

Russell Investments Managed Portfolio - Geared 120



The portfolio returned 6.37%^ in the September quarter. High exposure to listed growth assets – notably global and Australian equities – remains the predominant driver of returns. Both the direct Australian equity portfolio and the Russell Investments Global Opportunities Fund recorded positive absolute and excess returns over the period.

Portfolio objective

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

Portfolio strategy

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

Main market highlights

Global share markets made good gains in the September quarter. Much of the gains continued to be driven by central bank activity; notably in the US, where the Federal Reserve (Fed) lowered its benchmark fed funds rate by 0.50% to a target range of between 4.75% and 5.00%. Whilst the rate cut itself had been widely anticipated, the size of the move had been the subject of much debate in the lead up to the meeting as the Bank's focus shifted from taming inflation to protecting the labour market and the country's economic expansion. Speaking after the meeting, Chairman Jerome Powell said the decision to cut rates by 0.50% didn't imply that the inflation fight was over, but rather that officials had growing confidence it was time for a recalibration of the Bank's policy stance. He also noted that the larger-than-normal move shouldn't be interpreted as the beginning of a more aggressive rate cutting cycle. Regardless, the bigger move added to optimism the US economy can achieve a 'soft landing', whereby the Fed tames inflation without triggering an economic downturn. The Australian share market performed well over the period, helped by a positive lead from its global peers, a series of mostly positive earnings results and strong gains across the 'Big Four' banks and major miners, which together comprise a large part of the index.

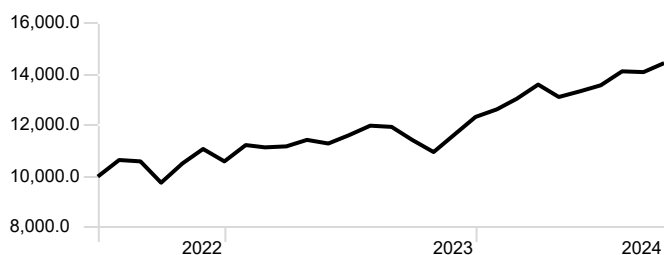
Both global and domestic bonds recorded good gains for the quarter.

Long-term investing: Positioning for 5 years and beyond

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

Growth of \$10,000

Time Period: 30/06/2022 to 30/09/2024



Performance Review

As of Date: 30/09/2024

	Return
1 Month	2.50
3 Months	6.37
1 Year	26.21
2 Years	21.54
3 Years	—
5 Years	—
YTD	17.01
Since Inception	17.65

Inception date: 30/06/2022

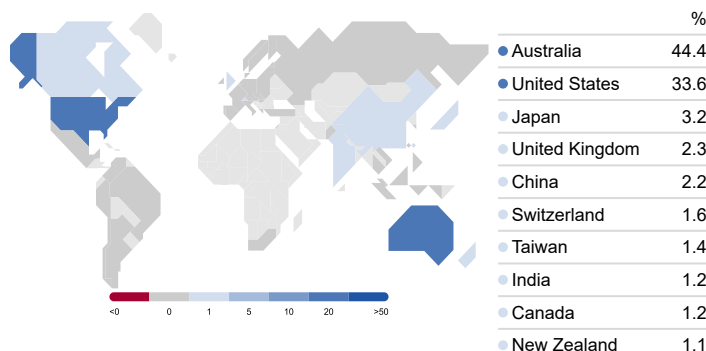
[^]This performance is net of management fees for both the Managed Portfolio and the underlying managers' fees and costs. It does not take into account any third party platform fees charged to individual investors or transaction costs (including buy/sell spreads and brokerage fees). It assumes income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

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

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Country Exposure

Portfolio Date: 30/09/2024



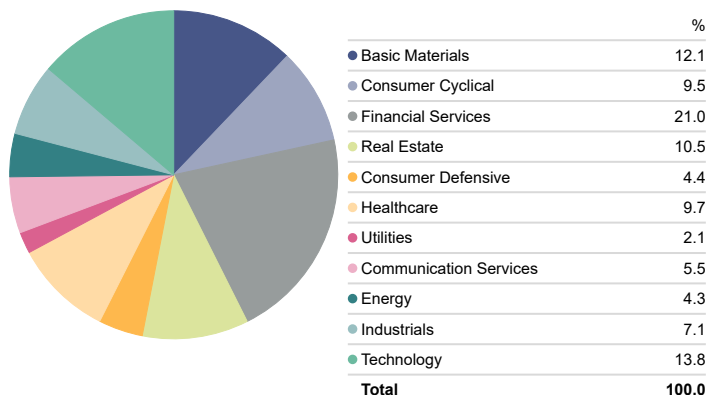
Asset Allocation

Portfolio Date: 30/09/2024

	%
● Cash	3.0
● Domestic Equity	53.3
● Property and Infrastructure	12.5
● International Equity	53.2
Total	122.1

