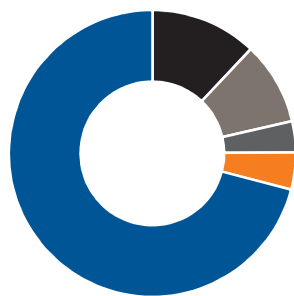


# Russell Investments Multi-Asset Income Strategy Fund

## Asset Allocation As At 31 August 2024



|                           |       |
|---------------------------|-------|
| ■ International Shares    | 12.1% |
| ■ Australian Shares       | 9.3%  |
| ■ Property                | 3.5%  |
| ■ Alternatives            | 4.2%  |
| ■ Fixed Interest and Cash | 70.9% |

Allocations may not equal 100% due to rounding.

### Fund Facts

**Share Class**  
Class A

### Performance Objective As At 30 June 2024

|                |      |
|----------------|------|
| CPI +2%        |      |
| 3 Months %     | 1.52 |
| 1 Year %       | 5.81 |
| 3 Years % p.a. | 7.13 |

### Inception date

12 December 2012

### APIR Code

RIM0089AU

### Fund Size

256.58m

### Management Fees and Costs

0.84%

### Performance Fees

0.02%

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

## Fund Strategy

The Fund is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation. Derivatives may be used to implement investment strategies. 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 [russellinvestments.com/au/RFA/investing](http://russellinvestments.com/au/RFA/investing).

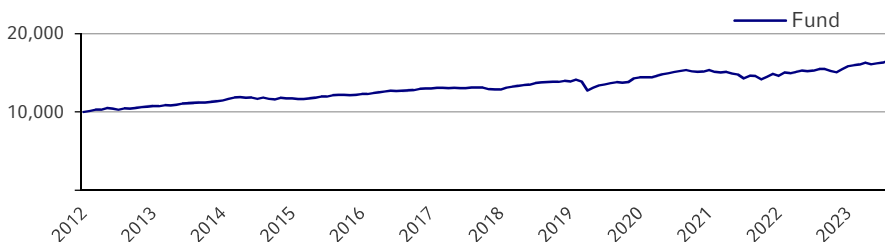
## Performance Review (%)

| Period Ending 31/08/2024 | 1 month % | 3 months % | 1 year % | 3 years %p.a. | 5 years %p.a. | Since Inception %p.a. |
|--------------------------|-----------|------------|----------|---------------|---------------|-----------------------|
| Total Return             | 0.65      | 3.04       | 7.86     | 2.83          | 3.88          | 4.52                  |
| Growth Return            | 0.65      | 1.72       | 4.99     | -0.82         | -0.20         | 0.46                  |
| Distribution Return      | 0.00      | 1.32       | 2.87     | 3.65          | 4.08          | 4.06                  |

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



## Market

Global bonds made good gains in August. Longer-term government bond yields were mostly lower (prices higher) over the period. An early selloff across global equity markets amid fears the US economy was headed for recession saw investors flock to the relative safety of government bonds. The selloff was triggered in part by a disappointing jobs report and a sharp decline in manufacturing activity. US Treasury yields tumbled in response to the data, with many analysts even speculating that the Federal Reserve (Fed)'s first interest rate cut for this cycle could be a 0.50% adjustment rather than the usual 0.25% move. Bonds found further support following some dovish comments from Fed Chair Jerome Powell, who said "the time has come for policy to adjust." He added that "with an appropriate dialling back of policy restraint, there is good reason to think that the economy will get back to 2.0% inflation while maintaining a strong labour market." Powell's comments were interpreted as confirmation the Fed will cut interest rates in September. Elsewhere on the central bank front, the Bank of England delivered its first rate cut in more than four years in early August. Neither the European Central Bank nor the Bank of Japan met during the month. Global credit markets were mixed in August. Australian bonds outperformed their global counterparts over the period, while domestic credit markets were flat, with spreads unchanged against a backdrop of competing positive and negative influences. Global share markets rose in local currency terms in August but fell in unhedged Australian dollar terms. Australian shares made only modest gains over the period.

# Russell Investments Multi-Asset Income Strategy Fund

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## Fund Update

Within our traditional fixed income portfolio, both the Russell Investments International Bond Fund – \$A Hedged and the Russell Investments Australian Bond Fund generated positive absolute and excess returns for the month; the two funds benefiting from their duration positioning. In terms of our extended fixed income exposure, Metrics Credit outperformed cash but underperformed traditional fixed income assets. Meanwhile, the Russell Investments Australian Floating Rate Fund performed well over the period; the Fund outperforming cash as floating rate assets continued to benefit from a higher interest rate environment. We believe US, UK and German government bonds offer reasonable value. In the US, the spread between two- and 10-year government bonds has gone from very negative to near flat. At current levels, we believe that exposure to government bonds, including US Treasuries, remains attractive from a valuation perspective. Bonds also provide diversification benefits should the global economy weaken.

Within the Fund's global equity portfolio, both the Russell Investments Global Opportunities Fund and the Russell Investments Global Opportunities Fund – \$A Hedged outperformed their benchmarks over the period; though the former did record negative absolute returns for the month. The two funds benefited from strong stock selection in the US, including underweights to Amazon.com, Tesla and chip maker NVIDIA. Stock selection in Japan added further, albeit modest value, including an underweight to car maker Toyota Motor Corp. In terms of domestic equities, the Russell Investments Australian Opportunities Fund (RAOF) narrowly underperformed its benchmark over the period; though absolute returns were positive. Contributing to RAOF's underperformance was stock selection within the materials sector, including overweights to aluminium company Alcoa and chemicals manufacturer Nufarm. Other materials positions to impact returns were underweights to gold miners Northern Star Resources and Evolution Mining. The Russell Investments High Dividend Australian Shares ETF underperformed the broader share market in August. We maintain a diversified equity exposure across both global and Australian markets. Non-US developed equities are relatively cheaper than US equities from a valuation perspective and likely to benefit from weakness in the US dollar (USD) should the Fed become less hawkish. However, given the threat of a US recession and the USD's traditional 'safe haven' characteristics, we maintain a neutral preference for non-US developed equities.

