



Fund Update

For the quarter ended 31 December 2022

- **Russell Investment Funds**
- **Russell Investments NZ Shares Fund**

This fund update was first made publicly available on: 10 February 2023

What is the purpose of this update?

This document tells you how the Russell Investments NZ Shares Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Implemented Investment Solutions Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

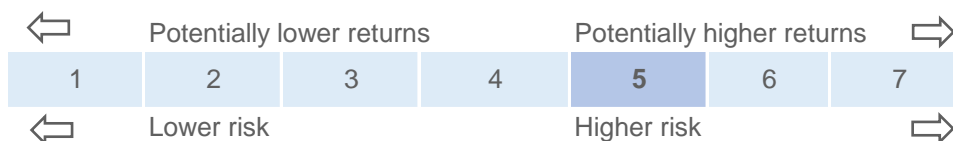
Objective: To provide a total return, before costs and tax, higher than the S&P/NZX 50 Index (gross and including imputation credits) over the long term.

Strategy: The underlying investment exposure is typically comprised of a broad range of shares and other equity securities listed on the NZX. This may include derivative instruments which may be used to obtain or reduce exposure to securities and to hedge any Australian dollar exposure. Investment in Australian shares will generally be in those companies which have a listing on the NZX.

Total value of the fund	\$NZ 177,628,541
The date the fund started	14 February 2013

What are the risks of investing?

Risk indicator for the Russell Investments NZ Shares Fund.



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 31 December 2022. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

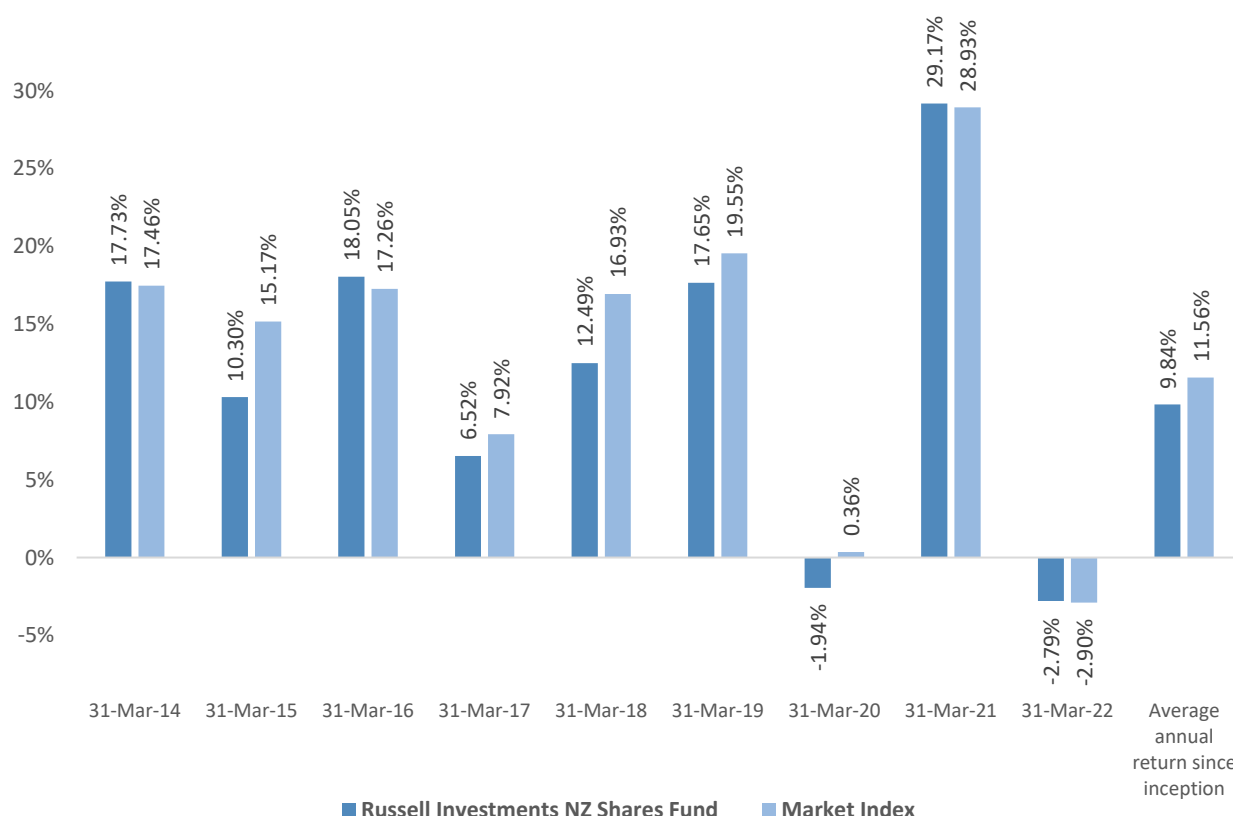
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over the past 5 years	Past year
Annual return (after deductions for charges and tax)	5.94%	-13.14%
Annual return (after deductions for charges but before tax)	6.60%	-12.45%
Market index annual return (reflects no deduction for charges and tax)	7.31%	-11.25%

