Russell Investments

IMAP Melbourne: Game plan for 2024

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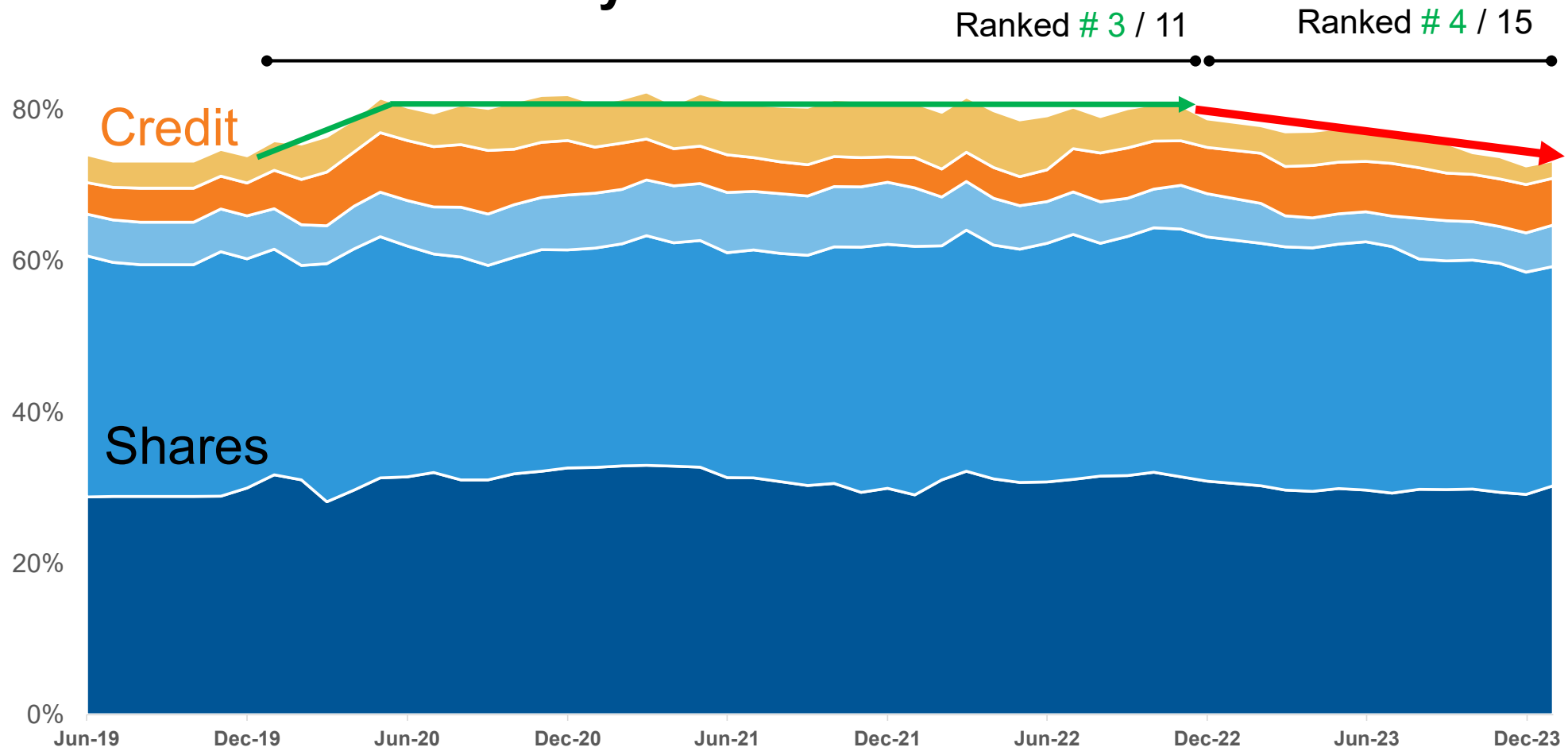
EMBRACE THE POSS/BLE®

“Bull markets are born on pessimism, grow on scepticism, mature on optimism & die on euphoria.”

Who famously said this?

What's worked in recent years?



