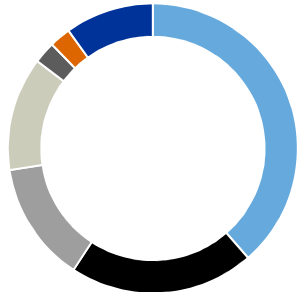


30 September 2021

# Russell Investments International Bond Fund - \$A Hedged

## Geographic allocation



North America	38.6%
Euro Zone	20.6%
Asia Pacific	13.4%
Non-Euro Zone	12.7%
Caribbean, South and Central America	2.4%
Middle East & Africa	2.4%
Other	9.9%

## 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 review<sup>1</sup>

Period ending 30/09/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-1.25	-0.12	-0.30	4.09	2.90	6.23

## Fund facts

### Share class

Class A

### Inception date

31 December 1997

### Fund size

AUD 438.14m

### Benchmark\*\*

Bloomberg 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

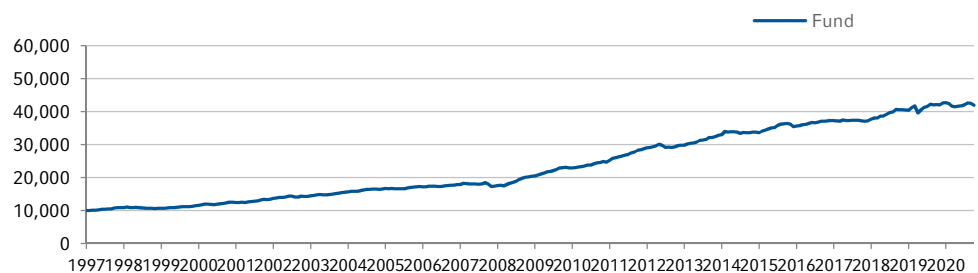
### Management cost<sup>†</sup>

0.65%

### Performance-related fee<sup>‡</sup>

N/A

## Growth of \$10,000



## Fund commentary

The Russell Investments International Bond Fund (AUD hedged) performed in line with the benchmark in the September quarter.

Credit positioning contributed positively to fund performance; notably our overweights to asset-backed securities and non-agency commercial mortgage-backed securities. The Fund also benefited from overweights to European corporate high-yield industrials and US and European investment-grade financials. Partly offsetting these positions were our overweights to European hard currency emerging markets debt and US corporate high-yield financials. Active currency positioning added further value over the period; notably short Swedish krone and Australian dollar positions. A long Japanese yen position limited further currency gains. In contrast, interest rates positioning detracted from overall returns in the third quarter, driven in part by an underweight to Chinese government debt. However, the Fund did benefit from an underweight to UK gilts. In terms of strategic factor performance, our term risk premium, credit risk premium and currency factor strategies all added value over the period, while our rates factor strategies detracted from returns.

<sup>†</sup> For the year ending 30/6/2020 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.  
<sup>‡</sup> 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<sup>1,2</sup>

	1 year %p.a.	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-0.3	4.1	2.9	6.2
Distribution	7.4	6.5	5.8	6.5
Growth	-7.7	-2.4	-2.9	-0.3

## Portfolio structure\*

Manager	Style	Weight %	Comment
BlueBay	Country selection	26.0	BlueBay performed in line with its benchmark over the quarter. The manager benefited from overweights to Latin American and African hard currency emerging markets debt, however this was offset by overweights to German bunds and European hard currency emerging markets debt.
Russell Investments	Integrated Global Governments	14.0	The Russell Investments Integrated Governments strategy outperformed its benchmark over the period, benefiting in part from overweights to Spanish and Australian government debt. An underweight to Italian government bonds also added value.
Russell Investments	Intelligent Credit	14.0	The Russell Investments Intelligent Credit strategy outperformed its benchmark over the period, driven by underweights to investment-grade industrials and hard currency emerging markets debt. An overweight to investment-grade financials also added value.
Russell Investments	Liquidity	5.0	The Fund's liquidity reserve comprises cash awaiting investment or held to meet redemption requests or to pay expenses.
Schroders	Securitised specialist	13.0	Corporate credit specialist Schroders outperformed its benchmark over the quarter; the manager benefiting from their exposure to asset-backed securities and non-agency commercial mortgage-backed securities.
Western Asset Management	Security selection	28.0	Western Asset Management outperformed its benchmark over the quarter, benefiting from overweights to corporate high-yield industrials and investment-grade financials. Underweights to investment-grade industrials and US municipal bonds also added value.

## Contact Russell Investments

To find out more about Russell Investments or how you can diversify your portfolio in just one transaction, you can:  
visit our website at [russellinvestments.com.au](http://russellinvestments.com.au)  
To invest in Russell Investments Retail Funds, contact your adviser today.  
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](http://russellinvestments.com.au/disclosures) for the latest list of managers.
- \*\*Effective August 24, 2021, the Bloomberg Barclays fixed income indices were rebranded the Bloomberg Indices.
- Allocations may not equal 100% due to rounding

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