The market index return is the S&P/NZX 50 Index (gross and including imputation credits). From fund inception to 1 December 2014 the market index was the NZX50 Gross Index. From 1 December 2014 to 30 June 2016 the market index was the Russell New Zealand Domestic Index. Additional information about the market index is available on the offer register at www.disclose-register.companiesoffice.govt.nz.

Annual Return Graph¹



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 December 2022

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Russell Investments NZ Shares Fund are charged fund charges. In the year to 31 March 2022 these were:

	% of net asset value (including GST)
Total fund charges	1.09%
Which are made up of:	
Total manager and administration charges	1.09%
Including:	
Manager's basic fee (including GST)	1.02%
Other management and administration charges	0.07%

Fund fees were reduced in December 2021. Hence going forward, we expect total fund charges to be less than in the table above. Estimated total fund charges in the current PDS are 0.79% (including GST).

The 'other management and administration charges' include fees and costs charged in underlying funds. The amount of fees and costs charged in underlying funds has been estimated. See Note 2 at the end of this fund update for more information about this estimate.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Russell Investments NZ Shares Fund on the offer register at www.disclose-register.companiesoffice.govt.nz for more information about those fees.

Example of how this applies to an investor

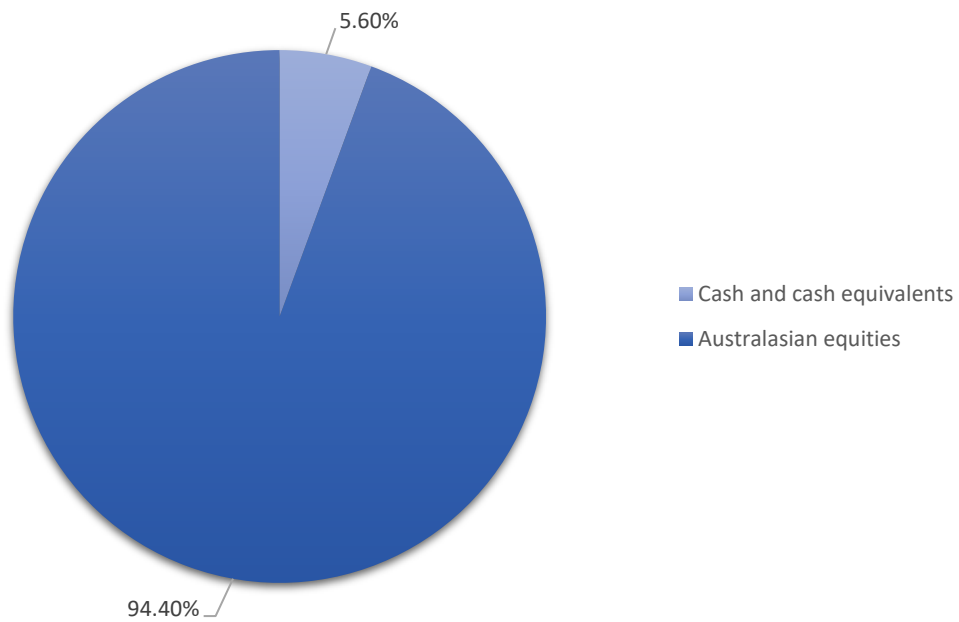
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Anthony incurred a loss after fund charges were deducted of \$1,245 (that is -12.45% of his initial \$10,000). This gives Anthony a total loss after tax of \$1,314 for the year.

