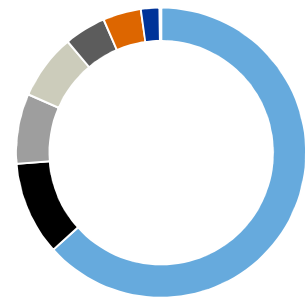


31 October 2022

# Russell Investments International Property Securities Fund - Hedged

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



United States	63.4%
Japan	10.4%
Asia ex Japan	7.8%
Europe ex UK	7.3%
UK	4.7%
Australia/New Zealand	4.2%
Canada	2.1%
Emerging Markets	0.1%
Other	0.1%

## 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 31/10/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	2.65	-15.24	-23.65	-6.18	0.07	4.61

<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 facts

### Share class

Class A

### Inception date

31 December 2004

### Fund size

AUD 108.63m

### 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 fees and costs<sup>†</sup>

0.92%

### Performance fees<sup>‡</sup>

N/A

## Fund commentary

The Russell Investments International Property Securities Fund (AUD hedged) underperformed the benchmark in October. However, the Fund did deliver positive absolute returns for the month.

Contributing to the Fund's underperformance was an overweight to Hong Kong, which significantly underperformed the broader market in October. Stock selection in Hong Kong also weighed on returns, including overweights to Link REIT and Sands China; both of which recorded sharp declines for the month. Performance was further impacted by an underweight to the US lodging space, including names like Gaming and Leisure Properties and Vici Properties. Other notable positions to impact returns were ex-benchmark holdings in Duke Realty (US) and Singapore's CapitaLand Investment. In contrast, the Fund benefited from positive stock selection within the US industrials sector, including a material overweight to Prologis. Stock selection amongst US residential and shopping centre names also added value. In terms of strategic factor positioning, our tilts toward quality and size both added value over the period, while momentum, value and volatility factors had no meaningful impact on performance.

Moving forward, the Fund is positioned with tilts toward the UK and Asia Pacific ex Japan and away from North America, Japan, Continental Europe and Australia. In terms of sectors, we prefer residential, specialty and net lease and maintain underweights to office, lodging and healthcare. We also maintain strategic overweights to both quality and size.

<sup>3</sup> Allocations may not equal 100% due to rounding.

<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.

# 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	-23.6	-6.2	0.1	4.6
Distribution	-	0.4	1.1	4.4
Growth	-23.6	-6.6	-1.0	0.2

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**	13.27	13.73
Carbon Footprint***	97.61	92.52
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
PUBLIC STORAGE
EQUINIX INC
REALTY INCOME CORP
SIMON PROPERTY GROUP INC
MID-AMERICA APARTMENT COMM
AVALONBAY COMMUNITIES INC
DIGITAL REALTY TRUST INC
WELLTOWER INC
KIMCO REALTY CORP

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

## Portfolio structure<sup>4</sup>

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

<sup>4</sup> 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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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

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