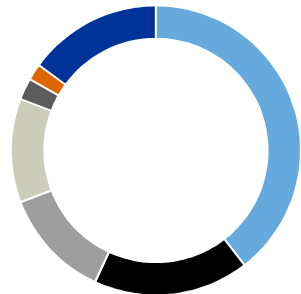


30 November 2022

# Russell Investments International Bond Fund - \$A Hedged

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



North America	39.5%
Euro Zone	17.4%
Non-Euro Zone	12.3%
Asia Pacific	11.6%
Caribbean, South and Central America	2.4%
Middle East & Africa	1.8%
Other	15.0%

Data as at 31 October 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

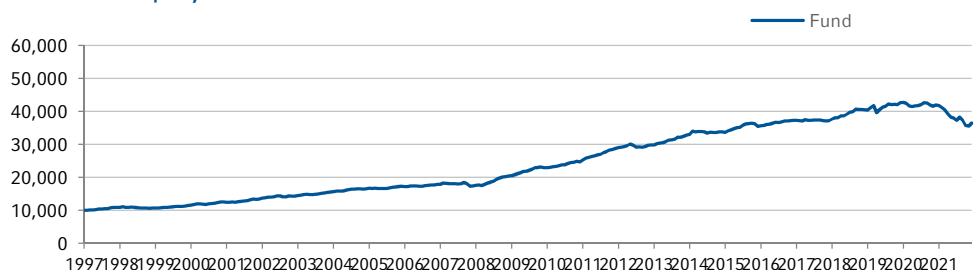
The Fund invests predominantly in debt securities issued by supranationals, international governments, quasi-governments, agencies and corporates as well as structured credit securities including mortgage and asset backed securities. The Fund may also be exposed to low grade or unrated debt securities, 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 review<sup>1</sup>

Period ending 30/11/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	2.51	-2.33	-13.15	-3.44	-0.45	5.33

<sup>1</sup> Performance is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance.

## Growth of \$10,000



## Fund commentary

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

Interest rates positioning contributed positively to fund performance; notably an overweight to US government debt, which benefited from the decline in Treasury yields we saw over the period. Credit positioning also added value in November, including overweights to European high-yield and investment-grade debt. An overweight to European hard currency emerging markets debt added further value. In contrast, currency positioning detracted from overall fund performance in November; notably short Chinese yuan, Swiss franc and euro positions.

At the manager level, credit specialist Western Asset Management outperformed over the period, benefiting from an overweight to European corporates; notably high-yield industrials and investment-grade financials. In contrast, both the Russell Investments Integrated Governments strategy and the Russell Investments Intelligent Credit strategy underperformed in November; the latter impacted by underweights to European, US and UK investment-grade credit. BlueBay and Schroders also underperformed over the period.

<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.

## Fund facts

### Share class

Class A

### Inception date

31 December 1997

### Fund size

AUD 250.71m

### 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

# 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	-13.1	-3.4	-0.5	5.3
Distribution	-	5.7	4.3	6.2
Growth	-13.1	-9.2	-4.8	-0.9

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**	22.0	22.8
Carbon Footprint***	133.8	240.1

Data as at 31 October 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 (CO<sub>2</sub>-e) divided by company revenue (USD).

## 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	Securitized specialist	13.0
Western Asset Management	Security selection	28.0

4 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.

## Contact Russell Investments

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For more information:

NSW, QLD, ACT & NT : 02 9229 5111 VIC, SA, WA & TAS: 03 9270 8111

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