

# Russell Investments Managed Portfolio - Geared 120



The portfolio returned 2.39%^ in January. High exposure to listed growth assets – notably global and Australian equities – remains the predominant driver of returns. The Russell Investments Global Opportunities Fund narrowly underperformed its benchmark over the period; though it did deliver positive absolute returns for the month. In contrast, the direct Australian equity portfolio modestly outperformed its benchmark.

## Portfolio objective

To provide capital growth over the long term consistent with a portfolio focusing solely on growth assets, while accepting fluctuations in capital values in the medium term. The portfolio typically has exposure to growth investments of around 120% as the allocation to geared investment strategies will generally be 20% of the portfolio.

## Portfolio strategy

The portfolio typically invests in a diversified investment mix with exposure to approximately 120% (including exposure to geared investments) growth investments such as Australian shares, international shares, property and alternatives. The allocations to geared investment strategies will generally be 20% of the portfolio. The allocations will be actively managed within the allowable ranges depending on market conditions. The portfolio combines multi-manager strategies with ETFs and direct shares including exposure to geared investments. Russell Investments adopts a globally consistent, research-based approach to long-term asset allocation, active manager selection, multi-factor investing and dynamic portfolio management.

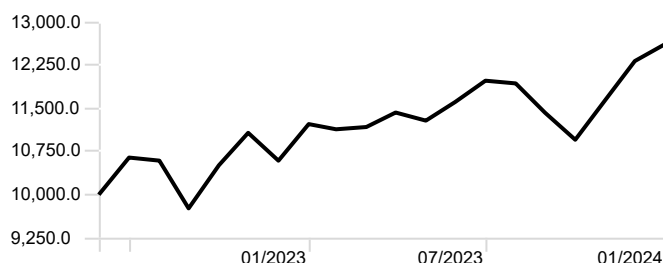
## Main market highlights

Global share markets made good gains in January. Stocks continued to be influenced in large part by the outlook for global interest rates. In the US, the Federal Reserve (Fed) maintained its benchmark fed funds rate at a target range of between 5.25% and 5.50% following its latest gathering. Speaking after the meeting, chairman Jerome Powell said it will be appropriate to start lowering interest rates sometime this year; though he wouldn't be drawn on specific timing. However, he did add that he doesn't believe a March rate cut is likely as the Bank has yet to reach a point where it's confident that inflation is coming down sustainably toward its 2.0% target. It was only last month that investors bet the Fed would cut interest rates six times, or 1.50%, in 2024; the first of which was penciled in for March. Interest rates also remained on hold in the UK and Europe; though investors are still betting on multiple rate cuts in both regions despite policymakers' warnings that inflation is still too high. Australian shares also performed well as investors upped their bets that the Reserve Bank of Australia will start cutting interest rates sooner following the release of the latest (quarterly) inflation figures.

Global bonds were slightly weaker for the month, while Australian bonds made good gains.

## Growth of \$10,000

Time Period: 30/06/2022 to 31/01/2024



## Performance Review

As of Date: 31/01/2024

	Return
1 Month	2.39
3 Months	15.20
1 Year	12.40
2 Years	—
3 Years	—
YTD	2.39
Since Inception	15.79

Inception date: 30/06/2022

^This performance is net of management fees for both the Managed Portfolio and the underlying managers' fees and costs. It does not take into account any third party platform fees charged to individual investors or transaction costs (including buy/sell spreads and brokerage fees). It assumes income is reinvested without any tax deduction. It is for RIML's preferred model portfolio of holdings. A holding in the preferred model portfolio may be restricted or replaced with another similar asset in the Managed Portfolio on different platforms if the preferred holding is not available. Different platforms may also charge different management fees for the Managed Portfolio. This can result in variances in performance of the Managed Portfolio between platforms. An individual investor's performance will differ, according to the investor's actual exposures to Managed Portfolio holdings and other factors (including transaction timing, transaction costs, actual underlying manager fees and costs and whether income is paid in cash). Platforms will have their own methodology for calculating performance, at both a platform level and an individual investor level. Past performance is not a reliable indicator of future performance.

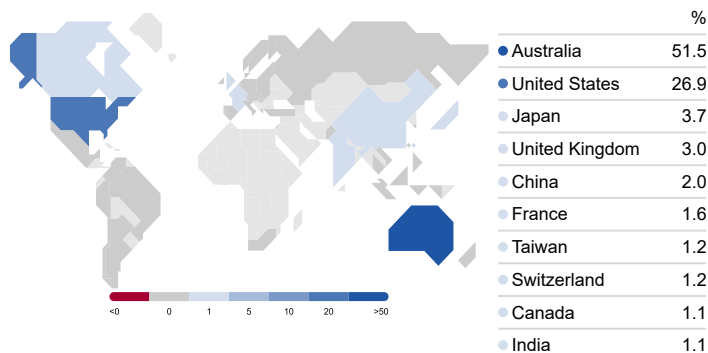
Please contact your platform or adviser for details of your performance or current holdings in the Managed Portfolio.

