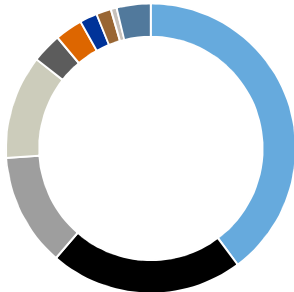


31 July 2023

Russell Investments International Bond Fund - \$A Hedged

Geographic allocation³



US	39.8%
EMEA ex UK	21.6%
Japan	12.6%
Unknown	11.6%
UK	3.3%
Emerging	3.1%
Frontier	1.9%
Canada	1.7%
Asia/Pacific ex Japan	0.6%
Other	3.8%

Data as at 30 June 2023

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 supranationals, 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 to a limited extent. The Fund promotes a reduction in carbon footprint exposure, mainly by excluding companies identified as having a relatively high exposure to carbon-intensive thermal coal activities. The Fund also invests in corporations which follow good governance practices by international standards, including company responsibility, company management and the severity of impacts on stakeholders and/or the environment. 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. For detailed information on the Fund's ESG considerations, including applicable investment exclusions, refer to 'ESG considerations' in section 5 of the Additional Information Booklet that forms part of the Fund's Product Disclosure Statement, available at russellinvestments.com/au/RFA/investing.

Performance review¹

Period ending 31/07/2023	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	0.15	-1.39	-4.45	-4.77	-0.47	5.20

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 311.86m

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

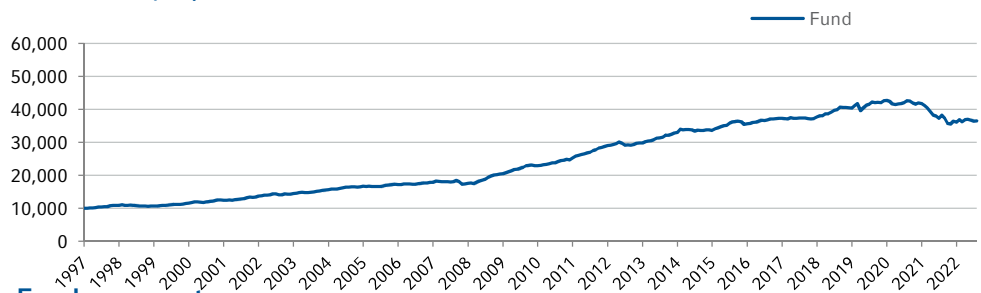
Management fees and costs[†]

0.65%

Performance fees[‡]

N/A

Growth of \$10,000



Fund commentary

The Russell Investments International Bond Fund (AUD hedged) outperformed the benchmark in July.

Interest rates positioning contributed positively to performance (in aggregate) over the period, including an overweight to shorter-dated UK gilts and an underweight to Japanese government bonds. Partly offsetting these positions was an overweight to US Treasuries, which underperformed in July. Our long-held overweight to credit also added value, including overweights to European and UK high-yield and investment-grade debt. Positioning within the hard currency emerging markets debt sector added further value over the period; notably overweights to European and Latin American investment-grade debt. In contrast, active currency positioning detracted from overall performance in July. This included a short Swiss franc position and a long Japanese yen exposure. At the manager level, BlueBay was the best performer for the month, benefiting in part from overweights to two- and three-year UK gilts. Credit specialist Western Asset Management also performed well, while corporate credit specialist Schroders, the Russell Investments Intelligent Credit strategy and the Russell Investments Integrated Governments strategy all underperformed.

In terms of overall positioning, the Fund maintains a long duration exposure versus the benchmark, with overweights to US Treasuries and UK gilts and an underweight to Japanese government bonds. Credit positioning remains below strategic levels, with a tactical underweight in place. This tactical underweight reflects our view that credit spreads will widen as the lag effects of interest rate hikes feeds into markets.

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	-4.4	-4.8	-0.5	5.2
Distribution	-	2.4	3.8	6.0
Growth	-4.4	-7.2	-4.2	-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.

ESG data

	Fund Benchmark	
ESG Risk Score**	21.5	22.7
Carbon Footprint***	146.7	236.6

Data as at 30 June 2023

**Higher scores imply higher ESG risk

***Higher score implies greater carbon exposure

The ESG Risk Score is the weighted average of the Sustainalytics' Risk Score for companies in the portfolio. The Sustainalytics' Risk Score focuses on ESG issues that are financially material to the company and incorporates both risk exposure and issue management. The scores range from 0 to 100 where higher scores imply higher ESG risk. The carbon footprint is the weighted average carbon intensity of the Scope 1 (direct) and Scope 2 (electricity consumption) carbon emissions of companies in the portfolio, measured in metric tons of carbon dioxide equivalent (CO₂-e) divided by company revenue (USD).

Portfolio structure⁴

Manager	Style	Weight %
BlueBay	Country selection	29.0
Russell Investments	Integrated Global Governments	14.0
Russell Investments	Intelligent Credit (Systematic)	20.0
Russell Investments	Liquidity	3.0
Schroders	Securitized specialist	13.0
Western Asset Management	Security selection	21.0

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.

Contact Russell Investments

For further information about Russell Investments please visit russellinvestments.com.au

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