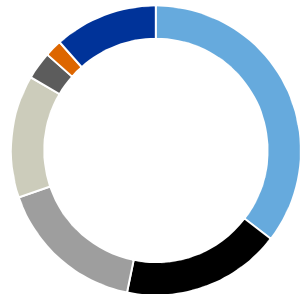


31 January 2023

Russell Investments International Bond Fund - \$A Hedged

Geographic allocation³



North America	35.4%
Asia Pacific	17.8%
Euro Zone	16.6%
Non-Euro Zone	13.6%
Caribbean, South and Central America	3.1%
Middle East & Africa	1.9%
Other	11.6%

Data as at 31 December 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 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 further information on how the Fund promotes a reduction in carbon footprint exposure and good governance practices -- refer to the ESG considerations section in the Additional Information Booklet.

Performance review¹

Period ending 31/01/2023	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	2.15	3.79	-10.39	-3.63	-0.17	5.34

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 255.81m

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

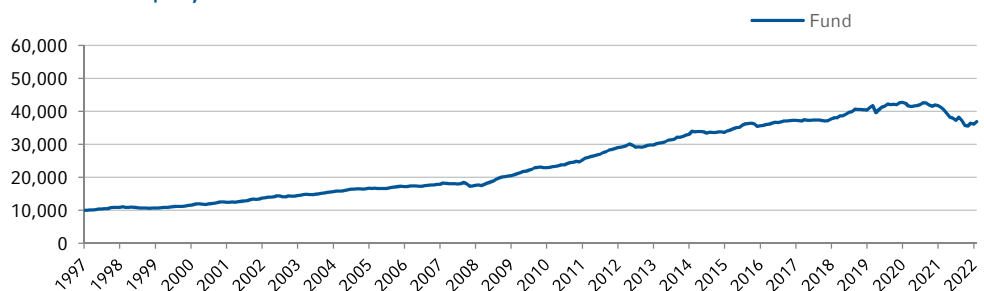
Management fees and costs[†]

0.65%

Performance fees[‡]

N/A

Growth of \$10,000



Fund commentary

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

The Fund's overweight to credit contributed positively to performance over the period, including overweights to European high-yield, investment-grade and hard currency emerging markets debt. An overweight to US high-yield debt and an underweight to US securitised credit also added value. In contrast, active currency positioning detracted from overall performance in January; notably short euro, British pound and Australian dollar positions. All three currencies made good gains against the US dollar. A long Japanese yen position also weighed on returns. Performance was further impacted by interest rates positioning, albeit modestly. Whilst the Fund benefited from an overweight to Canadian government debt and an underweight to Japanese government bonds, these positions were overshadowed by an underweight to German bunds.

At the manager level, credit specialist Western Asset Management was the best performer over the period, benefiting in part from overweights to US high-yield financials and industrials. Corporate credit specialist Schroders also outperformed. In contrast, BlueBay, the Russell Investments Integrated Governments strategy and the Russell Investments Intelligent Credit strategy all underperformed in January.

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.

31 January 2023

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	-10.4	-3.6	-0.2	5.3
Distribution	-	5.6	4.2	6.2
Growth	-10.4	-9.3	-4.3	-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**	21.6	22.8
Carbon Footprint***	136.7	236.7

Data as at 31 December 2022

**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	Securitised 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

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