

Fund Profile

An in-depth look at Russell Investments' sector funds

Russell Investments Australian Bond Fund

The Russell Investments Australian Bond Fund employs a multi-style, multi-manager and multi-strategy approach, with broad diversification in a portfolio of fixed income securities. The Fund makes use of multiple sources of active return – both directional and non-directional – for optimal results.

The Russell Investments approach

The Russell Investments Australian Bond Fund (the Fund) employs a multi-style, multi-manager and multi-strategy approach. It is broadly diversified and provides an ideal vehicle for an investor's core exposure to Australian bond markets.

Fund objective

To aim to provide a total return, before costs and tax, higher than the Fund's benchmark over the long term by providing exposure to a diversified portfolio of predominantly fixed income securities. The Fund incorporates non-benchmark domestic and global exposures so as to gain more efficient and diversified exposures versus the benchmark.

Fund design

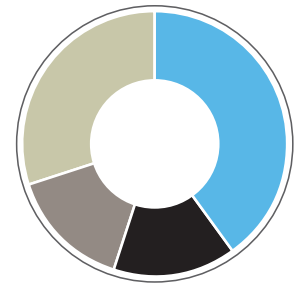
The Australian fixed income market comprises around fifty percent government and semi-government securities and the balance is made of various corporate

securities. Compared to some global markets, the Australian corporate sector provides less opportunity to differentiate investment styles. To address this limitation, the Fund allows selective investment in fixed income markets outside Australia.

Investment strategy

By way of investment strategy, the Fund invests predominantly in Australian dollar government, semi-government and corporate securities consistent with its benchmark. In addition, the portfolio may include select non-Australian dollar securities issued by non-Australian governments, supnationals, agencies and corporations, as well as mortgage and asset-backed securities. Most of the non-Australian dollar exposures are fully hedged into A\$. The Fund predominantly invests in investment-grade securities.

Fund breakdown



"As Russell Investments is seeking consistent outperformance, the Fund employs multiple sources of active return. These include both non-directional (bond sector rotation and stock selection) and directional (duration, yield curve and currency) active fixed income strategies."

CLIVE SMITH
SENIOR PORTFOLIO MANAGER
RUSSELL INVESTMENTS

Quick Overview

Inception: 31 December 1997

Benchmark: Bloomberg AusBond Composite 0+ Yr Index

AUM (AUD): \$1.04 Billion (as on 30/09/2021)

Minimum Investment Timeframe: 3 years

Russell Investments Australian Bond Fund

Current structure

To implement the investment strategy the Fund employs multiple managers with complementary, active investment styles.

UBS

UBS has a medium-long term investment horizon whereby active positions are driven by valuations based on Australian bond market fundamentals. UBS provides a predominantly Australian exposure for the Fund.

AMP Capital

AMP Capital (AMP) invests in an array of domestic and global fixed income securities. The process adopted by AMP places more of a focus on macro credit strategies when managing risk and as a source of alpha generation. Unlike some other managers, AMP adopts a more holistic approach to portfolio construction and risk management when determining how best to reflect their higher conviction macro-oriented strategies within mandates.

Manager	Style	Allocation
Western Asset Management Company (WAMCo)	Broad market, alpha seeking strategy	40.0%
UBS Global Asset Management (Australia)	Broad market, alpha seeking strategy	15.0%
AMP Capital	Broad market, alpha seeking strategy	15.0%
Russell Investments	Positioning strategies	30.0%

WAMCo

Western Asset Management Company's (WAMCo) mandate invests in a wide array of domestic and global fixed income securities. The process has a greater focus on global strategies as a source of value add.

Russell Investments

Russell Investments uses positioning strategies to directly manage custom exposures for use within the total portfolio. Used in conjunction with third-party active managers, positioning strategies allow our portfolio managers to seek excess return and manage portfolio risk by giving them the ability to fully reflect our strategic and dynamic insights with integrated liquidity and risk management.

In this portion of the Fund, Russell Investments uses strategies including, but not limited to, Russell Investments fixed interest ETFs and internally-managed currency and interest rate/credit strategies to access specific market factors/premiums.

Sources of return

The Fund employs multiple sources of active return. These include both non-directional (bond sector rotation and stock selection) and directional (duration, yield curve and currency) active fixed income strategies.

COMMITTED TO
RESPONSIBLE INVESTMENT



For more information, please contact your Russell Investments representative:

NSW, QLD, ACT & NT: 02 9229 5111

VIC, SA, WA & TAS: 03 9270 8111

Issued by Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence 247185 (RIM). This document provides general information only and has not been prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation and needs. This information has been compiled from sources considered to be reliable, but is not guaranteed. Past performance is not a reliable indicator of future performance. This document is not intended to be a complete statement or summary of the Russell Investments Australian Bond Fund (Fund). Investing in the Fund has risks. You should consider these risks in light of your objectives, financial situation and needs. Any potential investor should consider the latest Product Disclosure Statement (PDS) for the Fund in deciding whether to acquire, or to continue to hold, an investment in any Russell Investments product. The PDS can be obtained by visiting www.russellinvestments.com.au or by phoning (02) 9229 5111. The Target Market Determinations for the RIM Funds are available on our website at <https://russellinvestments.com/au/ddoreporting>. RIM is part of Russell Investments. Russell Investments or its associates, officers or employees may have interests in the financial products referred to in this information by acting in various roles including broker or adviser, and may receive fees, brokerage or commissions for acting in these capacities. In addition, Russell Investments or its associates, officers or employees may buy or sell the financial products as principal or agent. Neither RIM, Russell Investments or its associates, officers or employees guarantees the repayment of capital, the performance of any Russell Investments products or any rate of return referred to in this document.

Russell Investments became a signatory of the United Nations-Supported Principles for Responsible Investment (PRI) in 2009; the Carbon Disclosure Project's climate change program since 2010; and the Climate Action 100 in 2017. Russell Investments is also a member of the Institutional Investors Group on Climate Change (IIGCC) since 2015; and the Responsible Investment Association of Australasia. Russell Investments became a supporter for the Taskforce on Climate-Related Financial Disclosures (TCFD) in May 2019. Russell Investments has consecutively achieved an A+ rating for our strategy and governance approach from the PRI from 2016-2020. For further information visit <https://russellinvestments.com/au/about-us/responsible-investing>. This work is copyright 2021. Apart from any use permitted under the Copyright Act 1968, no part may be reproduced by any process, nor may any other exclusive right be exercised, without the permission of Russell Investment Management Ltd.

Updated as of: October 2021 R_PRO_Fnd_AusBond_V1F_2110