

Russell Investments Ventura Funds (formerly known as Ventura Funds)

Annual report

For the year ended 30 June 2023

This financial report covers the following Russell Investments Ventura Funds (formerly known as Ventura Funds):

Russell Investments Ventura Conservative Fund (formerly known as Ventura Conservative Fund)

ARSN099 584 826

Russell Investments Ventura Diversified 50 Fund (formerly known as Ventura Diversified 50 Fund)

ARSN099 585 092

Russell Investments Ventura Growth 70 Fund (formerly known as Ventura Growth 70 Fund)

ARSN099 584 988

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For the year ended 30 June 2023

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Directors' report

The directors of Russell Investment Management Ltd. (ABN 53 068 338 974 AFSL No. 247185), the Responsible Entity of Russell Investments Ventura Funds (the "Funds"), present their report together with the financial statements of the following Funds for the year ended 30 June 2023:

Russell Investments Ventura Conservative Fund (formerly known as Ventura Conservative Fund)
Russell Investments Ventura Diversified 50 Fund (formerly known as Ventura Diversified 50 Fund)
Russell Investments Ventura Growth 70 Fund (formerly known as Ventura Growth 70 Fund)

The Funds are collectively known as the "Russell Investments Ventura Funds (formerly known as Ventura Funds)".

Principal activities

The Funds invest in unlisted managed investment schemes in accordance with the product disclosure statement and the provisions of the Funds' constitution.

The Funds did not have any employees during the year.

There were no significant changes in the nature of the Funds' activities during the year or since the end of the year and up to the date of this report.

Directors

The following persons held office as directors of Equity Trustee Limited, the Responsible Entity of the Funds until 12 July 2022:

Philip D Gentry	Chairman
Russell W Beasley	
Michael J O'Brien	
Mary A O'Connor	(appointed, effective 24 May 2022)

The following persons held office as directors of Russell Investment Management Ltd. during the period from 13 July 2022 or since the end of the period and up to the date of this report:

Peter Gunning
Jodie Hampshire
Symon Parish (resigned, effective 7 March 2023)
Bronwyn Yates
Neil Rogan (appointed, effective 9 December 2022)
James Harwood (appointed, effective 26 March 2023)

Review and results of operations

During the year, the Funds continued to invest their Funds in accordance with its investment objective and investment strategy as set out in the governing documents of the Fund and the provisions of the Funds' constitution.

Directors' report (continued)

Review and results of operations (continued)

Results

The performance of each Fund, as represented by the results of its operations, was as follows:

	Russell Investments Ventura Conservative Fund Year ended		Russell Investments Ventura Diversified 50 Fund Year ended		Russell Investments Ventura Growth 70 Fund Year ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Operating profit/(loss) (\$'000)	<u>4,190</u>	<u>(7,764)</u>	<u>5,844</u>	<u>(7,655)</u>	<u>8,978</u>	<u>(8,817)</u>
<i>Distributions - Class A</i>						
Distribution paid and payable (\$'000)	<u>1,245</u>	<u>4,697</u>	<u>1,023</u>	<u>4,828</u>	<u>2,703</u>	<u>5,777</u>
Distribution (Cents per unit - CPU)	<u>1.61</u>	<u>5.73</u>	<u>1.99</u>	<u>8.99</u>	<u>6.25</u>	<u>12.61</u>
<i>Distributions - Wholesale</i>						
Distribution paid and payable (\$'000)	<u>77</u>	<u>293</u>	<u>339</u>	<u>1,603</u>	<u>1,325</u>	<u>2,967</u>
Distribution (Cents per unit - CPU)	<u>1.50</u>	<u>4.98</u>	<u>1.71</u>	<u>7.41</u>	<u>5.02</u>	<u>9.77</u>

Significant changes in state of affairs

The Funds changed their names from Ventura Growth 70 Fund, Ventura Diversified 50 Fund, Ventura Conservative Fund to Russell Investments Ventura Growth 70 Fund, Russell Investments Ventura Diversified 50 Fund, Russell Investments Ventura Conservative Fund, respectively, effective 13 July 2022.

Russell Investment Management Ltd. took over the role of Responsible Entity for the Funds on 13 July 2022 from Equity Trustees Limited under an agreement between Russell Investment Management Ltd. and Equity Trustees Limited.

State Street Australia Ltd was appointed Custodian and Administrator of the Funds effective 29 August 2022, replacing NAB Asset Servicing.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Funds in future financial years.

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Funds' constitution.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Directors' report (continued)

Likely developments and expected results of operations (continued)

Further information on likely developments in the operations of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Indemnity and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of Russell Investment Management Ltd. or the auditors of the Funds. So long as the officers of Russell Investment Management Ltd. act in accordance with the Funds' constitution and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditors of the Funds are in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Funds property during the year are disclosed in note 12 of the financial statements.

No fees were paid out of Funds property to the directors of the Responsible Entity during the year.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 12 of the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in note 7 of the financial statements.

The value of the Funds' assets and liabilities is disclosed in the statements of financial position and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *Australian Securities & Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.



Director

Sydney
22 September 2023



Auditor's Independence Declaration

As lead auditor for the audit of Russell Investments Ventura Conservative Fund (formerly known as Ventura Conservative Fund), Russell Investments Ventura Diversified 50 Fund (formerly known as Ventura Diversified 50 Fund) and Russell Investments Ventura Growth 70 Fund (formerly known as Ventura Growth 70 Fund) for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Simon Cuthbert'.

