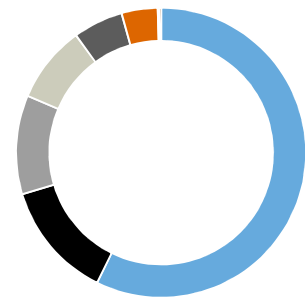


31 May 2021

Russell Investments International Property Securities Fund - Hedged

Geographic allocation



North America	57.3%
Continental Europe	13.1%
Japan	11.0%
Asia Ex Japan	8.6%
United Kingdom	5.6%
Australia	4.0%
Emerging Markets	0.1%
Other	0.2%

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 and Australian listed property securities, largely hedged into Australian dollars.

Fund strategy

The Fund invests predominantly in property trusts and property related securities listed on stock exchanges in developed international markets. The Fund may also invest in securities which have exposure to properties in emerging markets. Foreign currency exposures are largely hedged back to Australian dollars.

Performance review¹

Period ending 31/05/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	1.64	11.33	30.57	5.48	5.53	6.28

Fund facts

Share class

Class A

Inception date

31 December 2004

Fund size

AUD 157.26m

Benchmark

FTSE EPRA/NAREIT Developed Real Estate Index Net TRI – \$A Hedged

Portfolio manager

Bruce Eidelson

Recommended investment timeframe

7 years

Tax structure

Investment - Class A

APIR code

RIM0031AU

ARSN code

111-169-987

Management cost[†]

0.92%

Performance-related fee[‡]

N/A

Growth of \$10,000



Fund commentary

The Russell Investments International Property Securities Fund (AUD hedged) outperformed the benchmark in May.

Stock selection in the UK contributed positively to fund performance, including overweights to Segro and self-storage company Safestore. Stock selection in Continental Europe was also positive; notably overweights to French names Unibail-Rodamco-Westfield and Gecina SA. An overweight to Germany's Deutsche Wohnen SE added further value over the period; the stock jumping in the wake of an EUR18 billion takeover offer from compatriot and rival Vonovia SE. At the sector level, the Fund benefited from positive stock selection amongst specialised REITs, including an underweight to US name Digital Realty Trust. In terms of strategic factor positioning, our preferences for quality and size added value in May, while momentum, value and volatility had no meaningful impact on overall performance. In contrast, underweights to the US residential and office sectors detracted from returns; though the latter was partly offset by positive stock selection within the sector, including an overweight to SL Green Realty.

Moving forward, the Fund is positioned with tilts toward the UK and Australia and away from North America and Continental Europe. In terms of sectors, we prefer lodging/resorts, residential and self-storage, while maintaining underweights to office, net lease and data centres. We also maintain our strategic overweights to both quality and size.

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

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

Russell Investments International Property Securities Fund - 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	30.6	5.5	5.5	6.3
Distribution	-	1.0	2.3	4.8
Growth	30.6	4.5	3.3	1.5

ESG data

	Fund	Benchmark
ESG Risk Score**	14.84	14.98
Carbon Footprint***	75.00	85.31
Tobacco Exposure	0.00%	0.00%

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

Top ten holdings

Security
PROLOGIS INC
SIMON PROPERTY GROUP INC
VONOVIA SE
EXTRA SPACE STORAGE INC
MITSUI FUDOSAN CO LTD
PUBLIC STORAGE
SUN COMMUNITIES INC
VENTAS INC
AVALONBAY COMMUNITIES INC
DEUTSCHE WOHNEN SE

Russell Investments International Property Securities Fund - Hedged (continued)

Portfolio structure*

Manager	Style	Weight %
Cohen & Steers Capital Management	NAV & dividend discount model	40.0
RREEF America L.L.C.	Fundamental/bottom-up	50.0
Russell Investments positioning strategy	Region & sector positioning	10.0

Contact Russell Investments

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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 for the latest list of managers.
Allocations may not equal 100% due to rounding

Important information

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