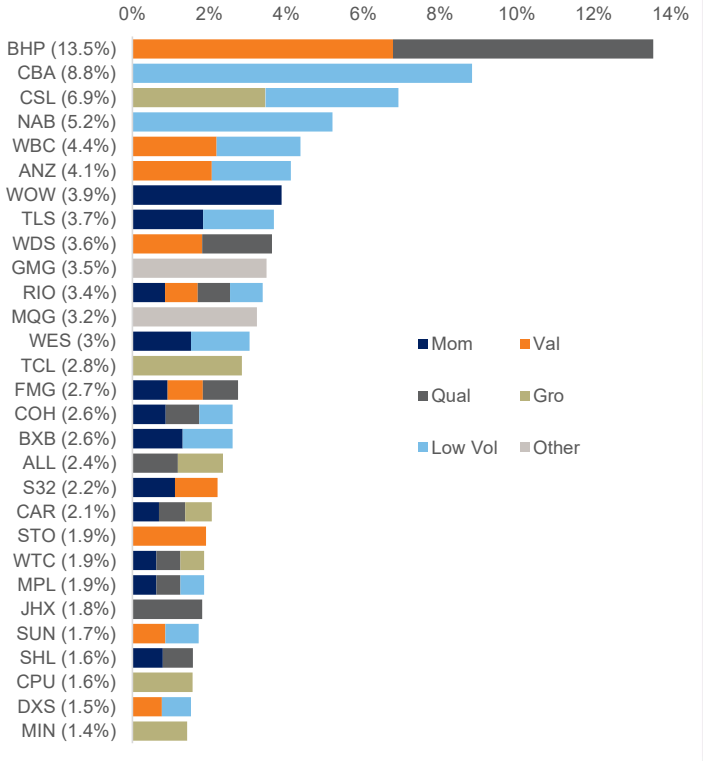
Source: Russell Investments, Hub24. Allocation data as at 31 December 2023.

Performance rank is based on Custom SMA peer group as at 31 December 2022 and 31 December 2023. Performance is based on net of fee performance from Hub24.

