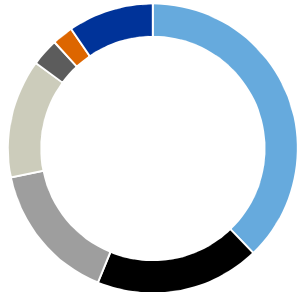


30 June 2022

Russell Investments International Bond Fund - \$A Hedged

Geographic allocation³



North America	37.8%
Euro Zone	18.4%
Asia Pacific	15.6%
Non-Euro Zone	13.2%
Caribbean, South and Central America	3.1%
Middle East & Africa	2.4%
Other	9.6%

Data as at 31 May 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 30/06/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-1.88	-5.36	-11.37	-2.07	0.35	5.52

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 364.12m

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

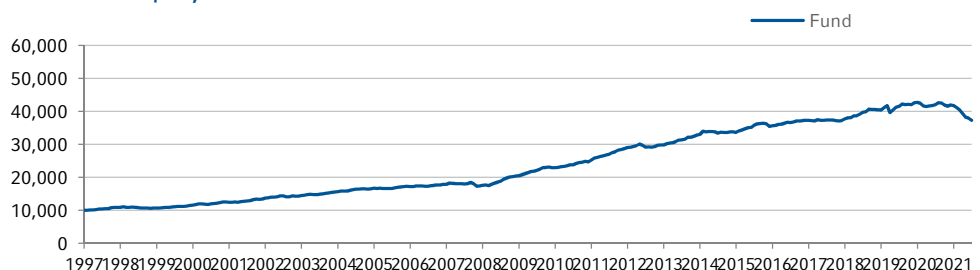
Management fees and costs[†]

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 June quarter. Interest rates positioning contributed to the Fund's underperformance over the period; notably overweights to German bunds and Australian and Canadian government debt. Partly offsetting this positioning was an underweight to UK gilts. In contrast, the Fund benefited from active currency positioning. This included a long US dollar (USD) position and short Norwegian krone (NOK) and Australian dollar (AUD) positions. The USD hit multi-decade highs in the second quarter after the US Federal Reserve twice raised interest rates, while both the NOK and AUD were impacted by weakness across the broader commodities spectrum. In terms of strategic factor performance, both our credit risk premium and currency factor strategies added value over the period, while our rates factor strategies detracted from performance. Our term risk premium strategy had no meaningful impact on overall returns. Meanwhile, credit positioning was mixed for the quarter. Whilst the Fund benefited from its short credit derivatives positioning, this was offset by overweights to European and US corporate high-yield debt and European and Latin American hard currency emerging markets debt.

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	-11.4	-2.1	0.3	5.5
Distribution	-	5.8	4.4	6.3
Growth	-11.4	-7.9	-4.0	-0.8

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 underperformed its benchmark over the quarter, driven in part by overweights to German and Canadian government debt. In contrast, the manager benefited from underweights to UK gilts and US Treasuries.
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 Belgian and Australian government bonds and a long New Zealand dollar position. In contrast, the strategy benefited from underweights to Spanish and UK government debt.
Russell Investments	Intelligent Credit	14.0	The Russell Investments Intelligent Credit strategy outperformed its benchmark over the period, benefiting in part from an overweight to US investment-grade financials. Underweights to European investment-grade credit and US investment-grade industrials 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 largely from their exposure to US asset-backed securities.
Western Asset Management	Security selection	28.0	Western Asset Management underperformed its benchmark over the quarter. Overweights to European investment-grade credit and US corporate high-yield debt weighed on returns. Partly offsetting this positioning was an underweight to US investment-grade credit.

⁴ 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.

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