Simon Cuthbert
Partner
PricewaterhouseCoopers

Sydney
22 September 2023

Statements of comprehensive income

	Notes	Russell Investments Ventura Conservative Fund		Russell Investments Ventura Diversified 50 Fund		Russell Investments Ventura Growth 70 Fund	
		Year ended		Year ended		Year ended	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Investment income							
Interest income from financial assets at amortised cost		-	1	-	-	-	2
Distribution income		1,324	5,126	1,377	6,431	2,493	8,744
Net gains/(losses) on financial instruments at fair value through profit or loss		2,868	(12,870)	4,471	(14,020)	6,491	(17,451)
Other income		-	-	-	1	-	-
Total investment income/(loss)		4,192	(7,743)	5,848	(7,588)	8,984	(8,705)
Operating expenses							
Management fees	12	-	21	-	67	-	112
Transaction costs		2	-	3	-	4	-
Other operating expenses		-	-	1	-	2	-
Total operating expenses		2	21	4	67	6	112
Operating profit/(loss) for the year		4,190	(7,764)	5,844	(7,655)	8,978	(8,817)
Finance costs attributable to unitholders							
Distributions to unitholders	8	-	(4,990)	-	(6,431)	-	(8,744)
(Increase)/decrease in net assets attributable to unitholders	7	-	12,754	-	14,086	-	17,561
Profit/(loss) for the year		4,190	-	5,844	-	8,978	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		4,190	-	5,844	-	8,978	-

Net assets attributable to unitholders were reclassified from liability to equity during the year ended 30 June 2023. As a result, the Funds' distributions were no longer classified as finance costs in the statement of comprehensive income, but rather distributions paid and payable as part of transactions with unitholders in the statement of changes in equity. Refer to note 1 for further detail.

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial position

		Russell Investments Ventura Conservative Fund As at		Russell Investments Ventura Diversified 50 Fund As at		Russell Investments Ventura Growth 70 Fund As at	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents	9	55	232	54	188	73	273
Receivables		5	4,504	32	5,942	27	7,950
Due from brokers - unsettled sales		-	188	520	-	-	10
Financial assets at fair value through profit or loss	5	83,293	86,233	78,886	78,633	89,775	90,118
Total assets		83,353	91,157	79,492	84,763	89,875	98,351
Liabilities							
Payables		9	386	527	168	97	266
Distribution payable	8	844	4,345	951	5,853	3,270	7,999
Due to brokers - unsettled purchases		-	-	17	-	-	-
Total liabilities		853	4,731	1,495	6,021	3,367	8,265
Net assets attributable to unitholders - equity	7	82,500	-	77,997	-	86,508	-
Net assets attributable to unitholders - liability*	7	-	86,426	-	78,742	-	90,086

* Net assets attributable to unitholders were classified as equity as at 30 June 2023 and as a liability as at 30 June 2022. Refer to note 1 for further detail.

The above statements of financial position should be read in conjunction with the accompanying notes.

Statements of changes in equity

	Notes	Russell Investments Ventura Conservative Fund		Russell Investments Ventura Diversified 50 Fund		Russell Investments Ventura Growth 70 Fund	
		Year ended		Year ended		Year ended	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Total equity at the beginning of the financial year		-	-	-	-	-	-
Reclassification from liability to equity*		86,426	-	78,742	-	90,086	-
Comprehensive income for the year							
Profit/(loss) for the year		4,190	-	5,844	-	8,978	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		<u>4,190</u>	<u>-</u>	<u>5,844</u>	<u>-</u>	<u>8,978</u>	<u>-</u>
Transactions with unitholders	7						
Applications		8,484	-	7,581	-	6,606	-
Redemptions		(15,580)	-	(13,041)	-	(15,196)	-
Reinvestment of distributions		302	-	233	-	62	-
Distribution paid and payable	8	(1,322)	-	(1,362)	-	(4,028)	-
Total transactions with unitholders		<u>(8,116)</u>	<u>-</u>	<u>(6,589)</u>	<u>-</u>	<u>(12,556)</u>	<u>-</u>
Total equity at the end of the financial year		<u>82,500</u>	<u>-</u>	<u>77,997</u>	<u>-</u>	<u>86,508</u>	<u>-</u>

* Under Australian Accounting Standards, during the year ended 30 June 2023, the Funds' units were reclassified from liability to equity. Refer to note 1 for further detail. As a result, unitholder transactions, including distributions are disclosed in the above statement for the period from 1 July 2022 to 30 June 2023.

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of cash flows

	Notes	Russell Investments Ventura Conservative Fund		Russell Investments Ventura Diversified 50 Fund		Russell Investments Ventura Growth 70 Fund	
		Year ended		Year ended		Year ended	
		30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		13,514	8,638	19,607	10,651	29,927	18,065
Purchase of financial instruments at fair value through profit or loss		(6,194)	(9,788)	(14,515)	(3,885)	(20,590)	(4,620)
Distribution received		4,465	5,321	5,801	8,244	7,915	13,465
Interest received		-	1	-	-	-	2
Other income received		-	1	2	11	-	-
Management fees paid		(2)	(23)	(5)	(74)	(9)	(122)
Payment of other expenses		(2)	-	(4)	-	(7)	-
Net cash inflow/(outflow) from operating activities	10(a)	<u>11,781</u>	<u>4,150</u>	<u>10,886</u>	<u>14,947</u>	<u>17,236</u>	<u>26,790</u>
Cash flows from financing activities							
Proceeds from applications by unitholders		8,518	12,799	7,688	7,749	6,615	9,779
Payments for redemptions by unitholders		(15,955)	(11,991)	(12,677)	(14,748)	(15,356)	(23,156)
Distribution paid		(4,521)	(5,039)	(6,031)	(8,081)	(8,695)	(13,366)
Net cash inflow/(outflow) from financing activities		<u>(11,958)</u>	<u>(4,231)</u>	<u>(11,020)</u>	<u>(15,080)</u>	<u>(17,436)</u>	<u>(26,743)</u>
Net increase/(decrease) in cash and cash equivalents		(177)	(81)	(134)	(133)	(200)	47
Cash and cash equivalents at the beginning of the year		<u>232</u>	<u>313</u>	<u>188</u>	<u>321</u>	<u>273</u>	<u>226</u>
Cash and cash equivalents at the end of the year	9	<u>55</u>	<u>232</u>	<u>54</u>	<u>188</u>	<u>73</u>	<u>273</u>
Non-cash financing activities	10(b)						

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 General information

These financial statements cover the below Funds (the "Funds") as individual entities. The Funds are Australian registered managed investment schemes which were constituted on the dates in the below table and will terminate on 12 February 2082 unless terminated earlier in accordance with the provisions of the Funds' constitution.

