

# Russell Investments Low Carbon Australian Shares Fund

## Sector Allocation (%)



Financials	31.3%
Materials	20.8%
Health Care	10.4%
Consumer Discretionary	7.6%
Real Estate	7.0%
Industrials	6.7%
Energy	4.2%
Consumer Staples	4.0%
Communication Services	3.8%
Information Technology	3.5%
Utilities	0.9%

Allocations may not equal 100% due to rounding.

## Fund Facts

### Share Class

Class A

### Inception date

08 February 2019

### Benchmark

S&P/ASX 300 Accumulation Index

### Portfolio Manager

Andrew Zenonos

### APIR Code

RIM1702AU

### Recommended Investment Timeframe

7 years

### Management Fees and Costs

0.29%

### Performance Fees

N/A

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

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

## Fund Objective

To provide a total return, before costs and tax, in line with the Fund's benchmark over rolling three year periods with a focus on reducing the Fund's exposure to carbon relative to benchmark.

## Fund Strategy

The Fund invests predominantly in a broad range of Australian shares listed on the Australian Securities Exchange. The Fund targets a reduction in carbon exposure compared to the Benchmark. The Fund also employs certain investment exclusions. Derivatives may be used by the Fund to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risks.

For further information on how the Fund seeks to achieve a reduced carbon exposure and the investment exclusions employed, refer to ESG considerations in the 'How we invest your money' section of the Additional Information Booklet.

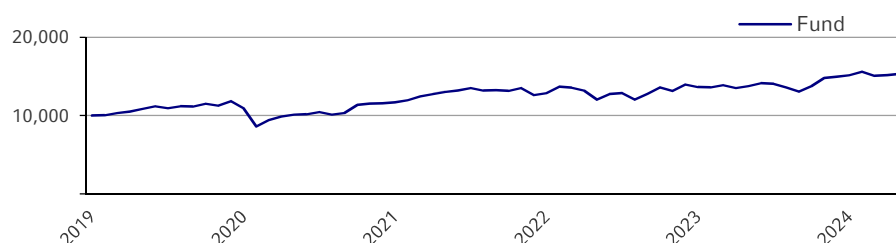
## Performance Review (%)

Period Ending 30/06/2024	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since Inception %p.a.
Total Return	1.00	-1.88	11.50	5.56	7.11	8.79
Growth Return	-0.60	-3.44	7.52	1.38	2.71	4.27
Distribution Return	1.60	1.56	3.98	4.18	4.40	4.52

Performance is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance.

The distribution return reflects income paid from the Fund, whilst the growth return reflects changes in the capital values of the assets.

## Growth of \$10,000



## Fund Update

The Russell Investments Low Carbon Australian Shares Fund underperformed the benchmark in the June quarter.

Positioning within the materials space detracted from performance over the period; notably an underweight to diversified miner South32, which climbed 22% for the quarter. Other materials positions to impact returns were overweights to James Hardie Industries, Mineral Resources and metals and electronics recycling company Sims Ltd. Our structural underweight to the utilities space also weighed on performance; the sector significantly outperforming the broader market over the period. Returns were further impacted by positioning within the energy sector, including overweights to Ampol and Viva Energy; both of which recorded sharp declines for the quarter. In contrast, the Fund benefited from an overweight to the information technology space. An overweight to the healthcare sector also added value, including overweights to New Zealand's Fisher & Paykel Healthcare and Ansell, which manufactures protective industrial equipment and medical gloves. Both stocks posted strong gains for the quarter. Other key positions to add value over the period were an underweight to BlueScope Steel and a nil holding in information technology service management company Megaport. Overweights to Insurance Australia Group and Suncorp Group added further value.



We license and apply the SASB® Materiality Map™ General Issue Categories in our work.

# Russell Investments Low Carbon Australian Shares Fund

Fund

MSCI ACWI ex Australia Index Net

**Carbon Emission vs Index**  
28% lower



**Carbon Reserves vs Index**  
60% lower



**Material ESG Score vs Index**  
5% higher



Index is the fund benchmark, MSCI ACWI ex Australia Index Net.

**Carbon Emissions:** Is the Weighted Average Carbon Intensity which we define as relative carbon emissions as the weighted average of portfolio companies' Scope 1 & 2 GHG emission divided by revenue (CO<sub>2</sub>e/\$1M revenue USD).

**Carbon Reserves:** We refer to relative carbon reserves as the asset relative fossil fuel reserves of a company. Specifically it is defined as: Fossil fuel reserves (m tonnes) divided by total company assets (USD).

**Material ESG Score:** Using Russell Investments proprietary material ESG scores.

Using Russell Investments proprietary material ESG scores. Further details of our Material ESG scoring approach and methodology is contained in our research paper **Materiality Matters: Targeting the ESG issues that impact performance** – the Material ESG score. <https://russellinvestments.com/-/media/files/au/about-us/responsible-investing/materiality-matters.pdf>

**ESG Considerations**

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

For information on Russell Investments Australian Responsible Investment ETF's, applied exclusions and relevant thresholds, please refer to the FTSE Russell Construction and Methodology, located here: [https://research.ftserussell.com/products/downloads/Russell\\_Australia\\_ESG\\_Index\\_Construction\\_and\\_Methodology.pdf](https://research.ftserussell.com/products/downloads/Russell_Australia_ESG_Index_Construction_and_Methodology.pdf)

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## Top Ten Issuers (%)

Commonwealth Bank of Australia
BHP Group Ltd
CSL Ltd
National Australia Bank Ltd
Westpac Banking Corp
ANZ Group Holdings Ltd
Wesfarmers Ltd
Macquarie Group Ltd
Goodman Group
Woodside Energy Group Ltd

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