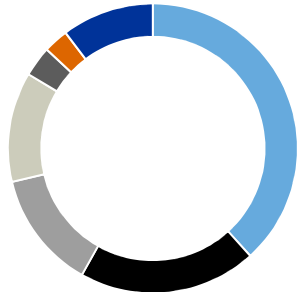


28 February 2022

# Russell Investments International Bond Fund - \$A Hedged

## Geographic allocation<sup>3</sup>



North America	38.3%
Euro Zone	19.9%
Non-Euro Zone	13.1%
Asia Pacific	12.3%
Caribbean, South and Central America	3.4%
Middle East & Africa	2.8%
Other	10.3%

Data as at 31 January 2022

## 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 28/02/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-1.68	-3.51	-2.86	2.04	2.36	5.96

<sup>1</sup> Performance is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance.

## Fund facts

### Share class

Class A

### Inception date

31 December 1997

### Fund size

AUD 427.47m

### Benchmark<sup>^^</sup>

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

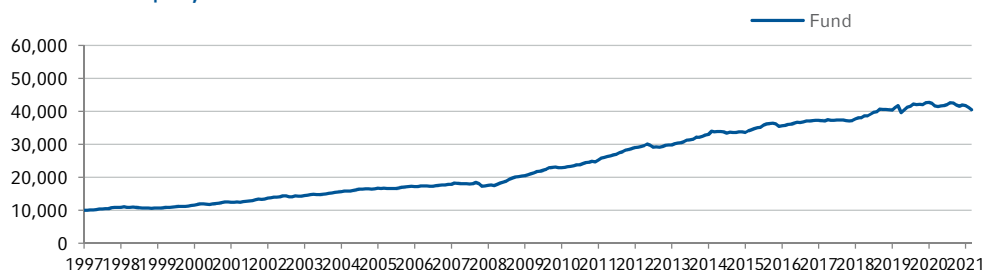
### Management fees and costs<sup>†</sup>

0.65%

### Performance fees<sup>‡</sup>

N/A

## Growth of \$10,000



## Fund commentary

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

The Fund's credit positioning detracted from performance over the period; notably our overweights to hard currency emerging markets debt, US and European corporate high-yield debt and US investment-grade financials. Partly offsetting this positioning were our underweights to US investment-grade industrials and utilities. Active currency positioning also weighed on returns, including short Swedish krona, euro and Swiss franc exposures. These positions overshadowed gains from our short Czech koruna, Russian rouble and Norwegian krone exposures. Performance was further impacted by our interest rates positioning; notably an overweight to Australian government bonds, which underperformed as investors brought forward their rate hike expectations amid ongoing inflationary concerns and the Reserve Bank of Australia's decision to end its bond purchase program in early February. [Note: The Fund has minimal exposure to Russia and zero exposures to both Ukraine and Belarus.]

At the manager level, both Western Asset Management and BlueBay underperformed their respective benchmarks in February; the former impacted in part by overweights to European hard currency emerging markets debt and corporate high-yield industrials. In contrast, the Russell Investments Integrated Governments strategy performed in line with its benchmark over the period, while both the Russell Investments Intelligent Credit strategy and Schroders outperformed.

<sup>3</sup> Allocations may not equal 100% due to rounding.

<sup>^^</sup> Effective August 24, 2021, the Bloomberg Barclays fixed income indices were rebranded the Bloomberg indices.

<sup>†</sup> 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.

<sup>‡</sup> 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<sup>1,2</sup>

	1 year %p.a.	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-2.9	2.0	2.4	6.0
Distribution	7.2	6.4	5.7	6.4
Growth	-10.0	-4.3	-3.4	-0.5

<sup>1</sup> Performance is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance.

<sup>2</sup> The distribution return reflects income paid from the Fund, whilst the growth return reflects changes in the capital values of the units.

## Portfolio structure<sup>4</sup>

Manager	Style	Weight %
BlueBay	Country selection	26.0
Russell Investments	Integrated Global Governments	14.0
Russell Investments	Intelligent Credit	14.0
Russell Investments	Liquidity	5.0
Schroders	Securitised specialist	13.0
Western Asset Management	Security selection	28.0

<sup>4</sup> Russell Investments retains the discretion to change the investment managers at any time without notice. Please check [russellinvestments.com.au/disclosures](https://russellinvestments.com.au/disclosures) for the latest list of managers.

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