Russell Investments Ventura Growth 70 Fund (formerly known as Ventura Growth 70 Fund)	12 February 2002
Russell Investments Ventura Diversified 50 Fund (formerly known as Ventura Growth 50 Fund)	12 February 2002
Russell Investments Ventura Conservative Fund (formerly known as Ventura Conservative Fund)	12 February 2002

Russell Investment Management Ltd. took over the role of Responsible Entity for the Funds on 13 July 2022 from Equity Trustees Limited under an agreement between Russell Investment Management Ltd. and Equity Trustees Limited.

The Funds changed their names from Ventura Growth 70 Fund, Ventura Diversified 50 Fund and Ventura Conservative Fund to Russell Investments Ventura Growth 70 Fund, Russell Investments Ventura Diversified 50 Fund and Russell Investments Ventura Conservative Fund, respectively, effective 13 July 2022.

The Responsible Entity of the Funds as of 30 June 2022 was Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). The registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000.

The Responsible Entity of the Funds is Russell Investment Management Ltd. (the "Responsible Entity"). The Responsible Entity's registered office is Level 28, 85 Castlereagh Street, Sydney, NSW 2000. The financial statements are presented in the Australian currency.

The principal activity of each Fund is to invest in accordance with the investment objective and guidelines as set out in the Funds' current product disclosure statement and constitution. The financial statements are presented in the Australian currency unless otherwise noted.

Each Fund had two distinct classes of unitholders till 30 June 2022. On 1 July 2022, the management fee rate of class A was amended. As class A and class Wholesale have identical class features for all its unitholders, the Funds satisfy the criteria under AASB 132 *Financial Instruments: Presentation* that allows it to classify net assets attributable to unitholders as equity. Hence, during the year ended 30 June 2023, the Fund's net assets attributable to unitholders were reclassified from liability to equity.

The financial statements were authorised for issue by the directors of the Responsible Entity on 22 September 2023. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Funds are for-profit funds for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statements of financial position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and liabilities and net assets attributable to unitholders.

The Funds manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however, an estimate of that amount cannot be determined as at reporting date.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Multi-fund booklet

The relief available in Australian Securities and Investments Commission Corporations (Related Scheme Reports) Instrument 2015/839 has been applied in the directors' report and the financial report, combining information related to multiple Funds. In accordance with that, information related to each included Fund has been readily identified and amounts for each included Fund are presented in the adjacent columns in this report.

Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Funds also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New and amended accounting standards adopted by the Funds

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

New accounting standards, amendments and interpretations effective after 1 July 2023 and have not been early adopted

A number of new accounting standards, amendments to standards and interpretations have been published that are effective for annual periods beginning after 1 July 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds in the current or future reporting periods and on foreseeable future transactions.

(b) Financial assets and liabilities at fair value through profit or loss

(i) Classification

Assets

The Funds classify their investments based on their business model for managing those financial assets and the contractual cash flow characteristics.

The Funds' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities, unit trusts and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

(ii) Recognition and derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

2 Summary of significant accounting policies (continued)

(b) Financial assets and liabilities at fair value through profit or loss (continued)

(iii) Measurement

At initial recognition, the Funds measure financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statements of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets or liabilities at fair value through profit or loss category are presented in the statements of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair values of financial instruments are determined see note 4 to the financial statements.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. There was no significant offsetting in the Funds.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Funds at any time for cash or in specie based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Funds. This amount represents the expected cash flows on redemption of these units.

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Funds classify the net assets attributable to unitholders as equity as they satisfy the following criteria:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds, and it is not a contract settled in the Funds' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

Effective from 1 July 2022, the Russell Investments Ventura Funds' units have been reclassified from financial liability to equity as they satisfy all the above criteria.

(d) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents (continued)

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Funds' main income generating activity.

(e) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statements of comprehensive income within distribution income when the Funds' right to receive payments is established.

Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b) to the financial statements.

(f) Expenses

All expenses, including Responsible Entity's fees, management fees and custodian fees, are recognised in the statements of comprehensive income on an accruals basis. The Responsible Entity is entitled under the Funds' constitution to be reimbursed for certain expenses incurred in administering the Funds.

(g) Income tax

Under current legislation, the Funds are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

In the event that the Funds incur withholding taxes imposed by certain countries on investment income and capital gains, such income or gains are recorded gross of withholding taxes in the statements of comprehensive income. Withholding taxes are included in the statements of comprehensive income within other operating expenses.

(h) Distributions to unitholders

Distributions are payable as set out in the Funds' product disclosure statement and/or Funds' constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Funds.

(i) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian Dollar, which reflects the currency of the economy in which the Funds compete for Funds and is regulated. The Australian Dollar is also the Funds' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income in net foreign exchange gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statements of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(j) Balances due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and consequently measured at amortised cost.

(k) Receivables

Receivables may include amounts for accrued interest and unit trust distributions. Dividends and unit trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(l) Payables

Payables include liabilities and accrued expenses owed by the Funds which are unpaid as at the end of the reporting period.

(m) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of units redeemed.

(n) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as custodial services and investment management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of at least 55% or 75%; hence investment management fees, custodial fees and other expenses have been recognised in the statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statements of financial position. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

(o) Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2 Summary of significant accounting policies (continued)

(o) Use of estimates (continued)

For financial instruments which are quoted, market prices are adopted in their valuation. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on credit risk and how fair value is calculated see note 3 and note 4 to the financial statements.

(p) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with *Australian Securities & Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

3 Financial risk management

The Funds' activities expose them to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management process focuses on ensuring compliance with the Funds' product disclosure statement. They also seek to maximise the returns derived for the level of risk to which the Funds are exposed and seek to minimise potential adverse effects on the Funds' financial performance. The Fund's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on investments is limited to the fair value of those positions. The maximum loss of capital on long futures and forward currency contracts is limited to the notional contract values of those positions.

The investments of the Funds, and associated risks, are managed by a specialist investment manager, Ventura Investment Management Ltd ("Ventura"), under an Investment Management Agreement (the "IMA") approved by the Responsible Entity, and containing the investment strategy and guidelines of the Funds, consistent with those stated in the product disclosure statement. Ventura has appointed a sub-investment manager, Russell Investment Management Ltd., under a Sub-Investment Management Agreement (sub IMA).

The financial risk disclosure below has been prepared on the basis of the Funds' direct investment and not on a look-through basis. The Funds use different methods to measure different types of risk to which they are exposed. These methods are explained below.

