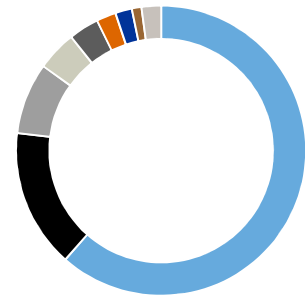


30 June 2021

Russell Investments International Shares Fund - \$A Hedged

Geographic allocation



United States	61.5%
Europe ex UK	15.5%
Japan	8.0%
UK	4.5%
Canada	3.4%
Australia/New Zealand	2.2%
Emerging Markets	1.9%
Asia ex Japan	1.1%
Other	2.2%

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 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 30/06/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	0.94	6.14	37.47	11.46	13.15	6.25

Fund facts

Share class

Class A

Inception date

31 July 1998

Fund size

AUD 240.34m

Benchmark

MSCI World Index - 100% Hedged to AUD - Net

Portfolio manager

Jon Eggins

Recommended investment timeframe

7 years

Tax structure

Investment - Class A

APIR code

RIM0009AU

ARSN code

092-805-939

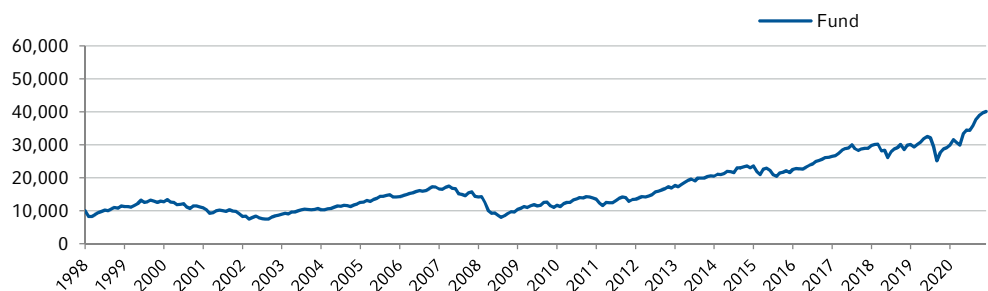
Management cost[†]

1.08%

Performance-related fee[‡]

N/A

Growth of \$10,000



Fund commentary

The Russell Investments International Shares Fund (AUD hedged) underperformed the benchmark in the June quarter.

Contributing to the Fund's underperformance was an overweight exposure to emerging markets, which underperformed their developed counterparts over the period. This included ex-benchmark exposures to China's TAL Education Group and South Korea's Samsung Electronics. Stock selection in the US also weighed on returns; notably an underweight to NVIDIA Corp. and an overweight to Micron Technology. Other notable positions to impact returns were an underweight to Apple and an overweight to Uber. Performance was further impacted by our active positioning strategy (APS). Our APS was positioned in favour of value and quality to complement our strategic factor positioning. Value underperformed growth over the period, though this was partly offset by our quality exposure. In contrast, the Fund benefited from positive stock selection in Asia Pacific ex Japan, including overweights to Australia's Goodman Group and Hong Kong's CK Asset Holdings. Stock selection within the communication services space was also positive for the quarter, including a short position in Japan's Softbank Group and an overweight to Google parent, Alphabet. Other notable holdings to add value were overweights to US ratings agency Moody's Corp., Finland's Nokia Oyj and Swiss healthcare giant Roche Holdings.

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

[†] 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 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	37.5	11.5	13.1	6.2
Distribution	-	-	-	4.6
Growth	37.5	11.5	13.1	1.6

ESG data

	Fund	Benchmark
ESG Risk Score**	21.66	21.60
Carbon Footprint***	160.65	131.70
Tobacco Exposure	0.00%	0.66%

** 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
FACEBOOK INC-CLASS A
ALPHABET INC-CL C
TAIWAN SEMICONDUCTOR MANUFAC
AMAZON.COM INC
ALPHABET INC-CL A
JOHNSON & JOHNSON
MASTERCARD INC - A
UNITEDHEALTH GROUP INC

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 financials Moody's Corp. and MSCI. An overweight to Google parent, Alphabet, also added value.
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 underperformed the benchmark over the quarter, hurt in part by overweights to US names Citrix Systems, Vertex Pharmaceuticals and Cummins, Inc. Not holding US technology stock NVIDIA Corp. also weighed on returns.
Morgan Stanley	Growth: Global	12.5	Morgan Stanley underperformed the benchmark over the quarter, driven by an ex-benchmark holding in China's TAL Education Group. Overweights to US names Uber and Walt Disney also detracted from returns.
Russell Investments	Positioning Strategies	19.0	The strategy underperformed the benchmark over the quarter, hurt in part by underweights to US technology stocks NVIDIA Corp. and Microsoft. Not holding Google parent, Alphabet, and Moderna also weighed on returns.
Sanders Capital	Value: Global	16.5	Sanders underperformed the benchmark over the quarter, hurt in part by overweights to South Korea's Samsung Electronics and German car maker Daimler AG. Not holding US technology stock NVIDIA Corp. also weighed on returns.
Wellington Management Company	Global contrarian value (excl. small caps)	16.5	Wellington Management Company underperformed the benchmark over the quarter, driven by ex-benchmark holdings in Canada's Endeavour Mining and Thailand's Kasikornbank Public Co. Not holding US technology names NVIDIA Corp. and Microsoft also detracted from 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

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

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