Infrastructure Fund	0.6%	Alternatives	12.3%
■	Amundi Absolute Volatility World Equities Fund	0.0%		
■	Russell Investments Global Opportunities Fund	4.8%		
■	Russell Investments Global Opportunities Fund - A\$ Hedged	4.6%	International Shares	9.8%
■	International Shares - Derivatives	0.3%		
■	Russell Investments International Property Securities Fund	2.0%	Property	2.0%
■	Vanguard Australian Properties Securities Fund	0.0%		

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Multi-Asset Income Strategy Fund (continued)

Portfolio structure*

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

ABSOLUTE RETURN	FIXED INCOME		EQUITIES		REAL ASSETS
Cash	Australian & International Bonds	High Yield, EMD & Floating Rate Credit	Australian Equities	Global Equities	Listed Infrastructure
Cash-benchmarked Strategies					
Perpetual	AMP Capital	Barings	Vinva	Fiera	Cohen & Steers
	UBS	DDJ	Russell Investments	J O Hambro	Colonial First State
	Western Asset	Hermes		Nissay	Nuveen
	BlueBay	GLG Partners		Numeric	Russell Investments
	Colchester	Colchester		Oaktree	
Bank Loans	Insight	THL		RWC	Listed Property
	Voya	Voya		Sanders	Cohen & Steers
	Schroders	TwentyFour		Wellington	RREEF
Metrics Credit	Russell Investments	ICG		Russell Investments	
		Russell Investments			

The above does not represent an exhaustive list of the managers and strategies in the fund. Source: Russell Investments. Data as at June 2020.

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 www.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 value of the units.
³ Allocations may not equal 100% due to rounding.
⁴ 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.

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