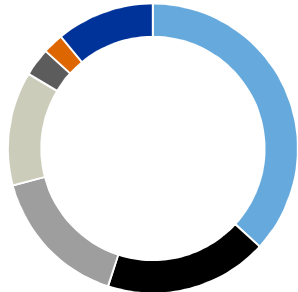


31 March 2022

Russell Investments International Bond Fund - \$A Hedged

Geographic allocation³



North America	36.8%
Euro Zone	18.2%
Asia Pacific	15.9%
Non-Euro Zone	12.7%
Caribbean, South and Central America	3.1%
Middle East & Africa	2.3%
Other	11.0%

Data as at 28 February 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 review¹

Period ending 31/03/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-2.70	-5.79	-5.10	0.59	1.73	5.82

¹ 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 377.34m

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

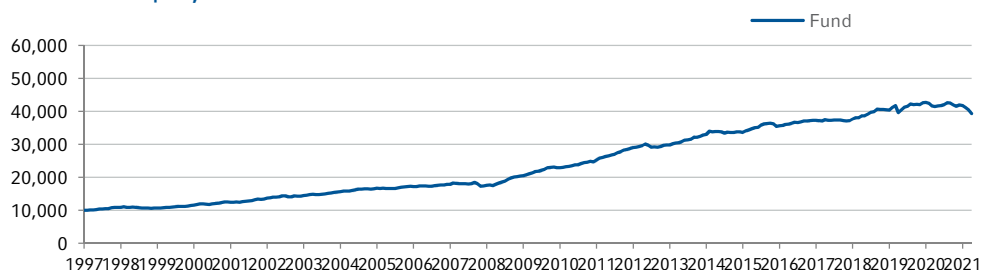
Management fees and costs[†]

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 March quarter. Interest rates positioning contributed to the Fund's underperformance over the period; notably overweights to German bunds, Australian government bonds and US Treasuries. Partly offsetting this positioning were our underweights to UK gilts and Swedish government debt. In contrast, the Fund benefited from our long-held overweight to credit. This included underweights to US investment-grade industrials and utilities and an overweight to European hard currency emerging markets debt. Overweights to US and European corporate high-yield debt, US investment-grade financials and Latin American hard currency emerging markets debt limited further credit market gains. Active currency positioning also added value over the period, driven in part by long US dollar and short Swedish krona positions. Not holding the Russian rouble was also positive, while a long Japanese yen position detracted from returns. In terms of strategic factor performance, our credit risk premium, rates factor and currency factor strategies all detracted from returns over the period, while our term risk premium strategy had no meaningful impact on overall performance in the first quarter.

³ Allocations may not equal 100% due to rounding.

^{^^} Effective August 24, 2021, the Bloomberg Barclays fixed income indices were rebranded the Bloomberg indices.

[†] 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	-5.1	0.6	1.7	5.8
Distribution	7.0	6.3	5.7	6.4
Growth	-12.1	-5.7	-4.0	-0.6

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.

Portfolio structure⁴

Manager	Style	Weight %	Comment
BlueBay	Country selection	26.0	BlueBay outperformed its benchmark over the quarter, benefiting from underweights to US, UK and Swedish government debt. Partly offsetting this were overweights to German bunds and Mexican government bonds.
Russell Investments	Integrated Global Governments	14.0	The Russell Investments Integrated Governments strategy underperformed its benchmark over the period, driven in part by overweights to Australian and Canadian government bonds and a short Australian dollar position. In contrast, the strategy benefited from underweights to Italian and German government debt.
Russell Investments	Intelligent Credit	14.0	The Russell Investments Intelligent Credit strategy outperformed its benchmark over the period, benefiting from underweights to Russia as well as investment-grade industrials. 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 exposures to asset-backed securities and non-agency collateralised mortgage obligations.
Western Asset Management	Security selection	28.0	Western Asset Management underperformed its benchmark over the quarter, driven in part by overweights to US and European corporate high-yield debt and European investment-grade debt. In contrast, the manager benefited from an underweight to US credit.

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

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For more information:

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