(a) Market risk

(i) Price risk

The Funds are exposed to price risk on investments in managed investment schemes. Price risk arises from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

Price risk is managed by the sub-investment manager. The Funds' sub-investment manager mitigates price risk through diversification and a careful selection of securities and other financial instruments in accordance with the investment mandate of the Funds.

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The Funds' overall market positions are monitored on a regular basis by the Funds' sub-investment manager. This information and the compliance with the Funds' product disclosure statement are reported to the investment manager's compliance manager and other key management personnel.

The table on page 16 summarises the impact of an increase/decrease on the Funds' net assets attributable to unitholders at 30 June 2023. The analysis is based on the assumptions that the underlying investments increased/decreased by +/-5% to 10% (2022: +/-6% to 11%) with all other variables held constant. The impact mainly arises from the possible change in the fair value of listed equities, unit trusts and equity derivatives.

(ii) Foreign exchange risk

The Funds hold both monetary and non-monetary assets denominated in Australian Dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Therefore, the Funds are not directly subject to significant risk due to fluctuations in the prevailing levels of foreign exchange rates.

(iii) Cash flow and fair value interest rate risk

The majority of the Funds' financial assets and liabilities are non-interest bearing or have a very short time to maturity. As a result, the Funds are not subject to significant risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short term market interest rates.

(b) Summarised sensitivity analysis

The following tables summarize the sensitivity of the Funds' operating profit and net assets attributable to unitholders to price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Funds' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

Russell Investments Ventura Conservative Fund

	Price risk Impact on operating profit/net assets attributable to unitholders	
	-5%	+5%
	\$'000	\$'000
30 June 2023	(4,165)	4,165
30 June 2022	(5,174)	5,174

The sensitivity factors of Russell Investments Ventura Conservative Fund for 30 June 2022 were +/-6 % for price risk.

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Russell Investments Ventura Diversified 50 Fund

	Price risk Impact on operating profit/net assets attributable to unitholders	
	-7%	+7%
	\$'000	\$'000
30 June 2023	(5,522)	5,522
30 June 2022	(6,291)	6,291

The sensitivity factors of Russell Investments Ventura Diversified 50 Fund for 30 June 2022 were +/-8 % for price risk.

Russell Investments Ventura Growth 70 Fund

	Price risk Impact on operating profit/net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2023	(8,978)	8,978
30 June 2022	(9,913)	9,913

The sensitivity factors of Russell Investments Ventura Growth 70 Fund for 30 June 2022 were +/-11 % for price risk.

Some limitations of the sensitivity analysis above are:

1. The models are based on historical data and cannot take account of the fact that future market movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
2. The market risk information is a relative estimate of risk rather than a precise and accurate number; and
3. The market information represents a hypothetical outcome and is not intended to be predictive; and future market conditions could vary significantly from those experienced in the past.

(c) Credit risk

The Funds are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Funds. Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, receivables and amounts due from brokers. None of the assets are impaired nor past due but not impaired.

The Funds do not have material direct exposure to credit risk as it invests in underlying funds. These underlying funds are exposed to credit risk from counterparties with whom they trade and will also bear the risk of settlement default. The underlying funds' credit risk concentration arises from investments in debt securities, broker balances and derivative instruments, in addition to cash balances held at the custodian. The underlying funds minimise concentrations of credit risk by undertaking transactions with approved counterparties, investing primarily in investments on recognised and reputable exchanges. Periodic monitoring is performed on the external managers by Russell Investments to ensure compliance with investment management agreements.

3 Financial risk management (continued)

(c) Credit risk (continued)

The Funds' direct credit risk arises from bank balances which are held by the Funds' custodian, State Street Australia Limited and State Street Bank and Trust Company. At the balance date the exposure to credit risk for cash and cash equivalents and amounts due from brokers is considered low as all counterparties of the Funds have a rating of investment grade or higher (as determined by external credit rating agencies). The maximum exposure to credit risk at the reporting date is the carrying amount of these financial assets.

Clearing and depository operations for the Funds' security transactions are mainly concentrated with one counterparty, namely State Street Australia Limited. Periodic monitoring is performed on the custodian by Russell Investments to ensure compliance with custodial agreements.

At 30 June 2023, State Street Australia Limited had a credit rating of Aa1 (2022: Aa1). At 30 June 2023, substantially all cash and investments are held in custody by State Street Australia Limited or through a sub-custodian.

(d) Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Funds are exposed to daily cash redemptions of redeemable units which Russell Investments manage by ensuring that, each underlying fund's investment managers comply with investment management agreements which directs the amount of illiquid assets held in each fund. In addition, Russell Investment Management Ltd. monitors the Funds' liquidity position on a daily basis.

Generally the underlying funds' assets are composed of actively traded and highly liquid securities. However, these funds may restrict redemptions in the event of liquidity concerns or volatile markets. In such event, the Funds may also restrict redemptions on a temporary basis in line with the provisions of the Funds' governing documents to manage liquidity risk.

(i) Maturities of non-derivative financial liabilities

The tables below analyse the Funds' non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are contractual undiscounted cash flows.

Russell Investments Ventura Conservative Fund

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
At 30 June 2023					
Payables	9	-	-	-	-
Distribution payable	844	-	-	-	-
Undiscounted contractual cash flows	853	-	-	-	-
At 30 June 2022					
Payables	386	-	-	-	-
Distribution payable	4,345	-	-	-	-
Net assets attributable to unitholders	86,426	-	-	-	-
Undiscounted contractual cash flows	91,157	-	-	-	-

3 Financial risk management (continued)

(d) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities (continued)

Russell Investments Ventura Diversified 50 Fund

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
At 30 June 2023					
Payables	527	-	-	-	-
Due to brokers - unsettled purchases	17	-	-	-	-
Distribution payable	<u>951</u>	-	-	-	-
Undiscounted contractual cash flows	<u>1,495</u>	-	-	-	-
At 30 June 2022					
Payables	168	-	-	-	-
Distribution payable	5,853	-	-	-	-
Net assets attributable to unitholders	<u>78,742</u>	-	-	-	-
Undiscounted contractual cash flows	<u>84,763</u>	-	-	-	-

Russell Investments Ventura Growth 70 Fund

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
At 30 June 2023					
Payables	97	-	-	-	-
Distribution payable	<u>3,270</u>	-	-	-	-
Undiscounted contractual cash flows	<u>3,367</u>	-	-	-	-
At 30 June 2022					
Payables	266	-	-	-	-
Distribution payable	7,999	-	-	-	-
Net assets attributable to unitholders	<u>90,086</u>	-	-	-	-
Undiscounted contractual cash flows	<u>98,351</u>	-	-	-	-

4 Fair value measurement

The Funds measure and recognise the following assets at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL) (see note 5)

The Funds have no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

4 Fair value measurement (continued)

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); or
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Funds value their investments in accordance with the accounting policies set out in note 2 to the financial statements.

