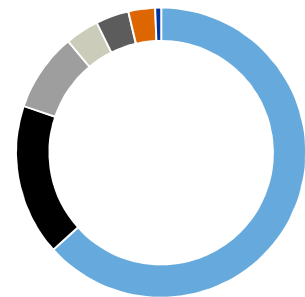


# Russell Investments International Shares Fund

## Geographic allocation



North America	63.4%
EMEA ex United Kingdom	16.9%
Japan	8.7%
Emerging Markets	3.8%
United Kingdom	3.7%
Asia Pacific ex Japan	3.0%
Other	0.7%

## Fund objective

To provide a total return, before costs and tax, higher than the Fund’s benchmark over the long term by providing exposure to a diversified portfolio of predominantly international shares.

## Fund strategy

The Fund invests predominantly in a broad range of international shares listed on stock exchanges in developed international markets. The Fund may also be exposed to emerging market shares. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk.

## Performance review<sup>1</sup>

Period ending 31/12/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-0.61	6.63	1.82	8.09	8.87	5.02

## Fund facts

### Share class

Class A

### Inception date

31 December 1997

### Fund size

AUD 342.16m

### Benchmark

MSCI World Index - Net

### Portfolio manager

Jon Eggins

### Recommended investment timeframe

7 years

### Tax structure

Investment - Class A

### APIR code

RIM0008AU

### ARSN code

092-808-261

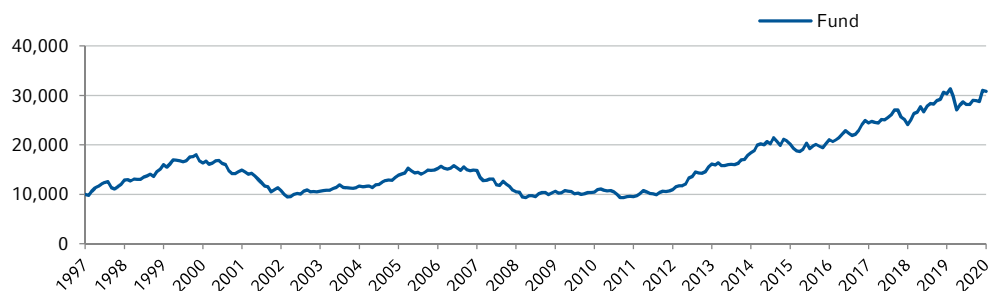
### Management cost<sup>†</sup>

1.04%

### Performance-related fee<sup>‡</sup>

N/A

## Growth of \$10,000



## Fund commentary

The Russell Investments International Shares Fund outperformed the benchmark in the December quarter.

Contributing to the Fund’s outperformance was strong stock selection in the UK, including an overweight to Royal Dutch Shell and a short AstraZeneca position. Stock selection in Continental Europe and emerging markets also added value; the latter including ex-benchmark holdings in Taiwan Semiconductor Manufacturing Co. and South Korea’s Samsung Electronics. Both stocks recorded strong, double-digit gains for the quarter. Other notable positions to add value were overweights to French bank BNP Paribas SA and German car maker Daimler. An underweight to US heavyweight Amazon.com was also positive. The Fund’s active positioning strategy added further value over the period. The strategy was positioned in favour of value and quality to complement our strategic factor positioning. Value outperformed growth on the back of more favourable fundamentals; though this was partly offset by our quality exposure. In contrast, poor stock selection in Asia Pacific ex Japan detracted from overall returns; notably an ex-benchmark holding in Hong Kong-listed Alibaba Group. Stock selection in Japan and Canada also weighed on performance; the latter including overweights to miners Barrick Gold and Kinross Gold.

There were no material changes to either the Fund’s structure or manager line up during the quarter.

<sup>†</sup> For the year ending 30/6/2020 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

<sup>‡</sup> For the year ending 30/6/2020. May be charged if performance targets are met. Refer to PDS for further information.

## Russell Investments International Shares Fund (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	1.8	8.1	8.9	5.0
Distribution	0.2	0.9	1.1	2.3
Growth	1.6	7.2	7.8	2.8

### ESG data

	Fund	Benchmark
ESG Risk Score**	22.59	22.27
Carbon Footprint***	181.14	139.25
Tobacco Exposure	0.00%	0.68%

\*\* 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). Tobacco exposure is defined as the weight of securities in the portfolio classified as being in the GICS tobacco subindustry.

### Top ten holdings

Security
Microsoft Corporation
Taiwan Semiconductor Manufacturing Co., Ltd.
Apple Inc.
Facebook, Inc. Class A
Alphabet Inc. Class C
Johnson & Johnson
Roche Holding Ltd
Daimler AG
Mastercard Incorporated Class A
Samsung Electronics Co., Ltd.

## Russell Investments International Shares Fund (continued)

### Portfolio structure\*

Manager	Style	Weight %	Comment
Fiera Capital	Global growth	15.0	Fiera Capital underperformed the benchmark over the quarter, hurt in part by overweights to US ratings agency Moody's Corp., Intertek Group and Nestle S.A. Not holding Tesla also weighed on returns.
Man Numeric Investors	Quantitative: Global	25.0	Numeric Investors underperformed the benchmark over the quarter, driven by overweights to US names Biogen and Domino's Pizza. Not holding Tesla also detracted from returns.
Morgan Stanley	Growth: Global	10.0	Morgan Stanley underperformed the benchmark over the quarter, hurt in part by an overweight to Zoom Video Communications and ex-benchmark holdings in TAL Education Group and Alibaba Group.
Russell Investments	Positioning Strategies	20.0	The strategy outperformed the benchmark over the quarter, benefiting from an overweight to Tokyo Electron and an underweight to Amazon.com. Not holding NVIDIA Corp. and salesforces.com also added value.
Sanders Capital	Value: Global	15.0	Sanders outperformed the benchmark over the quarter, driven by strong stock selection within the information technology space. This included an overweight to Micron Technology and ex-benchmark holdings in Samsung Electronics and Taiwan Semiconductor Manufacturing Co.
Wellington Management Company	Global contrarian value (excl. small caps)	15.0	Wellington Management Company outperformed the benchmark over the quarter, benefiting from ex-benchmark holdings in Dongfeng Motor Group and Bank of Ireland. Overweights to Royal Dutch Shell and Norsk Hydro also added value.

### Contact Russell Investments

To find out more about Russell Investments or how you can diversify your portfolio in just one transaction, you can:  
visit our website at [russellinvestments.com.au](http://russellinvestments.com.au)  
To invest in Russell Investments Retail Funds, contact your adviser today.  
For more information:  
NSW, QLD, ACT & NT : 02 9229 5111 VIC, SA, WA & TAS: 03 9270 8111

### Footnotes

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.  
\*Russell Investments retains the discretion to change the investment managers at any time without notice. Please check [russellinvestments.com.au/disclosures](http://russellinvestments.com.au/disclosures) for the latest list of managers.  
Allocations may not equal 100% due to rounding

### Important information

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