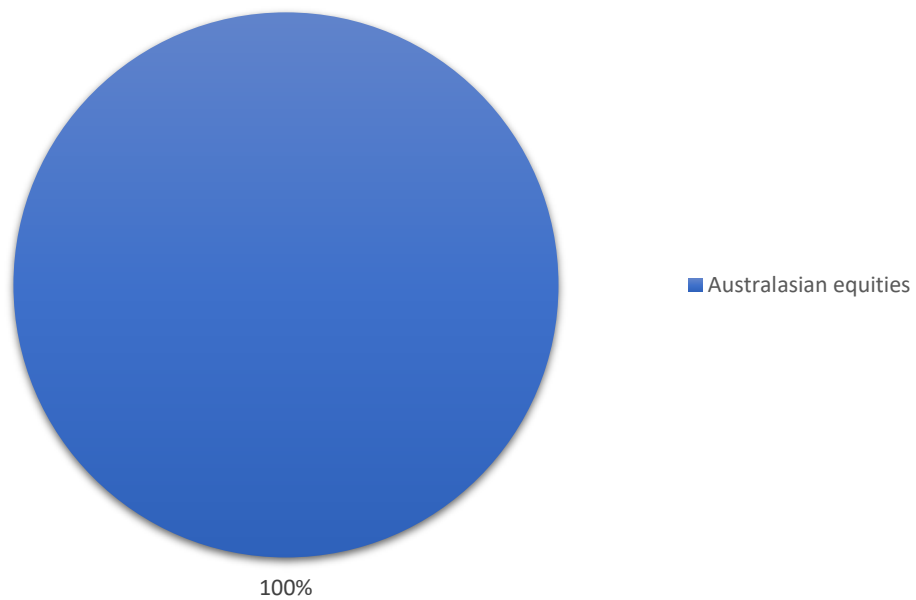
What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix



Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit rating (if applicable)
1	Fisher & Paykel Healthcare Ltd	9.99%	Australasian Equities	NZ	N/A
2	Spark New Zealand Ltd	8.24%	Australasian Equities	NZ	N/A
3	Auckland International Airport Ltd	7.40%	Australasian Equities	NZ	N/A
4	Ebos Group Ltd	7.21%	Australasian Equities	NZ	N/A
5	Contact Energy Ltd	6.76%	Australasian Equities	NZ	N/A
6	Mainfreight Ltd	6.10%	Australasian Equities	NZ	N/A
7	Infratil Ltd	5.91%	Australasian Equities	NZ	N/A
8	Cash At Bank	5.67%	Cash and cash equivalents	NZ	N/A
9	Meridian Energy Limited	5.33%	Australasian Equities	NZ	N/A
10	Fletcher Building Ltd	3.17%	Australasian Equities	NZ	N/A

The top 10 investments make up 65.77% of the net asset value of the fund.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Symon Parish	Chief Investment Officer, Australasia, Russell Investments	22 years 9 months	Portfolio Manager, Russell Investments (London)	4 years 9 months
Andrew Zenonos	Portfolio Manager, Russell Investments	4 years 4 months	Associate Portfolio Manager, Equity	5 years 11 months
Andrew Bascand	Managing Director, Harbour Asset Management	12 years 11 months	Senior Vice President and Portfolio Manager, AllianceBernstein (NZ)	10 years 1 months
Mark Brown	Chief Investment Officer, Devon Funds Management Limited	5 years 5 months	Australasian Head of Equities, ANZ New Zealand Investments	3 years 7 months

Mark Brown was not named in the last Fund Update.

Further information

You can also obtain this information, the PDS for the Russell Investment Funds, and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Notes

¹ The bar chart shows fund returns after deducting fees and tax. Tax is deducted at the highest Prescribed Investor Rate of 28%. However, the market index returns are shown before deducting fees and tax.

² The underlying fund fees and costs are as advised by Russell Investments.