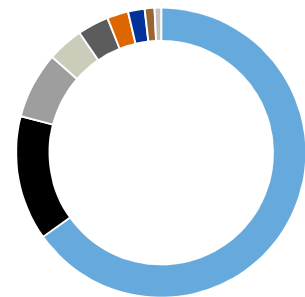


30 June 2022

# Russell Investments International Shares Fund - \$A Hedged

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



United States	65.2%
Europe ex UK	13.9%
Japan	7.4%
UK	4.0%
Canada	3.5%
Australia/New Zealand	2.4%
Emerging Markets	1.9%
Asia ex Japan	1.1%
Other	0.7%

## 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

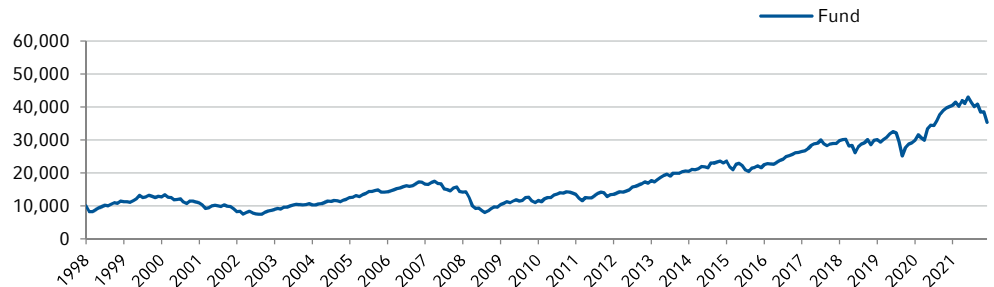
The Fund invests predominantly in a broad range of international shares listed on stock exchanges in developed international markets. The Fund may also be exposed to emerging market shares. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk. Foreign currency exposures are largely hedged back to Australian dollars.

## Performance review<sup>1</sup>

Period ending 30/06/2022	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-8.26	-13.47	-11.77	5.67	6.15	5.43

<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 July 1998

### Fund size

AUD 210.13m

### 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<sup>†</sup>

1.09%

### Performance fees<sup>‡</sup>

N/A

## Fund commentary

The Russell Investments International Shares Fund (AUD hedged) outperformed the benchmark in the June quarter. However, the Fund did deliver negative absolute returns for the period.

Contributing to the Fund's outperformance was strong stock selection in Continental Europe, including overweights to Swiss-American pharmaceutical company Novartis AG, Dutch bank ING Groep NV and German car maker BMW; all of which recorded relatively strong gains for the quarter. The Fund also benefited from positive stock selection in Japan; notably overweights to Ono Pharmaceutical and car maker Subaru Corp. Stock selection in emerging markets added further value over the period; though this was largely offset by our overweight to the region. At the sector level, stock selection was strongest within the consumer discretionary space, including underweights to US names Tesla and Amazon.com. Our active positioning strategy also added value over the period. The strategy was positioned in favour of value and quality to complement our strategic factor positioning. Both value and quality outperformed in the second quarter. In contrast, stock selection in the UK detracted from returns. This included underweights to AstraZeneca, GSK and British American Tobacco. At the sector level, stock selection was weakest within industrials, including overweights to Uber Technologies (US) and Danish transport and logistics company DSV A/S. Other notable positions to impact performance were overweights to Canada's Shopify and Argentina's US-listed MercadoLibre. There were no material changes to either the Fund's structure or manager line up during the quarter.

<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 Shares Fund - \$A 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	-11.8	5.7	6.1	5.4
Distribution	-	-	-	4.4
Growth	-11.8	5.7	6.1	1.0

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**	21.01	21.42
Carbon Footprint***	137.06	148.92
Tobacco Exposure	0.00%	0.77%

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

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

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

Manager	Style	Weight %	Comment
Fiera Capital	Global growth	14.5	Fiera Capital outperformed the benchmark over the quarter, driven in part by overweights to US names Autozone, Johnson & Johnson and PepsiCo. 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.
Liquidity Reserve	Cash	3.0	Numeric Investors outperformed the benchmark over the quarter, benefiting from overweights to Merck & Co., Vertex Pharmaceuticals and Gilead Sciences. An underweight to Apple also added value.
Man Numeric Investors	Quantitative: Global	18.0	Morgan Stanley significantly underperformed the benchmark over the quarter, driven by overweights to US names Uber Technologies and Block. An overweight to Canada's Shopify also weighed on returns.
Morgan Stanley	Growth: Global	12.5	The strategy narrowly outperformed the benchmark over the quarter, benefiting from overweights to US energy names IBM, AT&T and Cigna Corp. An overweight to Exxon Mobil also added value.
Russell Investments	Positioning Strategies	19.0	Sanders outperformed the benchmark over the quarter, driven in part by overweights to UnitedHealth Group, Cigna Corp. and German car maker BMW.
Sanders Capital	Value: Global	16.5	Wellington outperformed the benchmark over the quarter, benefiting from overweights to UK names like Standard Chartered, Shell and BP. An overweight to France's TotalEnergies also added value.
Wellington Management Company	Global contrarian value (excl. small caps)	16.5	

4 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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For more information:

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