(i) Fair value in an active market (level 1)

The Funds value its investments in accordance with the accounting policies set out in note 2. For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of its investments.

The quoted market prices used for both financial assets and financial liabilities were last traded prices.

(ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not traded in an active market are determined by using prices from underlying unlisted investment trusts.

Recognised fair value measurements

The following table presents the Funds' financial assets measured and recognised at fair value through profit or loss across the fair value hierarchy.

Russell Investments Ventura Conservative Fund

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Unit trusts	-	83,293	-	83,293
Total	-	83,293	-	83,293

As at 30 June 2022

Financial assets

Financial assets at fair value through profit or loss:

Unit trusts	-	86,233	-	86,233
Total	-	86,233	-	86,233

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

Russell Investments Ventura Diversified 50 Fund

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Unit trusts	-	78,886	-	78,886
Total	-	78,886	-	78,886

As at 30 June 2022

Financial assets

Financial assets at fair value through profit or loss:

Unit trusts	-	78,633	-	78,633
Total	-	78,633	-	78,633

Russell Investments Ventura Growth 70 Fund

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2023				
Financial assets				
Financial assets at fair value through profit or loss:				
Unit trusts	-	89,775	-	89,775
Total	-	89,775	-	89,775

As at 30 June 2022

Financial assets

Financial assets at fair value through profit or loss:

Unit trusts	-	90,118	-	90,118
Total	-	90,118	-	90,118

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(i) Transfers between levels

There were no transfers between levels for the year ended 30 June 2023 and year ended 30 June 2022. There were also no changes made to any of the valuation techniques applied as of 30 June 2023.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The Funds did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2023 or year ended 30 June 2022.

(iii) Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

4 Fair value measurement (continued)

(iv) Fair values of other financial instruments

The Funds have assets and liabilities carried at amortised cost. Due to their short-term nature, their carrying values are a reasonable approximation of fair value.

5 Financial assets at fair value through profit or loss

	Russell Investments Ventura Conservative Fund As at		Russell Investments Ventura Diversified 50 Fund As at		Russell Investments Ventura Growth 70 Fund As at	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Financial assets at fair value through profit or loss						
Unit trusts	83,293	86,233	78,886	78,633	89,775	90,118
Total financial assets at fair value through profit or loss	83,293	86,233	78,886	78,633	89,775	90,118
Comprising:						
Unit trusts						
Australian unit trusts	83,293	86,233	78,886	78,633	89,775	90,118
Total unit trusts	83,293	86,233	78,886	78,633	89,775	90,118
Total financial assets at fair value through profit or loss	83,293	86,233	78,886	78,633	89,775	90,118

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in note 3 and note 4 to the financial statements.

6 Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Funds' power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Funds apply the Investment Entity Exception available under AASB 10 *Consolidated Financial Statements* and therefore do not consolidate their controlled entities. In other cases, it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Funds. Such interests include holdings of units in unlisted trusts.

The nature and extent of the Funds' interests in related structured entities are summarised in notes 5 and 12.

6 Structured entities (continued)

The nature and extent of the Funds' investments in unrelated investment funds are disclosed in the following table:

Russell Investments Ventura Conservative Fund

Name	Fair value of investment		Interest held	
	2023	2022	2023	2022
	\$'000	\$'000	%	%
Russell Investments Conservative Fund	-*	86,233	-	15.59

Russell Investments Ventura Diversified 50 Fund

Name	Fair value of investment		Interest held	
	2023	2022	2023	2022
	\$'000	\$'000	%	%
Russell Investments Diversified 50 Fund	-*	78,633	-	14.26

Russell Investments Ventura Growth 70 Fund

Name	Fair value of investment		Interest held	
	2023	2022	2023	2022
	\$'000	\$'000	%	%
Russell Investments Balanced Fund	-*	90,118	-	6.89

* Due to the change of Responsible Entity from Equity Trustees Limited to Russell Investment Management Ltd. the underlying investment funds are now disclosed under note 12.

During the year ended 30 June 2022, the Funds' total net gains/(losses) incurred on investments in the structured entities and the distribution income from investments in structured entities were as follows:

	Total net gains/(losses) Year ended		Distribution income Year ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Russell Investments Ventura Conservative Fund	-	(12,869,208)	-	5,126,070
Russell Investments Ventura Diversified 50 Fund	-	(14,019,874)	-	6,431,526
Russell Investments Ventura Growth 70 Fund	-	(17,451,212)	-	8,744,298

The Funds have exposures to unconsolidated structured entities through its investment activities. The Funds' maximum exposure to loss is restricted to the carrying value of the asset.

The Funds' overall risk management program focuses on ensuring compliance with its governing documents and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. The risks associated with the investments are referred to in note 3.

6 Structured entities (continued)

During the year the Funds did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support. The Funds' investment strategy entails investments in other funds on a regular basis. The Funds intend to continue investing in other funds.

As at 30 June 2023, there were no capital commitment obligations other than what is in unsettled sales or unsettled purchases in Statement of financial position (2022: \$Nil).

