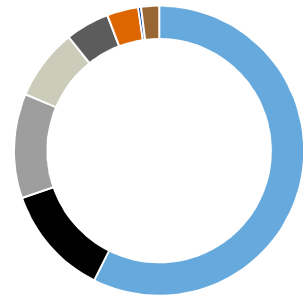


30 June 2020

Russell Investments International Property Securities Fund - Hedged

Geographic allocation



North America	57.4%
Continental Europe	12.3%
Japan	11.7%
Asia Ex Japan	7.9%
United Kingdom	4.9%
Australia	3.5%
Emerging Markets	0.4%
Other	2.0%

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 review¹

Period ending 30/06/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	0.81	7.47	-16.61	-1.72	1.58	4.90

Fund facts

Share class

Class A

Inception date

31 December 2004

Fund size

AUD 113.51m

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

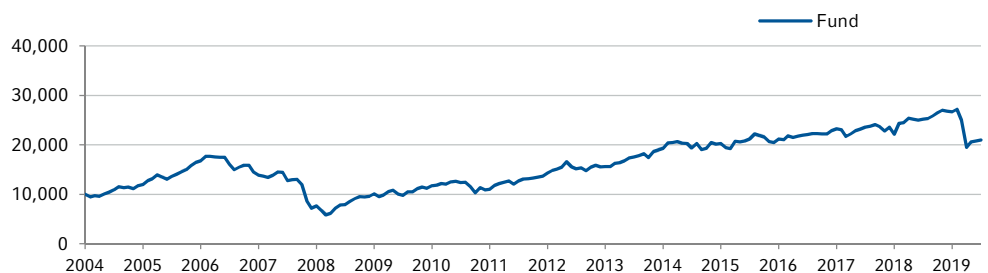
Management cost[†]

0.92%

Performance-related fee[‡]

N/A

Growth of \$10,000



Fund commentary

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

Contributing to the Fund's underperformance was poor stock selection in the US, including overweights to Kilroy Realty and Essex Property Trust. Also weighing on returns was an underweight to the US retail sector; notably Simon Property Group and STORE Capital Corp. US retail posted some of the strongest gains over the period as easing restrictions helped drive foot traffic higher. Other notable positions to impact performance were underweights to Australia's Scentre Group and Stockland. In contrast, the Fund benefited from positive stock selection in the UK and Japan; notably Japanese real estate investment trusts. Other key positions to add value were ex-benchmark holdings in Australia's Charter Hall Group and Goodman Group. In terms of strategic factor performance, our overweight to size detracted from returns, while our overweight to quality added value. Momentum, value and volatility factors had no meaningful impact on performance.

In terms of overall positioning, the Fund is tilted toward the US and away from Continental Europe and Hong Kong. At the sector level, we remain underweight office while favouring bond-like property types such as healthcare and net lease. We also maintain strategic overweights to both quality and size.

[†] For the year ending 30/6/2019 as a percentage of net assets. Includes performance-related fees. Refer to PDS for further information.

[‡] For the year ending 30/6/2019. 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^{1,2}

	1 year %p.a.	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	-16.6	-1.7	1.6	4.9
Distribution	-	1.5	2.2	5.0
Growth	-16.6	-3.3	-0.6	-0.1

ESG data

	Fund	Benchmark
ESG Risk Score**	16.67	16.80
Carbon Footprint***	98.46	95.81
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 (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
Prologis, Inc.
Welltower, Inc.
Vonovia SE
Simon Property Group, Inc.
Invitation Homes, Inc.
Essex Property Trust, Inc.
Public Storage
Equinix, Inc.
Mitsubishi Estate Company, Limited
New World Development Co. Ltd. TEMP

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 & Steers underperformed the benchmark over the quarter. Poor stock selection within the US residential, office and self-storage sectors detracted the most from returns. In contrast, the manager benefited from positive stock selection in the UK and Europe, including Switzerland and Sweden.
RREEF America L.L.C.	Fundamental/bottom-up	50.0	RREEF underperformed the benchmark over the quarter, driven in part by disappointing stock selection across US property sectors; notably retail and healthcare. Partly offsetting this was positive stock selection amongst Japanese REITs, including overweights to Kenedix Retail REIT Corp. and MORI TRUST Hotel REIT.
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 an overweight to Australia and positive stock selection in Continental Europe.

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
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

Important information

Issued by Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence 247185 (RIM). This document provides general information for wholesale investors only and has not prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation or needs. This information has been compiled from sources considered to be reliable, but is not guaranteed. The performance data shown does not take into account fees, charges and taxes, and is not a reliable indicator of the net return to you as an investor. Past performance is not a reliable indicator of future performance. Any potential investor should consider the latest PDS in deciding whether to acquire, or to continue to hold, an investment in any Russell Investments product. The PDS can be obtained by visiting russellinvestments.com.au or by phoning (02) 9229 5111. RIM and TRM are part of Russell Investments. Russell Investments or its associates, officers or employees may have interests in the financial products referred to in this information by acting in various roles including broker or adviser, and may receive fees, brokerage or commissions for acting in these capacities. In addition, Russell Investments or its associates, officers or employees may buy or sell the financial products as principal or agent. The Russell Indexes mentioned in this document are trademarks of Frank Russell Company. Frank Russell Company is the owner of the Russell trademarks and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Russell or any entity operating under the 'FTSE Russell' brand. Copyright © 2020 RIM. All rights reserved. This material is proprietary and may not be reproduced, transferred, or distributed in any form without prior written permission from RIM.