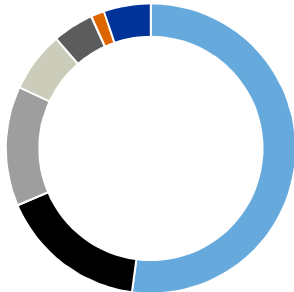


30 November 2020

Russell Investments International Bond Fund - \$A Hedged

Geographic allocation



North America	52.1%
Asia Pacific	16.5%
Euro Zone	13.3%
Non-Euro Zone	6.8%
Caribbean, South and Central America	4.6%
Middle East & Africa	1.5%
Other	5.3%

Fund objective

To provide a total return, before costs and tax, higher than the Fund's benchmark over the medium term by providing exposure to a diversified portfolio of predominantly fixed income securities denominated in foreign currencies and largely hedged into Australian dollars.

Fund strategy

The Fund invests predominantly in debt securities issued by supnationals, international governments, quasi-governments, agencies and corporates as well as structured credit securities including mortgage and asset backed securities. The Fund may also be exposed to low grade or unrated debt securities, emerging markets and currency. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk. Foreign currency exposures are largely hedged back to Australian dollars, apart from those foreign currency exposures which are utilised to generate excess returns from active currency management.

Performance review¹

Period ending 30/11/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	1.36	1.26	5.31	4.57	4.72	6.53

Fund facts

Share class

Class A

Inception date

31 December 1997

Fund size

AUD 321.75m

Benchmark

Bloomberg Barclays Global Aggregate Index (\$A Hedged)

Portfolio manager

Gerard Fitzpatrick

Recommended investment timeframe

3 years

Tax structure

Investment - Class A

APIR code

RIM0007AU

ARSN code

092-806-954

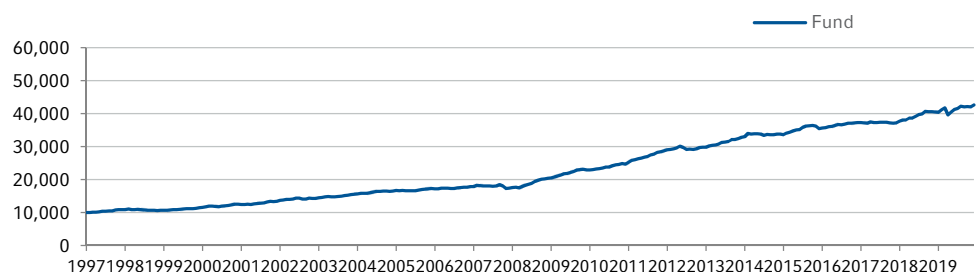
Management cost[†]

0.65%

Performance-related fee[‡]

N/A

Growth of \$10,000



Fund commentary

The Russell Investments International Bond Fund (AUD hedged) outperformed the benchmark in November.

Credit positioning drove performance over the period, including overweights to hard currency emerging markets debt, US and European high-yield debt and US securitised assets. Partly offsetting this positioning was an underweight to US and European investment-grade debt. Active currency positioning was also positive for the month; notably long British pound and Norwegian krone positions. Limiting further currency gains were short Australian dollar and Chinese renminbi exposures. In terms of strategic factor performance, our term risk premium, credit risk premium, rates factor strategies and currency factor strategies all contributed positively to returns in November. Meanwhile, interest rates positioning detracted from performance over the period, albeit modestly. Whilst our overweights to US and Mexican government debt added value, these positions were overshadowed by an overweight to Australian bonds.

At the manager level, BlueBay was the best performer for the month, benefiting from overweights to US and European investment-grade financials as well as long Norwegian krone and Russian rouble positions. In contrast, the Russell Investments positioning strategy recorded the weakest performance in November; though the strategy did deliver positive absolute returns for the month. Short Australian dollar and Norwegian krone positions weighed on the strategy's returns.

[†] For the year ending 30/6/2020 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

[‡] For the year ending 30/6/2020. May be charged if performance targets are met. Refer to PDS for further information.

Russell Investments International Bond Fund - \$A Hedged (continued)

Detailed performance review^{1,2}

	1 year %p.a.	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	5.3	4.6	4.7	6.5
Distribution	10.7	4.9	5.4	6.5
Growth	-5.3	-0.4	-0.7	0.1

Portfolio structure*

Manager	Style	Weight %
BlueBay	Country & credit selection	20.0
Colchester	Rates & currency - value	23.0
Insight	Macro / Sector rotation	20.0
Russell Investments	Positioning strategies	15.0
Schroders	Securitized specialist	10.0
Voya	Diversified alpha	12.0

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For more information:
NSW, QLD, ACT & NT : 02 9229 5111 VIC, SA, WA & TAS: 03 9270 8111

Footnotes

1 Performance is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance.
2 The distribution return reflects income paid from the Fund, whilst the growth return reflects changes in the capital values of the units.

*Russell Investments retains the discretion to change the investment managers at any time without notice. Please check russellinvestments.com.au/disclosures for the latest list of managers.

Allocations may not equal 100% due to rounding

Important information

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