

# Russell Investments

## Global Bond Fund

### Article 8



**Senior Portfolio Manager**  
Gerard Fitzpatrick

Russell Investments' Global Fixed Income Team comprises over 9 experienced professionals, including portfolio managers, researchers, portfolio analysts, and strategists in Russell Investments offices around the globe.

The team manages cash and multi-strategy fixed income portfolios, which include global, regional, investment grade, high yield, emerging market debt and absolute return mandates.

#### Fund facts

##### Share class; Dealing ccy

Class GBPH-A Acc; GBP

##### Dealing frequency; Cut off

Daily; 2.00pm GMT

##### Domicile; Category

Ireland; UCITS

##### Fund size

USD 1,583.92m

##### ISIN; Bloomberg

IE00B0686J84; RUSGBGA ID

##### Fund launch date

30 September 1994

##### Share class launch date

31 January 2007

##### Management fee

0.55%

##### Share class NAV

GBP 16.77

#### Fund objective

The Fund aims to achieve income and growth by investing at least 70% of its assets worldwide in bonds, and debt instruments, including mortgage and asset backed securities. The Fund is actively managed with reference to the Bloomberg Global Aggregate Index (USD) - Total Returns (the "Index") which it seeks to outperform by 1% over the medium to long term. Russell Investments/ Money Managers have full discretion to select investments for the Fund.

This product is an Article 8 product, as defined under EU regulation - it promotes environmental or social characteristics and invests in companies that follow good governance practices. This product does not have sustainable investment as its objective.

#### Fund update

The Fund underperformed the benchmark return in a quarter of rising yields fuelled by persistent inflation and tight labour markets. Rates positioning was negative on aggregate. An overweight to shorter duration US Treasuries was detrimental although this was partly offset by an underweight to 5-year issues, which contributed positively. Overweight exposure to UK gilts, notably of 2-year duration, and rates in Canada and Australia also detracted. On the other hand, an overweight to German bunds was additive. Within currencies, an underweight to the Australia dollar, Swiss franc and UK sterling were unrewarded. An overweight to the Japanese yen was also unhelpful. However, an overweight to the US dollar was beneficial. Credit positioning was flat over the quarter. An overweight to US high yield was effective and in hard currency emerging market debt, overweight exposure to European and Latin American investment grade credit helped.

#### Performance review (%)

Performance to period end Returns shown in GBP	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class GBPH-A Acc	-0.5	-0.8	1.8	-1.8	-3.2	0.2	3.8
Return net of management fee Class GBPH-A Acc	-0.5	-0.9	1.5	-2.3	-3.7	-0.4	3.2
Bloomberg Global Aggregate Index (GBP Hdg) - Total Returns	-0.1	-0.1	2.4	-0.8	-3.5	0.0	3.0

\*Inception: 31 January 2007

All returns greater than 1 year are annualised

#### Discrete rolling 12 month performance (%)

Returns shown in GBP	30/06/23 30/06/22	30/06/22 30/06/21	30/06/21 30/06/20	30/06/20 30/06/19	30/06/19 30/06/18
Return gross of management fee Class GBPH-A Acc	-1.8	-9.5	2.1	5.8	5.4
Return net of management fee Class GBPH-A Acc	-2.3	-10.0	1.5	5.2	4.7
Bloomberg Global Aggregate Index (GBP Hdg) - Total Returns	-0.8	-9.3	-0.2	4.9	5.9

Returns shown in GBP	30/06/18 30/06/17	30/06/17 30/06/16	30/06/16 30/06/15	30/06/15 30/06/14	30/06/14 30/06/13
Return gross of management fee Class GBPH-A Acc	0.4	0.2	5.9	3.8	5.3
Return net of management fee Class GBPH-A Acc	0.3	-1.3	7.6	3.4	5.5
Bloomberg Global Aggregate Index (GBP Hdg) - Total Returns	1.0	0.9	6.6	4.5	6.0

Past performance does not predict future returns.