7 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

Russell Investments Ventura Conservative Fund

	Year ended			
	30 June 2023 No.'000	30 June 2022 No.'000	30 June 2023 \$'000	30 June 2022 \$'000
Class A				
Opening balance	81,950	80,163	81,013	90,780
Applications	8,056	11,245	8,235	12,714
Redemptions	(14,183)	(9,705)	(14,453)	(10,821)
Units issued upon reinvestment of distributions	269	247	269	279
Distribution paid and payable	-	-	(1,245)	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	(11,939)
Profit/(loss) for the year	-	-	3,938	-
Closing balance	76,092	81,950	77,757	81,013
Wholesale				
Opening balance	5,858	7,176	5,413	7,588
Applications	260	57	249	60
Redemptions	(1,188)	(1,405)	(1,127)	(1,452)
Units issued upon reinvestment of distributions	36	30	33	32
Distribution paid and payable	-	-	(77)	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	(815)
Profit/(loss) for the year	-	-	252	-
Closing balance	4,966	5,858	4,743	5,413
Closing balance	81,058	87,808	82,500	86,426

7 Net assets attributable to unitholders (continued)

Russell Investments Ventura Diversified 50 Fund

	Year ended			
	30 June 2023 No.'000	30 June 2022 No.'000	30 June 2023 \$'000	30 June 2022 \$'000
Class A				
Opening balance	53,561	56,512	58,432	72,618
Applications	6,078	5,513	6,962	7,123
Redemptions	(9,074)	(8,646)	(10,350)	(11,045)
Units issued upon reinvestment of distributions	178	182	198	234
Distribution paid and payable	-	-	(1,023)	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	(10,498)
Profit/(loss) for the year	-	-	4,352	-
Closing balance	50,743	53,561	58,571	58,432
Wholesale				
Opening balance	21,616	24,212	20,310	26,782
Applications	632	693	619	763
Redemptions	(2,744)	(3,319)	(2,691)	(3,681)
Units issued upon reinvestment of distributions	37	30	35	34
Distribution paid and payable	-	-	(339)	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	(3,588)
Profit/(loss) for the year	-	-	1,492	-
Closing balance	19,541	21,616	19,426	20,310
Closing balance	70,284	75,177	77,997	78,742

Russell Investments Ventura Growth 70 Fund

	Year ended			
	30 June 2023 No.'000	30 June 2022 No.'000	30 June 2023 \$'000	30 June 2022 \$'000
Class A				
Opening balance	45,767	51,269	58,746	78,714
Applications	4,024	5,139	5,459	8,026
Redemptions	(6,902)	(10,683)	(9,372)	(16,632)
Units issued upon reinvestment of distributions	35	42	47	65
Distribution paid and payable	-	-	(2,703)	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	(11,427)
Profit/(loss) for the year	-	-	5,940	-
Closing balance	42,924	45,767	58,117	58,746

7 Net assets attributable to unitholders (continued)

Russell Investments Ventura Growth 70 Fund

	Year ended			
	30 June 2023 No.'000	30 June 2022 No.'000	30 June 2023 \$'000	30 June 2022 \$'000
Wholesale				
Opening balance	30,314	34,178	31,340	42,246
Applications	1,049	1,398	1,147	1,756
Redemptions	(5,343)	(5,277)	(5,824)	(6,547)
Units issued upon reinvestment of distributions	14	15	15	19
Distribution paid and payable	-	-	(1,325)	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	(6,134)
Profit/(loss) for the year	-	-	3,038	-
Closing balance	26,034	30,314	28,391	31,340
Closing balance	68,958	76,081	86,508	90,086

As stipulated within the Funds' constitution, each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds.

There are two separate classes of units of each fund. Each unit within the same class has the same rights as all other units within that class. Each class has the same preferences and restrictions, and from 1 July 2022, the two classes have the same management fee rates. As the classes of each Fund have identical class features for all its unitholders, the Funds satisfy the criteria under AASB 132 *Financial Instruments: Presentation* that allows it to classify net assets attributable to unitholders as equity. Hence, during the year ended 30 June 2023, the Fund's net assets attributable to unitholders were reclassified from liability to equity. Upon reclassification of net assets attributable to unitholders to equity, the Funds' distributions were classified as distributions paid and payable in the statement of changes in equity, rather than finance costs in the statement of comprehensive income. Refer to note 1 for further detail. Refer to note 12 for the applicable management fee rates.

Capital risk management

Management considers their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders. The Funds did not restrict or reject any redemptions in the financial year.

8 Distributions to unitholders

The distributions for the year were as follows:

Russell Investments Ventura Conservative Fund

	Year ended			
	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU
Class A				
Interim distributions	424	0.53	618	0.75
Final distributions	<u>821</u>	<u>1.08</u>	<u>4,079</u>	<u>4.98</u>
Distributions for the year	<u>1,245</u>	<u>1.61</u>	<u>4,697</u>	<u>5.73</u>
Wholesale				
Interim distributions	27	0.49	27	0.43
Final distributions	<u>50</u>	<u>1.01</u>	<u>266</u>	<u>4.55</u>
Distributions for the year	<u>77</u>	<u>1.50</u>	<u>293</u>	<u>4.98</u>
Total distributions for the year	<u>1,322</u>		<u>4,990</u>	

At 30 June 2023, the above distributions for class A and Wholesale include distribution payable amount of \$797,682 (2022: \$4,079,446) and \$46,656 (2022: \$266,268) respectively.

Russell Investments Ventura Diversified 50 Fund

	Year ended			
	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU
Class A				
Interim distributions	289	0.54	470	0.86
Final distributions	<u>734</u>	<u>1.45</u>	<u>4,358</u>	<u>8.13</u>
Distributions for the year	<u>1,023</u>	<u>1.99</u>	<u>4,828</u>	<u>8.99</u>
Wholesale				
Interim distributions	96	0.46	108	0.49
Final distributions	<u>243</u>	<u>1.25</u>	<u>1,495</u>	<u>6.92</u>
Distributions for the year	<u>339</u>	<u>1.71</u>	<u>1,603</u>	<u>7.41</u>
Total distributions for the year	<u>1,362</u>		<u>6,431</u>	

At 30 June 2023, the above distributions for class A and Wholesale include distribution payable amount of \$712,666 (2022: \$4,358,285) and \$237,893 (2022: \$1,495,276) respectively.

