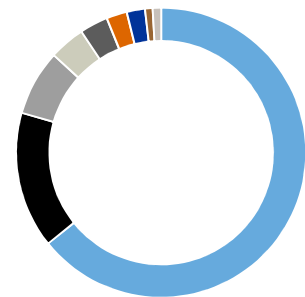


31 December 2021

Russell Investments International Shares Fund - \$A Hedged

Geographic allocation



United States	64.2%
Europe ex UK	15.2%
Japan	7.3%
UK	4.0%
Canada	3.2%
Emerging Markets	2.3%
Australia/New Zealand	2.0%
Asia ex Japan	0.9%
Other	0.9%

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 largely hedged into Australian dollars.

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. Foreign currency exposures are largely hedged back to Australian dollars.

Performance review¹

Period ending 31/12/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	4.67	7.05	24.63	18.04	12.59	6.43

Fund facts

Share class

Class A

Inception date

31 July 1998

Fund size

AUD 250.66m

Benchmark

MSCI World Index - 100% Hedged to AUD - Net

Portfolio manager

Jordan McCall

Recommended investment timeframe

7 years

Tax structure

Investment - Class A

APIR code

RIM0009AU

ARSN code

092-805-939

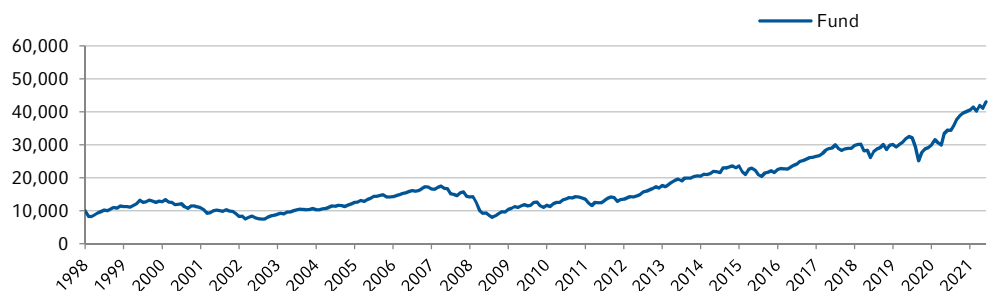
Management fees and costs[†]

1.09%

Performance fees[‡]

N/A

Growth of \$10,000



Fund commentary

The Russell Investments International Shares Fund (AUD hedged) underperformed the benchmark in the December quarter. Contributing to the Fund's underperformance was poor stock selection in the US; notably underweights to Apple, Tesla and NVIDIA Corp. Our long-held underweight to the US market also weighed on returns. We continue to favour non-US equities over US equities on the basis that the US market is overvalued relative to other regions. Performance was further impacted by an overweight exposure and poor stock selection in Japan, including overweights to Honda Motor and Japan Airlines. Other notable positions to impact returns were an ex-benchmark holding in India's HDFC Bank and an overweight to German car maker Daimler AG. In contrast, the Fund benefited from positive stock selection in Asia Pacific ex Japan, including underweights to Hong Kong-listed AIA Group and Singapore's Sea Ltd. Stock selection within emerging markets also added value – notably short positions in Chinese mega-caps Alibaba Group and Tencent Holdings – though this was largely countered by our material overweight to the region. Our 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. Whilst value underperformed growth in the fourth quarter, this was more than offset by our quality exposure. There were no material changes to either the Fund's structure or manager line up during the quarter.

[†] 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.

[‡] 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 Shares Fund - \$A 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	24.6	18.0	12.6	6.4
Distribution	-	-	-	4.5
Growth	24.6	18.0	12.6	1.9

ESG data

	Fund	Benchmark
ESG Risk Score**	20.85	21.07
Carbon Footprint***	125.57	129.20
Tobacco Exposure	0.00%	0.60%

** 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
MICROSOFT CORP
APPLE INC
TAIWAN SEMICONDUCTOR-SP ADR
META PLATFORMS INC-CLASS A
ALPHABET INC-CL A
MASTERCARD INC - A
AMAZON.COM INC
UNITEDHEALTH GROUP INC
ALPHABET INC-CL C
JOHNSON & JOHNSON

Russell Investments International Shares Fund - \$A Hedged (continued)

Portfolio structure*

Manager	Style	Weight %	Comment
Fiera Capital	Global growth	14.5	Fiera Capital outperformed the benchmark over the quarter, benefiting from overweights to US names Sherwin-Williams Company, AutoZone and UnitedHealth Group.
Liquidity Reserve	Cash	3.0	The Fund's liquidity reserve comprises cash awaiting investment or held to meet redemption requests or to pay expenses. The Fund typically exposes all or a portion of its cash to the performance of appropriate markets by purchasing equity securities and/or derivatives. Any remaining cash is invested in an unregistered cash management fund advised by Russell Investment Management Ltd.
Man Numeric Investors	Quantitative: Global	18.0	Numeric Investors outperformed the benchmark over the quarter, benefiting from overweights to Danish shipping company Maersk and US names Microsoft, Qualcomm and Ford Motor Company.
Morgan Stanley	Growth: Global	12.5	Morgan Stanley underperformed the benchmark over the quarter, hurt in part by an ex-benchmark holding in India's HDFC Bank and overweights to US names Block (formerly Square) and Uber Technologies.
Russell Investments	Positioning Strategies	19.0	The strategy outperformed the benchmark over the quarter, driven in part by overweights to US names Apple, Ford Motor Company and Micron Technology. An overweight to HP, Inc. also added value.
Sanders Capital	Value: Global	16.5	Sanders outperformed the benchmark over the quarter, driven in part by overweights to US names Micron Technology, UnitedHealth Group and Anthem, Inc.
Wellington Management Company	Global contrarian value (excl. small caps)	16.5	Wellington underperformed the benchmark over the quarter, driven by overweights to Japan's Honda Motor Co. and Takeda Pharmaceutical Co. An overweight to German healthcare firm Fresenius SE & Co. also weighed on returns.

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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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