Sector Allocation

Portfolio Date: 30/09/2024



Main portfolio highlights

The direct Australian equity portfolio outperformed its benchmark, benefiting in part from stock selection within the information technology sector. This included an overweight to logistics software company WiseTech Global, which performed well on the back of stronger earnings. WiseTech Global provides the portfolio with growth and quality exposure. Stock selection within the healthcare space also added value, including overweights to New Zealand's Fisher & Paykel Healthcare and Pro Medicus. In contrast, stock selection amongst real estate investment trusts detracted from overall returns. Whilst our position in industrial property giant Goodman Group added value over the period, not holding any other stock within the sector detracted from performance.

In terms of global equity managers, Japan equity specialist Nissay Asset Management significantly outperformed its benchmark, benefiting from overweights to toilet manufacturer Toto Ltd., pharmaceutical company Nippon Shinyaku Co. and video game maker Square Enix. Emerging markets specialist Oaktree Capital also outperformed its benchmark, driven in part by overweights to Chinese names Alibaba Group, shopping platform Meituan and Ping An Insurance Group. In contrast, Berenberg's European all-cap investment strategy underperformed its benchmark, driven by overweights to Dutch chip maker ASML Holding, Danish pharmaceutical company Novo Nordisk A/S and Italian drinks maker Davide Campari-Milano N.V.

In July, we reduced the portfolio's allocation to Australian real estate investment trusts (A-REITs) in favour of global real estate investment trusts (G-REITs). G-REITs have not only underperformed A-REITs but also the broader global equity market. As a result, we believe G-REITs offer better value. G-REITs also provide greater diversification benefits, with the global listed property market comprising more than 300 constituents compared to just 33 in Australia.

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

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

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

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

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Detailed Asset Allocation

Portfolio Date: 30/09/2024

	Portfolio Weighting %
Russell Global Opportunities A	16.50
Vanguard MSCI Intl (Hdg) ETF	12.36
Ausbil Australian Geared Equity	6.14
CFS FC-Acadian Geared Sustain Global Eq	5.76
Vanguard Australian Property Secs ETF	4.67
Perpetual Geared Australian	4.35
Vanguard All-World ex-US Shares ETF	4.09
Vanguard US Total Market Shares ETF	4.00
Russell Global Listed Infr \$A Hedged	3.50
CFS Geared Share	3.28
Vanguard International Prpty Secs IdxHdg	3.23
Vanguard FTSE Emerging Markets Shrs ETF	2.99
Vanguard MSCI Australian Small Coms ETF	2.90
Vanguard Global Value Equity Active ETF	1.42
iShares S&P Small-Cap ETF	0.93
iShares Core Cash ETF	0.83
Vanguard Australian Shares ETF	0.32
BHP Group Ltd	2.43
Commonwealth Bank of Australia	2.14
CSL Ltd	1.27
National Australia Bank Ltd	1.16
Westpac Banking Corp	1.14
Goodman Group	0.90
ANZ Group Holdings Ltd	0.89
Wesfarmers Ltd	0.85
Macquarie Group Ltd	0.83
WiseTech Global Ltd	0.75
Rio Tinto Ltd	0.70
Telstra Group Ltd	0.67
Woolworths Group Ltd	0.60
Aristocrat Leisure Ltd	0.60
James Hardie Industries PLC ADR	0.55
Transurban Group	0.52
Fortescue Ltd	0.52
Woodside Energy Group Ltd	0.47
Fisher & Paykel Healthcare Corp Ltd	0.41
Newmont Corp Chess Depository Interest	0.41
Suncorp Group Ltd	0.40
Bendigo and Adelaide Bank Ltd	0.38
Ansell Ltd	0.36
Cleanaway Waste Management Ltd	0.35
Medibank Pvt Ltd	0.33
Origin Energy Ltd	0.33
Seven Group Holdings Ltd	0.31
Incitec Pivot Ltd	0.31
Santos Ltd	0.27
Ampol Ltd	0.24

Allocations may not equal 100% due to rounding. In order to manage a fund/portfolio to its investment objectives, Russell Investments retains the discretion to change the underlying investments at any time, without notice to investors. Please refer to the relevant Product Disclosure Statement for more information.

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Contact Russell Investments

For further information about Russell Investments please visit russellinvestments.com.au

Important Information



Russell Investments Managed Portfolios have been rated Superior by SQM Research¹ for world class manager research capabilities and management of multi-asset portfolios.

¹ The rating is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

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