# Russell Investments Managed Portfolio - Geared 120



## Country Exposure

Portfolio Date: 31/01/2024



## Main portfolio highlights

The direct Australian equity portfolio modestly outperformed its benchmark, benefiting in part from stock selection within the consumer discretionary space. This included an overweight to gaming machine maker Aristocrat Leisure and an underweight to Domino's Pizza. Stock selection amongst materials also added value, including overweights to Fortescue, James Hardie Industries and Incitec Pivot. Partly offsetting this was our broader overweight to the sector, which underperformed the wider market in January. Performance was further impacted by stock selection within the healthcare sector; notably an overweight to Ansell and an underweight to ResMed, which extended its recent bounce over the period.

In terms of global equity managers, Japan equity specialist Nissay Asset Management underperformed its benchmark, driven in part by underweights to car maker Toyota Motor and Hitachi. Emerging markets specialist Oaktree Capital also underperformed; the manager impacted in part by an overweight to Brazilian iron ore major Vale S.A. In contrast, growth manager Wellington and quant manager Numeric both performed well over the period.

There were no material positional changes in January.

Overall, the managed portfolio is aligned with its long-term asset allocation as we wait patiently for opportunities.

## Asset Allocation

Portfolio Date: 31/01/2024

	%
● Cash	3.0
● Domestic Equity	52.5
● Property and Infrastructure	10.5
● International Equity	56.0
<b>Total</b>	<b>122.0</b>

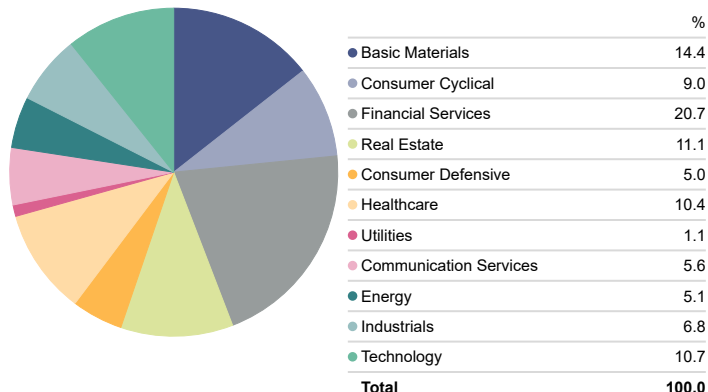
## Dynamic positioning: Managing positions over the next 12-18 months

Looking ahead, we expect higher levels of volatility to continue, with active management to play an important role in navigating through it. We expect to increase growth asset exposure on major market reversals and decrease growth asset exposure on market rallies. This is a very important time to remain flexible as there are competing forces related to inflation and growth.

We retain the same themes as recent months, i.e. a preference for less expensive equity markets versus US equities and peer-relative overweights to global small caps and the value factor.

## Sector Allocation

Portfolio Date: 31/01/2024



## Long-term investing: Positioning for 5 years and beyond

The portfolio has a long-term asset allocation of 120% to return generating assets (including Australian and global equities, property and infrastructure).

# Russell Investments Managed Portfolio - Geared 120



## Detailed Asset Allocation

Portfolio Date: 31/01/2024

	Portfolio Weighting %
Russell Global Opportunities A	16.94
Vanguard MSCI Intl (Hdg) ETF	12.27
CFS FC-Acadian Geared Sustain Global Eq	5.92
Ausbil Australian Geared Equity	5.91
Perpetual Geared Australian	4.69
Vanguard Australian Property Secs ETF	4.37
Vanguard All-World ex-US Shares ETF	4.21
Vanguard US Total Market Shares ETF	4.11
Russell Global Listed Infr \$A Hedged	3.27
CFS Geared Share	3.21
Vanguard International Prpty Secs IdxHdg	2.94
Vanguard MSCI Australian Small Coms ETF	2.87
Vanguard FTSE Emerging Markets Shrs ETF	2.84
Vanguard Global Value Equity Active ETF	1.61
iShares S&P Small-Cap ETF	0.98
iShares Core Cash ETF	0.93
Vanguard Australian Shares ETF	0.33
BHP Group Ltd	2.65
Commonwealth Bank of Australia	1.93
CSL Ltd	1.59
National Australia Bank Ltd	1.13
Westpac Banking Corp	0.97
ANZ Group Holdings Ltd	0.85
Rio Tinto Ltd	0.77
Goodman Group	0.77
Telstra Group Ltd	0.73
Macquarie Group Ltd	0.70
Woolworths Group Ltd	0.69
Fortescue Ltd	0.66
Wesfarmers Ltd	0.63
Woodside Energy Group Ltd	0.62
Cochlear Ltd	0.58
Transurban Group	0.57
Aristocrat Leisure Ltd	0.51
Brambles Ltd	0.50
James Hardie Industries PLC	0.49
Car Group Ltd	0.44
WiseTech Global Ltd	0.40
Medibank Private Ltd	0.39
South32 Ltd	0.38
Santos Ltd	0.37
Suncorp Group Ltd	0.33
Dexus	0.33
Computershare Ltd	0.29
Sonic Healthcare Ltd	0.28
Mineral Resources Ltd	0.26

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.

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**Superior**



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