8 Distributions to unitholders (continued)

Russell Investments Ventura Growth 70 Fund

	Year ended			
	30 June 2023 \$'000	30 June 2023 CPU	30 June 2022 \$'000	30 June 2022 CPU
Class A				
Interim distributions	496	1.11	540	1.17
Final distributions	<u>2,207</u>	<u>5.14</u>	<u>5,237</u>	<u>11.44</u>
Distributions for the year	<u>2,703</u>	<u>6.25</u>	<u>5,777</u>	<u>12.61</u>
Wholesale				
Interim distributions	247	0.88	205	0.66
Final distributions	<u>1,078</u>	<u>4.14</u>	<u>2,762</u>	<u>9.11</u>
Distributions for the year	<u>1,325</u>	<u>5.02</u>	<u>2,967</u>	<u>9.77</u>
Total distributions for the year	<u>4,028</u>		<u>8,744</u>	

At 30 June 2023, the above distributions for class A and Wholesale include distribution payable amount of \$2,191,544 (2022: \$5,236,779) and \$1,078,218 (2022: \$2,762,104) respectively.

9 Cash and cash equivalents

	Russell Investments Ventura Conservative Fund As at		Russell Investments Ventura Diversified 50 Fund As at		Russell Investments Ventura Growth 70 Fund As at	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
Cash at bank	<u>55</u>	<u>232</u>	<u>54</u>	<u>188</u>	<u>73</u>	<u>273</u>
	<u>55</u>	<u>232</u>	<u>54</u>	<u>188</u>	<u>73</u>	<u>273</u>

10 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Russell Investments Ventura Conservative Fund Year ended		Russell Investments Ventura Diversified 50 Fund Year ended		Russell Investments Ventura Growth 70 Fund Year ended	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Profit/(loss) for the year	4,190	-	5,844	-	8,978	-
Increase/(decrease) in net assets attributable to unitholders	-	(12,754)	-	(14,086)	-	(17,561)
Distributions to unitholders	-	4,990	-	6,431	-	8,744
Purchase of financial instruments at fair value through profit or loss	(6,194)	(9,788)	(14,515)	(3,885)	(20,590)	(4,620)
Proceeds from sale of financial instruments at fair value through profit or loss	13,514	8,638	19,607	10,651	29,927	18,065
Net (gains)/losses on financial instruments at fair value through profit or loss	(2,868)	12,870	(4,471)	14,020	(6,491)	17,451
Distribution income reinvested	(1,324)	-	(1,377)	-	(2,493)	-
Net change in receivables	4,465	194	5,803	1,818	7,914	4,713
Net change in payables	(2)	-	(5)	(2)	(9)	(2)
Net cash inflow/(outflow) from operating activities	11,781	4,150	10,886	14,947	17,236	26,790
(b) Non-cash financing activities						
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	302	311	233	268	62	84

Income not distributed is included in net assets attributable to unitholders. The change in this amount each period (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

11 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Funds:

	Russell Investments Ventura Conservative Fund Year ended		Russell Investments Ventura Diversified 50 Fund Year ended		Russell Investments Ventura Growth 70 Fund Year ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$	\$	\$
BDO Audit Pty Ltd						
<i>Audit services</i>						
Audit of financial statements	1,250	7,800	1,250	7,800	1,250	7,800
Total remuneration for audit services	1,250	7,800	1,250	7,800	1,250	7,800
<i>Taxation services</i>						
Tax compliance services	-	4,235	-	4,235	-	4,235
Total remuneration for taxation services	-	4,235	-	4,235	-	4,235
Total remuneration of BDO Audit Pty Ltd	1,250	12,035	1,250	12,035	1,250	12,035
PricewaterhouseCoopers Australian firm						
<i>Audit and other assurance services</i>						
Audit and review of financial statements	11,804	-	11,804	-	11,804	-
Compliance plan audit	1,970	2,346	1,970	2,346	1,970	2,346
Total remuneration for audit and other assurance services	13,774	2,346	13,774	2,346	13,774	2,346
<i>Taxation services</i>						
Tax compliance services	10,790	-	10,790	-	10,790	-
Total remuneration for taxation services	10,790	-	10,790	-	10,790	-
Total remuneration of PricewaterhouseCoopers	24,564	2,346	24,564	2,346	24,564	2,346

The auditors' remuneration is borne by the investment manager. Fees are stated exclusive of GST.

12 Related party transactions

Responsible Entity

Russell Investment Management Ltd. (ABN 53 068 338 974), the Responsible Entity and manager of the Funds, is a wholly owned subsidiary of Russell Investment Group Pty Ltd (Australia). Russell Investment Management Ltd replaces Equity Trustees Limited as the Responsible Entity (RE) on and from 13 July 2022.

The Responsible Entity is engaged in the business of providing investment management and administrative services on behalf of the Funds. It has appointed State Street Australia Limited to perform custody and certain administrative functions. To implement the multi-asset, multi-style, multi-manager diversification technique in relation to the Funds, the Responsible

12 Related party transactions (continued)

Responsible Entity (continued)

Entity will: (i) engage and, where necessary, replace the investment managers for the Fund; (ii) allocate assets among investment managers within the Fund; and (iii) monitor each investment manager's overall investment performance. For services rendered, the Funds pay the Responsible Entity a fee as discussed below.

The Responsible Entity retains the right under the terms of its agreements with the investment managers to direct them, subject to a requirement of best execution, to execute transactions that enable it to purchase brokerage and research services that assist in the provision of investment services to the Responsible Entity and are in the best interests of the unitholders. In addition, the investment managers may elect to purchase research services for their own benefit, subject to the best execution requirement. Brokerage and research services include (1) fundamental market research including performance characteristics of asset classes, investment styles, and allocation strategies; (2) advice either directly or indirectly through publications or writings as to the value of securities, the advisability of investing in, purchasing or selling securities and the availability of securities or of purchasers or sellers of securities; (3) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts; and (4) effecting securities transactions and performing functions incidental thereto (such as clearance and settlement) or that are required in connection therewith.

The Responsible Entity has received the following goods and services from brokers and dealers generally over the period of these accounts:

- written and oral research reports from brokers or dealers;
- computer based financial analytical systems, together with their associated software and servicing support; and
- statistical analysis relating to markets, companies, industries, business and economic factors, market trends and portfolio strategies.

Brokerage commissions

The Funds may effect portfolio transactions through an affiliate of the Responsible Entity, when an investment manager determines that Funds will receive competitive execution, price, and commissions. No commissions were retained by affiliates of the Responsible Entity for the year ended 30 June 2023 (2022: \$Nil).

