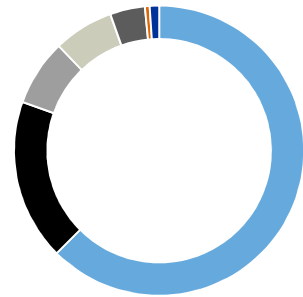


30 June 2020

Russell Investments International Shares Fund - \$A Hedged

Geographic allocation



North America	63.8%
EMEA ex United Kingdom	18.3%
Japan	7.5%
United Kingdom	6.8%
Emerging Markets	4.0%
Asia Pacific ex Japan	0.5%
Other	-1.1%

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 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 30/06/2020	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Total return	1.48	15.72	-2.71	3.57	4.80	5.01

Fund facts

Share class

Class A

Inception date

31 July 1998

Fund size

AUD 211.31m

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

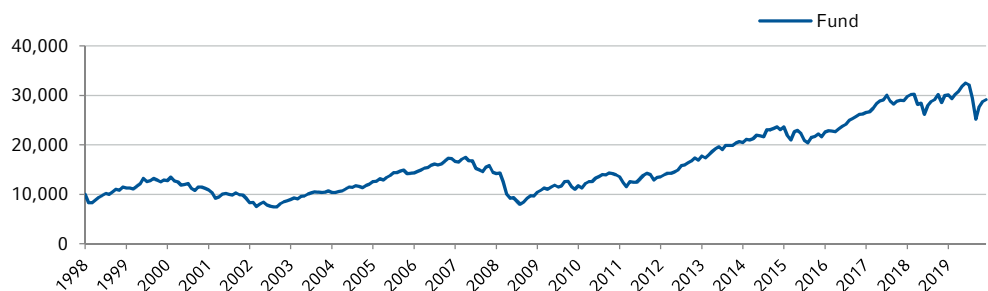
Management cost[†]

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 poor stock selection in the US, including a zero exposure to Tesla and underweights to PayPal and Apple. Our underweight to the US also weighed on returns. We maintain our preference for non-US equities; a view driven largely by expensive relative valuations. Performance was also impacted by poor stock selection in Japan, including overweights to Takeda Pharmaceutical and Nippon Telegraph and Telephone Corp. In terms of sectors, stock selection was weakest within the healthcare space; notably an overweight to Switzerland's Roche Holding. Performance was further impacted by overweights to the UK and emerging markets, as well as our active positioning strategy; which was positioned in favour of value and quality to complement our strategic factor positioning. In contrast, the Fund benefited from positive stock selection in Continental Europe, including overweights to France's Compagnie de Saint-Gobain SA and BNP Paribas SA. Other notable positions to add value were ex-benchmark holdings in US names Spotify and Shopify. There were no material changes to the Fund's structure during the period. However, we did remove Janus (Perkins) from the Fund's manager line up in May. They were replaced with Wellington Management Co.

[†] 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 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	-2.7	3.6	4.8	5.0
Distribution	-	-	-	4.8
Growth	-2.7	3.6	4.8	0.2

ESG data

	Fund	Benchmark
ESG Risk Score**	23.64	23.42
Carbon Footprint***	180.13	148.68
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 (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 Corporation
Apple Inc.
Roche Holding AG
Taiwan Semiconductor Manufacturing Co., Ltd.
Mastercard Incorporated Class A
Alphabet Inc. Class C
Facebook, Inc. Class A
Nestle S.A.
Amazon.com, Inc.
Moody's Corporation

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

Portfolio structure*

Manager	Style	Weight %	Comment
Fiera Capital	Global growth	15.0	Fiera Capital underperformed the benchmark over the quarter, hurt in part by not holding Apple and Amazon.com. Overweights to CME Group and Becton, Dickinson & Co. also weighed on returns.
Man Numeric Investors	Quantitative: Global	25.0	Numeric Investors underperformed the benchmark over the quarter, driven by a zero exposure to Apple and overweights to Biogen, NTT DoCoMo and Japan Post Bank. An underweight to Amazon.com also weighed on returns.
Morgan Stanley	Growth: Global	10.0	Morgan Stanley outperformed the benchmark over the quarter, benefiting from ex-benchmark holdings in Spotify Technologies, Meituan Dianping and Shopify. An overweight to Zoom Video Communications also added value.
Russell Investments	Positioning Strategies	20.0	The strategy underperformed the benchmark over the quarter, driven by underweights to US names Amazon.com and Facebook. Not holding PayPal and Tesla also detracted from returns.
Sanders Capital	Value: Global	15.0	Sanders outperformed the benchmark over the quarter, benefiting from overweights to D.R. Horton, Apple and Lennar Corp. Ex-benchmark holdings in Meritage Homes and Range Resources also added value.
Wellington Management Company	Global contrarian value (excl. small caps)	15.0	Wellington Management Company was added to the Fund's manager line up in May. They have yet to complete a full quarter of performance.

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. Source for MSCI data: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the MSCI Parties) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. 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.