More broadly, our exposures to global listed property and global listed infrastructure detracted from overall performance. A stronger Australian dollar (relative to the USD) also weighed on the returns of the Fund's assets denominated in foreign currency.

Markets have faced multiple concerns over the past 12 to 24 months. In particular, higher inflation driven by post-COVID economic abnormalities and several major geopolitical events saw central banks aggressively raise interest rates, which in turn led to a material increase in market volatility. Despite these concerns, the US economy has to date proven remarkably resilient, and markets are pricing in a 'soft landing' as inflationary pressures continue to ease and unemployment remains low. However, we are seeing several leading economic indicators that suggest caution is warranted. As a result, we believe recessionary risks in the US are elevated; though the risk has reduced gradually as continued migration has allowed inflation to moderate without materially impacting the labour market.

# Russell Investments Multi-Asset Income Strategy Fund

## Actual Asset Allocation As At 31 August 2024

|   |              |
|---|--------------|
| <b>International Shares</b>                 | <b>12.1%</b> |
| RIM GLOBAL OPPS A HEDGED                    | 4.1%         |
| RUSSELL GBL OPPORTUNITIES FUND D            | 8.4%         |
| Tactical Overlay - Listed Options - US      | -0.4%        |
| <b>Australian Shares</b>                    | <b>9.3%</b>  |
| RUSSELL AUSTRALIAN OPPORTUN FD              | 5.9%         |
| RUSSELL INVEST HIGH DIV AUST                | 3.5%         |
| <b>Alternatives</b>                         | <b>4.2%</b>  |
| AMUNDI-ABS VOL WLD EQY-IHA0D                | 0.5%         |
| RICII EMERG MKT DEBT LOCAL CUR MUTUAL FUND  | 0.8%         |
| RIM GLOBAL LISTED INFRA FUND D MUTUAL FUND  | 1.3%         |
| RIML RUSSELL INVESTMENTS PRIVATE ASSET FUND | 1.6%         |
| <b>Property</b>                             | <b>3.5%</b>  |
| RIML RUSSELL INVESTMENTS PRIVATE ASSET FUND | 2.9%         |
| RUSSELL INTL PROPTY SEC FD(D) AUD HEDGE     | 0.6%         |
| <b>Fixed Interest and Cash</b>              | <b>70.9%</b> |
| RUSSELL INTL BOND A HEDGED D                | 18.1%        |
| RUSSELL INVEST AUST GOVT BON                | 0.8%         |
| PERP HIGH GRADE TREASURY FUND MUT FD        | 2.3%         |
| RI EXTENDED STRATEGIES                      | 0.6%         |
| RUSSELL AUSTRALIAN BOND FUND D              | 18.5%        |
| RUSSELL AUSTRALIAN CASH FUND D              | 4.6%         |
| RUSSELL CASH ENHANCED FD CL D               | 14.5%        |
| RUSSELL FLOATING RATE-IHI                   | 1.7%         |
| ISHARES US TRES BD AUD HDEF                 | 0.8%         |
| METRICS CREDIT PARTNERS DIV MET CR          | 0.0%         |
| METRICS CREDIT PARTNERS DIV MET CR          | 8.2%         |
| Cash  | 0.8%         |

Allocations may not equal 100% due to rounding.

# Russell Investments Multi-Asset Income Strategy Fund

## Portfolio Structure

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

| ABSOLUTE RETURN             | Fixed Income                     |                                       | EQUITIES            |                              | REAL ASSETS           |
|-----------------------------|----------------------------------|---------------------------------------|---------------------|------------------------------|-----------------------|
| Cash                        | Australian & International Bonds | High Yield, EMD, Floating Rate Credit | Australian Equities | Global Equities              | Listed Infrastructure |
| Cash-benchmarked Strategies |                                  |                                       |                     |                              |                       |
| Perpetual                   | Macquarie                        | Colchester                            | Allan Gray          | PineStone                    | Cohen & Steers        |
| Private Debt                | UBS                              | First Eagle                           | Ausbil              | Nissay                       | First Sentier         |
| Metrics Credit              | Western Asset                    | ICG                                   | Firetrail           | Numeric                      | Nuveen                |
| Volatility Strategies       | RBC (BlueBay)                    | TwentyFour                            | L1 Capital          | Oaktree                      | Russell Investments   |
|                             | Schroders                        | Russell Investments                   | Platypus            | RWC                          | Listed Property       |
| Amundi                      | Russell Investments              |                                       | WaveStone Capital   | Sanders                      |                       |
|                             |                                  |                                       | Russell Investments | Wellington                   | Cohen & Steers        |
|                             |                                  |                                       |                     | Brandywine                   | RREEF                 |
|                             |                                  |                                       |                     | Joh, Berenberg, Gossler & Co | Russell Investments   |
|                             |                                  |                                       |                     | Russell Investments          | Vanguard              |

Russell Investments retains the discretion to change the underlying investments at any time, without notice to investors. Please check [russellinvestments.com.au/disclosures](https://russellinvestments.com.au/disclosures) for a list of managers.

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