Key management personnel

(a) Directors

Up until 12 July 2022, the key management personnel includes persons who were directors of Equity Trustees Limited as follows:

Philip D Gentry	Chairman
Russell W Beasley	
Michael J O'Brien	
Mary A O'Connor	(appointed, effective 24 May 2022)

12 Related party transactions (continued)

Key management personnel (continued)

From 13 July 2022 to the reporting date, the key management personnel includes persons who were directors of Russell Investment Management Ltd. at any time during the reporting period as follows:

Peter Gunning
Jodie Hampshire
Symon Parish (resigned, effective 7 March 2023)
Bronwyn Yates
Neil Rogan (appointed, effective 9 December 2022)
James Harwood (appointed, effective 26 March 2023)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly during the financial year.

Key management personnel unitholdings

No key management personnel of the Responsible Entity held unit in the Funds during the year ended 30 June 2023 (2022: Nil).

Key management personnel compensation

Key management personnel are paid by Russell Investment Group Pty Ltd. Payments made from the Funds to Russell Investment Group Pty Ltd do not include any amounts directly attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the Funds

Apart from those details disclosed in this note, no key management personnel have entered into any transaction with the Funds since the end of the previous financial year and there were no material balance involving directors' interests outstanding at year end.

Responsible Entity's/manager's fees and other transactions

Under the terms of the Funds' constitution, the Responsible Entity entitled to receive management fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Funds as follows:

Russell Investments Ventura Conservative Fund - Class A - Management fee Nil% as at 30 June 2023.

Russell Investments Ventura Conservative Fund - Class Wholesale - Management fee Nil% as at 30 June 2023.

Russell Investments Ventura Diversified 50 Fund - Class A - Management fee Nil% as at 30 June 2023.

Russell Investments Ventura Diversified 50 Fund - Class Wholesale - Management fee Nil% as at 30 June 2023.

Russell Investments Ventura Growth 70 Fund - Class A - Management fee Nil% as at 30 June 2023.

12 Related party transactions (continued)

Responsible Entity's/manager's fees and other transactions (continued)

Russell Investments Ventura Growth 70 Fund - Class Wholesale - Management fee Nil% as at 30 June 2023.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable as at year end between the Funds and the Responsible Entity were as follows:

Russell Investments Ventura Conservative Fund

	30 June 2023	30 June 2022
	\$	\$
Management fees for the year incurred by the Fund	-	20,909
Aggregate amounts payable to the manager at the end of the reporting period	-	1,566

Russell Investments Ventura Diversified 50 Fund

	30 June 2023	30 June 2022
	\$	\$
Management fees for the year incurred by the Fund	-	67,395
Aggregate amounts payable to the manager at the end of the reporting period	-	5,295

Russell Investments Ventura Growth 70 Fund

	30 June 2023	30 June 2022
	\$	\$
Management fees for the year incurred by the Fund	-	112,352
Aggregate amounts payable to the manager at the end of the reporting period	-	8,692

For information on how management fees are calculated, please refer to the Funds' product disclosure statement.

The management fees borne by the Funds are paid to the investment manager, who in turn provides the on-payment of the fees to the respective service providers. The on-payment of fees include Responsible Entity fees, Custodian and Administrator fees and other expenses.

Russell Investment Management Ltd. earned \$Nil (Equity Trustees Limited earned at 2022: \$123,000) for Responsible Entity services to the Funds. This equates to \$Nil per Fund (2022: \$41,000 per Fund). The Responsible Entity fees are paid by the investment manager.

Related party unitholdings

Parties related to the Funds (including Russell Investment Management Ltd., its affiliates and other schemes managed by, or under trusteeship of Russell Investment Management Ltd. or its affiliates), held no units in the Funds (2022: Nil).

12 Related party transactions (continued)

Investments

The Funds held investments in the following schemes which are also managed by Russell Investment Management Ltd. or its related parties:

Russell Investments Ventura Conservative Fund

	Fair value of investments		Interest held		Distribution received/receivable		Units acquired during the year		Units disposed during the year	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	%	%	\$	\$	No.	No.	No.	No.
Russell Investments Conservative Fund	83,292,884	-	16.83	-	1,324,462	-	8,882,004	-	15,807,277	-

Russell Investments Ventura Diversified 50 Fund

	Fair value of investments		Interest held		Distribution received/receivable		Units acquired during the year		Units disposed during the year	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	%	%	\$	\$	No.	No.	No.	No.
Russell Investments Diversified 50 Fund	78,886,243	-	15.21	-	1,376,967	-	6,450,210	-	11,011,368	-

Russell Investments Ventura Growth 70 Fund

	Fair value of investments		Interest held		Distribution received/receivable		Units acquired during the year		Units disposed during the year	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	%	%	\$	\$	No.	No.	No.	No.
Russell Investments Balanced Fund	89,774,845	-	7.93	-	2,492,713	-	7,144,758	-	14,828,241	-

13 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the statement of financial position as at 30 June 2023 or on the results and cash flows of the Funds for the year ended on that date.

14 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2023 and 30 June 2022.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 34 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Funds' financial position as at 30 June 2023 and of their performance for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Funds will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Director

Sydney
22 September 2023



Independent auditor's report

To the unitholders of Russell Investments Ventura Conservative Fund (formerly known as Ventura Conservative Fund), Russell Investments Ventura Diversified 50 Fund (formerly known as Ventura Diversified 50 Fund) and Russell Investments Ventura Growth 70 Fund (formerly known as Ventura Growth 70 Fund)

Our opinion

In our opinion:

The accompanying financial report of Russell Investments Ventura Conservative Fund (formerly known as Ventura Conservative Fund), Russell Investments Ventura Diversified 50 Fund (formerly known as Ventura Diversified 50 Fund) and Russell Investments Ventura Growth 70 Fund (formerly known as Ventura Growth 70 Fund) (the Funds) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Funds' financial position as at 30 June 2023 and of their financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statements of financial position as at 30 June 2023
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intends to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized, handwritten-style signature of 'PricewaterhouseCoopers' in black ink.

PricewaterhouseCoopers

A handwritten signature of Simon Cuthbert in black ink.

Simon Cuthbert
Partner

Sydney
22 September 2023