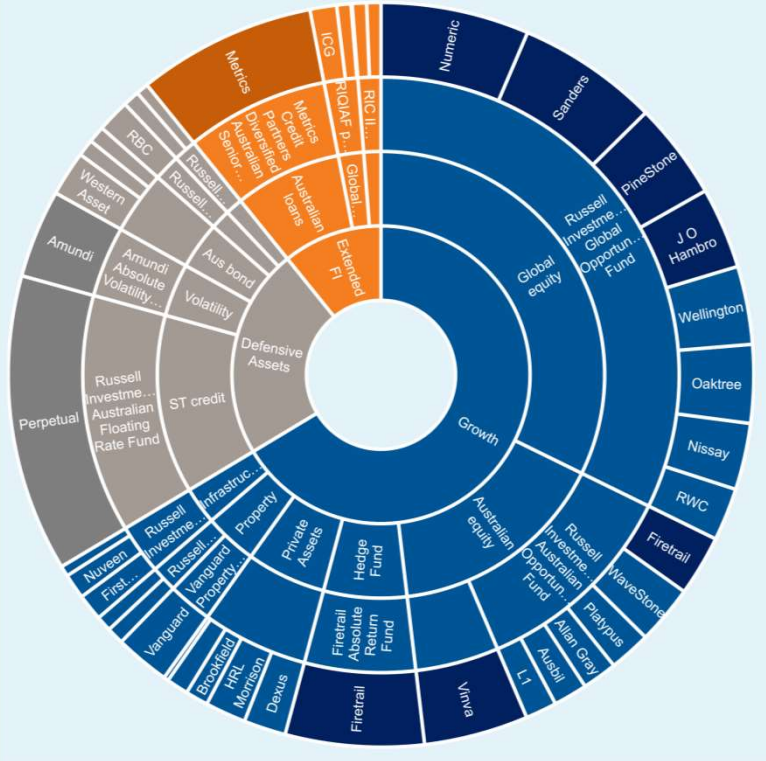
Asset allocation

Russell Investments Balanced Managed Portfolio

~20% Direct shares & other active sector strategies



~33% Russell Investments Multi-Asset Growth Strategy Fund



~47% ETFs and Index Funds

iShares

Russell Investments

Vanguard

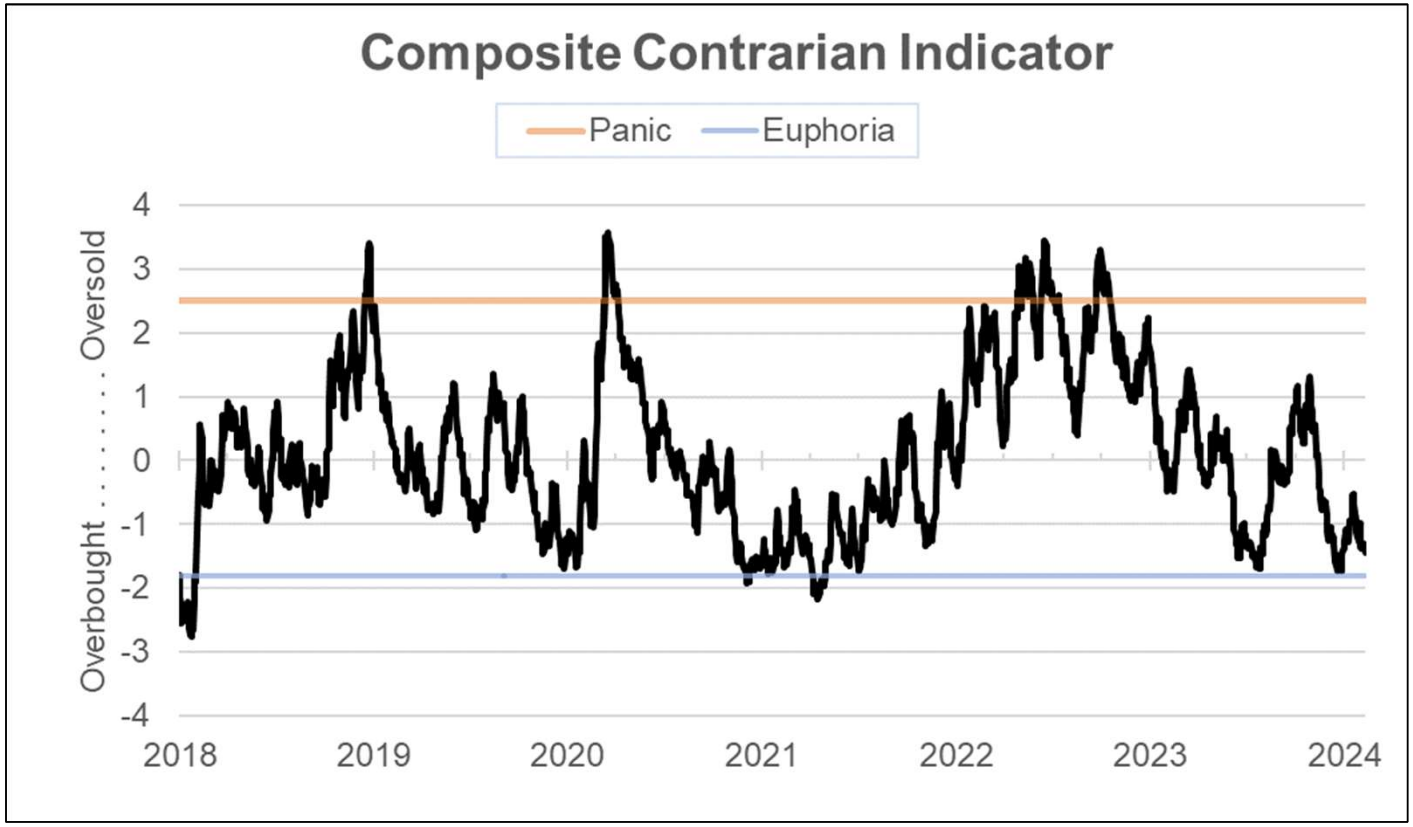
Returns

5.3% p.a.
Returns:
(17 June 2019 to 31 December 2023)

Source: Russell Investments. Data as at 31 December 2023 for Russell Investments Balanced Managed Portfolio. Past performance is not a reliable indicator of future performance. Performance results are net of management fees for both the Managed Portfolio and the underlying managers' fees and costs. They assume income received is reinvested without any tax deduction. An individual investor's performance will differ from the performance shown above depending on a range of factors. Refer to the Important Information and Disclosures slide for full detail.

