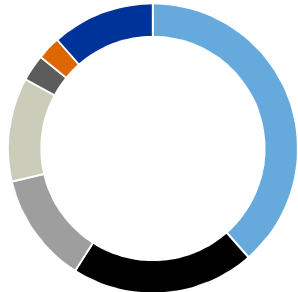


31 December 2021

Russell Investments International Bond Fund - \$A Hedged

Geographic allocation



North America	38.5%
Euro Zone	20.5%
Non-Euro Zone	12.3%
Asia Pacific	11.6%
Caribbean, South and Central America	3.0%
Middle East & Africa	2.6%
Other	11.5%

Data as at 30 November 2021

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 31/12/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-0.36	-0.48	-2.22	3.48	3.24	6.14

Fund facts

Share class

Class A

Inception date

31 December 1997

Fund size

AUD 439.60m

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

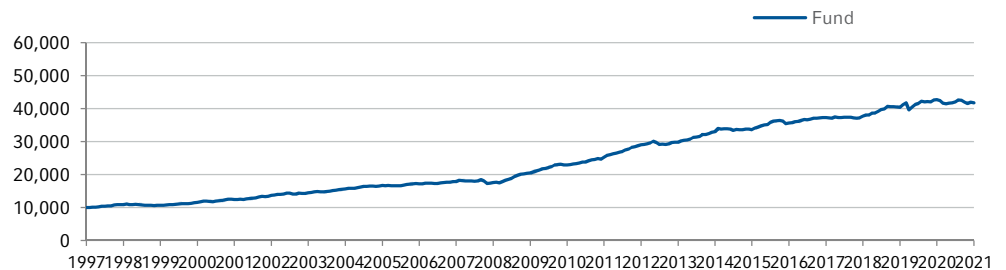
Management fees and costs[†]

0.65%

Performance fees[‡]

N/A

Growth of \$10,000



Fund commentary

The Russell Investments International Bond Fund (AUD hedged) underperformed the benchmark in the December quarter.

Interest rates positioning contributed to the Fund's underperformance over the period; notably an overweight to US Treasuries and underweights to German bunds and UK gilts. In contrast, the Fund benefited from our long-held overweight to credit. This included overweights to US high-yield debt, non-agency collateralised mortgage obligations and non-agency commercial mortgage-backed securities. Our overweights to European, Latin American and African hard currency emerging markets debt also added value over the period. Meanwhile, active currency positioning had a relatively neutral impact on overall performance, with gains from short Swiss franc and Canadian dollar positions offset by long Chinese renminbi and South African rand exposures. In terms of strategic factor performance, our rates factor and currency factor strategies detracted from returns over the period, while our credit risk premium added value. Our term risk premium had no meaningful impact on overall performance in the fourth quarter.

[†] As a percentage of net assets. Includes management fee, indirect costs and expense recoveries. Reflects RIM's reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for previous financial year and may include RIM's reasonable estimates where information was not available or where RIM was unable to determine the exact amount. Refer to the PDS for further information.

[‡] As a percentage of net assets. RIM does not charge a performance fee at the Fund level, however underlying funds and managers may charge a performance fee. This estimated fee is based on the average of actual performance fees incurred over the past 5 financial years. 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	-2.2	3.5	3.2	6.1
Distribution	7.2	6.5	5.8	6.5
Growth	-9.4	-3.0	-2.6	-0.3

Portfolio structure*

Manager	Style	Weight %	Comment
BlueBay	Country selection	26.0	BlueBay outperformed its benchmark over the quarter, benefiting from an overweight to European hard currency emerging markets debt and an underweight to French government bonds. An underweight to US Treasuries also added value.
Russell Investments	Integrated Global Governments	14.0	The Russell Investments Integrated Governments strategy performed in line with its benchmark over the period. The strategy benefited from an underweight to Italian government debt and an overweight to Canadian government bonds. Offsetting this were overweights to Australian and UK government debt.
Russell Investments	Intelligent Credit	14.0	The Russell Investments Intelligent Credit strategy outperformed its benchmark over the period, benefiting from an underweight to European investment-grade debt. Partly offsetting this was an underweight to Middle Eastern hard currency emerging markets debt.
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 largely 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 an overweight to US high-yield debt and short credit derivatives positioning. Limiting the gains was an overweight to European high-yield debt and an underweight to Middle Eastern hard currency emerging markets debt.

Contact Russell Investments

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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.
**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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