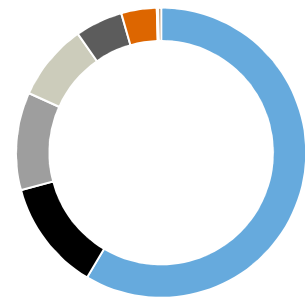


30 June 2021

# Russell Investments International Property Securities Fund - Hedged

## Geographic allocation



North America	58.5%
Continental Europe	12.3%
Japan	10.9%
Asia Ex Japan	8.5%
United Kingdom	5.3%
Australia	4.0%
Emerging Markets	0.2%
Other	0.3%

## 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 review<sup>1</sup>

Period ending 30/06/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	2.16	9.93	32.32	5.60	5.58	6.39

## Fund facts

### Share class

Class A

### Inception date

31 December 2004

### Fund size

AUD 162.40m

### 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<sup>†</sup>

0.92%

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

N/A

## Growth of \$10,000



## Fund commentary

The Russell Investments International Property Securities Fund (AUD Hedged) outperformed the benchmark in the June quarter.

Contributing to the Fund's outperformance was strong stock selection in Continental Europe, including an overweight to Deutsche Wohnen SE and Swedish names Castellum AB and Fabege AB. Stock selection in Australia was also positive, including overweights to Mirvac and Charter Hall Group. Our overweight to the strong-performing US self-storage space added further value over the period, including our holding in Extra Space Storage. In contrast, stock selection in Japan detracted from overall performance; notably an overweight to Mitsubishi Estate Co. An overweight to Asia Pacific ex Japan, which underperformed the broader market, also weighed on returns. Performance was further impacted by poor stock selection amongst US shopping centres, including an underweight to Federal Realty Investment Trust. In terms of strategic factor performance, our overweights to size and quality both detracted from returns, while momentum, value and volatility factors had no meaningful impact on overall performance.

In terms of overall positioning, the Fund is tilted toward Australia and the UK and away from Continental Europe and North America. At the sector level, we favour residential, self-storage and lodging, while remaining underweight office and data centres. We also maintain strategic overweights to both quality and size.

<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 Property Securities Fund - 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	32.3	5.6	5.6	6.4
Distribution	1.7	0.5	2.5	4.9
Growth	30.6	5.1	3.0	1.5

## ESG data

	Fund	Benchmark
ESG Risk Score**	14.50	14.87
Carbon Footprint***	87.73	96.39
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 (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
PROLOGIS INC
SIMON PROPERTY GROUP INC
VONOVIA SE
EXTRA SPACE STORAGE INC
WELLTOWER INC
PUBLIC STORAGE
SUN COMMUNITIES INC
MITSUI FUDOSAN CO LTD
VENTAS INC
AVALONBAY COMMUNITIES INC

# Russell Investments International Property Securities Fund - Hedged (continued)

## Portfolio structure\*

Manager	Style	Weight %	Comment
Cohen & Steers Capital Management	NAV & dividend discount model	40.0	Cohen and Steers outperformed the benchmark over the quarter, driven by strong stock selection in Continental Europe; including an overweight to Deutsche Wohnen. Stock selection with the US net lease space and overweights to US self-storage and malls added further value. In contrast, stock selection within the healthcare sector weighed on overall performance.
RREEF America L.L.C.	Fundamental/bottom-up	50.0	RREEF outperformed the benchmark over the quarter; the manager benefiting from strong stock selection in Hong Kong. Stock selection within the US office, net lease and industrials sectors also added value, while stock selection amongst Japanese real estate investment trusts detracted from overall returns.
Russell Investments positioning strategy	Region & sector positioning	10.0	Russell Investments' positioning strategy was used to manage the Fund's regional and sector exposures relative to the benchmark throughout the quarter. The strategy outperformed the benchmark over the period, benefiting from overweights to the UK and US self-storage names. Partly offsetting this was an overweight to Japanese developers.

### 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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