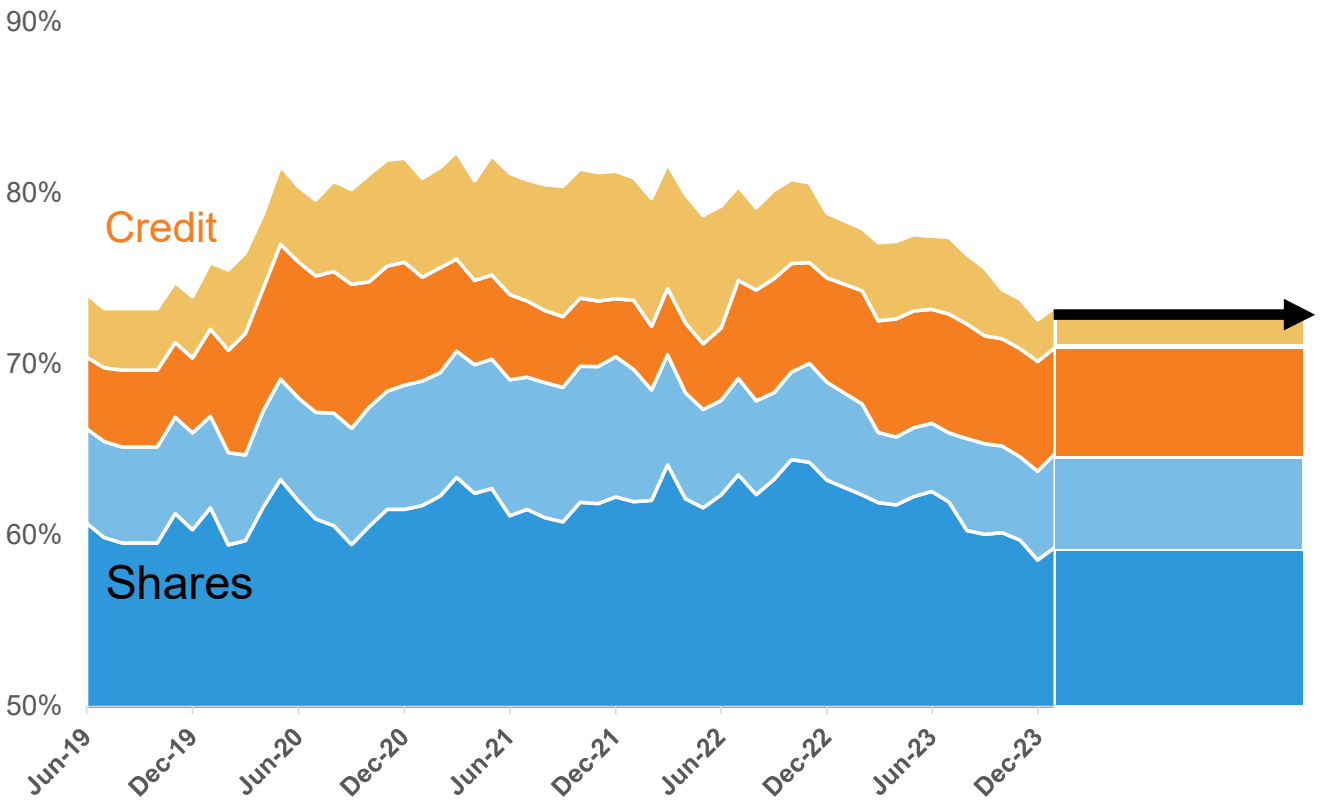
U.S. Equity sentiment is overbought but not euphoric

While the S&P 500 trades higher



Source: Russell Investments, February 2024

2024: “ → ”



Cycle = “Slower economy”
Valuation = “Expensive but not extreme”
Sentiment = “Overbought but not euphoric”

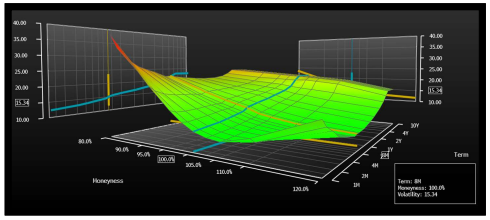
Source: Russell Investments

What's on the radar?

Active management

9.6% running yield

+24.7% return 12-Feb to 23-Mar 2020



PUT options are cheap (but watch out for Nov 2024)

A growth manager and value manager walked into a ….

Stocks held by our two preferred managers

NVIDIA CORP	MICROSOFT CORP	HCA HEALTHCARE INC
ELI LILLY & CO	ALPHABET INC	APPLE INC
UBER TECHNOLOGIES INC	META PLATFORMS INC	ELEVANCE HEALTH INC
MASTERCARD INC	TAIWAN SEMICONDUCTOR MANUFACTURING	THE CIGNA GROUP
ADVANCED MICRO DEVICES	SAMSUNG ELECTRONICS CO LTD	ING GROEP NV
AIRBUS SE	SCHLUMBERGER LTD	BNP PARIBAS
AMERICAN EXPRESS CO	HEINEKEN NV	ROCHE HOLDING AG-GENUSSCHEIN

As at 29 February 2024

Summary: game plan for 2024

- "**Simple rebalancing**": keep overall asset allocation close to strategic target
- "**Active portfolio construction**": Credit, alternatives, options and stock selection to play a crucial role in keeping pace with a strong market in an uncertain macroenvironment.

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