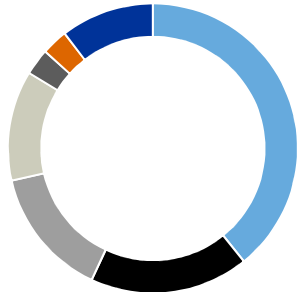


31 August 2022

# Russell Investments International Bond Fund - \$A Hedged

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



North America	39.2%
Euro Zone	17.8%
Asia Pacific	14.5%
Non-Euro Zone	12.3%
Caribbean, South and Central America	2.9%
Middle East & Africa	2.9%
Other	10.4%

Data as at 31 July 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 31/08/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-2.41	-1.80	-12.30	-2.89	0.09	5.48

<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 361.16m

### 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

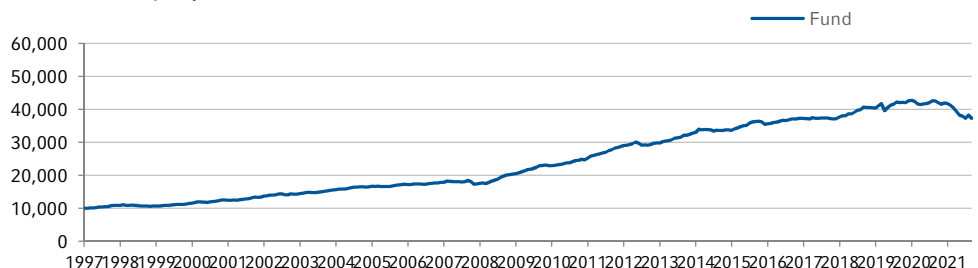
### Management fees and costs<sup>†</sup>

0.65%

### Performance fees<sup>‡</sup>

N/A

## Growth of \$10,000



## Fund commentary

The Russell Investments International Bond Fund (AUD hedged) outperformed the benchmark in August. However, the Fund did deliver negative absolute returns for the month.

Active currency positioning drove the Fund's outperformance; notably a long US dollar exposure and short Swiss franc and British pound positions. In contrast, interest rates positioning detracted from returns, including overweights to US Treasuries and Australian and Canadian government bonds. Partly offsetting these positions was an underweight to German bunds. Meanwhile, credit performance was relatively neutral in August. Overweights to US investment-grade financials and African and European hard currency emerging markets debt added value over the period, however this was offset by overweights to European high-yield and investment-grade financials. In terms of strategic factor performance, our currency factor strategies performed well in August, while our rates factor strategies weighed on returns. Our term risk premium and credit risk premium strategies had no material impact on overall performance.

At the manager level, corporate credit specialist Schroders was the best performer over the period, benefiting in part from their exposure to US asset-backed securities. BlueBay and the Russell Investments Intelligent Credit strategy also outperformed in August, while Western Asset Management and the Russell Investments Integrated Governments strategy both underperformed.

<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	-12.3	-2.9	0.1	5.5
Distribution	-	5.8	4.3	6.3
Growth	-12.3	-8.6	-4.3	-0.8

<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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