The current benchmark is the Bloomberg Global Aggregate Index (GBP Hdg) - Total Returns. Effective August 24, 2021, the Bloomberg Barclays fixed income indices were rebranded the Bloomberg Indices. The benchmark prior to 24th August 2016 was the Barclays Global Aggregate Bond Index GBP Hdg. The benchmark prior to November 2008 was the Lehman Brothers Global Aggregate (GBPH) Index

The Management Fee is 0.55%, prior to October 1st 2019 the Management Fee was 0.65%

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## Global Bond Fund (continued)

### Portfolio statistics

	Fund Benchmark	
Effective duration	6.9	6.7
Average maturity	9.6	8.7
Average credit rating	AA	AA
Yield to worst	3.8	3.7

Data as at 31 May 2023

3 years	Fund Benchmark	
Volatility	5.0	4.9
Tracking error	1.2%	-
Sharpe ratio	-0.9	-0.9
Information ratio	-0.2	-
3 year return (net)	-3.7%	-3.5%
3 year excess return (net)	-0.2%	-

### Ten largest holdings by weight

Security	Fund
Japan (5 Year Issue) 0.1 20-Sep-2023	3.5%
Treasury Bill 0 25-Jul-2023	1.7%
Treasury Bill 0 06-Jul-2023	1.6%
Us Treasury N/B 2.5 31-Jan-2024	1.3%
European Union Bill 0 08-Dec-2023	1.3%
European Union Bill 0 10-Nov-2023	1.1%
Bundesrepub. Deutschland 0 15-Aug-2030	0.9%
Us Treasury N/B 1.5 15-Aug-2026	0.9%
Us Treasury N/B 3.5 31-Jan-2028	0.9%
Japan (10 Year Issue) 0.6 20-Mar-2024	0.9%

Source: State Street

### Sector weights

	Fund	Benchmark
Treasuries	39.6%	45.3%
Corporates	23.8%	17.4%
Securitised	14.2%	14.2%
Other	11.0%	0.0%
EMD Hard	5.7%	3.0%
Gov-related	3.3%	8.2%
EMD Local	2.5%	12.0%
Loans	0.0%	-

Data as at 31 May 2023

### Credit quality weights

	Fund	Benchmark
AAA & Cash	42.6%	39.0%
AA	5.9%	13.8%
A	21.7%	30.9%
BBB	22.7%	15.9%
BB	2.4%	0.3%
B	0.3%	0.0%
CCC	0.3%	0.0%
NR/Other	4.2%	0.0%

Data as at 31 May 2023

### Market weights (ccy)

	Fund	Benchmark
USD	51.7%	44.7%
EUR	24.7%	21.9%
JPY	12.2%	11.8%
GBP	6.4%	3.8%
CAD	1.6%	2.7%
ZAR	0.5%	-
MXN	0.5%	0.3%
AUD	0.3%	1.4%
IDR	0.2%	0.5%
Others	1.9%	12.9%

Data as at 31 May 2023

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## Global Bond Fund (continued)

### ESG data

	Fund	Benchmark
ESG Score	21.8	22.7
Carbon footprint	121.4	238.9

Data as at 31 May 2023

Source: The portfolio-level ESG Risk Rating is the weighted average of the Sustainalytics' Risk Rating for securities in the portfolio. The Sustainalytics Risk Rating details are available at <https://www.sustainalytics.com/esg-data>. Carbon footprint is the weighted average carbon intensity of the Scope 1 and 2 carbon emission intensity of companies in the portfolio. It is measured in tonnes of CO<sub>2</sub>e divided by revenue (USD \$M).

### Fund structure

Manager/Strategy	Role in fund	Target	Actual
RBC Global Asset Management	Country selection with focus on macroeconomic fundamentals and technicals	29.0%	30.8%
Schroder	Securitised specialist focusing on US non-agency residential mortgages	13.0%	15.6%
Western Asset Management	Focus on long-term bottom-up fundamentals, with topdown macroeconomic views	21.0%	12.7%
Russell Investments	Positioning strategy targeting currency and rate factors	37.0%	33.7%
Russell Investments (cash & other)		-	7.2%

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