

Russell Investments

Global Bond Fund



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 A Acc; USD

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 1,304.61m

ISIN; Bloomberg

IE0003507161; FRIGLAA ID

Fund launch date

30 September 1994

Share class launch date

30 September 1994

Management fee

0.65%

Share class NAV

USD 282.15

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

Fund update

The Fund finished ahead of the benchmark in the second quarter. Active currency positioning drove performance, notably through the overweight to the US dollar and underweights to the Norwegian krone and Australian dollar. Within credit, overweights to EU/US corporate high yield, EU investment-grade credit, hard currency emerging market debt (Europe, Latin America) and US securitised asset-backed securities (including CLO), offset the gains generated through the underweight to US securitised passthrough and short credit derivatives positioning. Rates positioning was negative through overweights in Germany, Australia and Canada. However, the underweight in the UK was positive.

Performance review (%)

| Performance to period end Returns shown in USD | 1 month | 3 months | Year to date | 12 months | 3 years | 5 years | Since inception* |
|---|------------|-------------|-----------------|--------------|------------|------------|---------------------|
| Return gross of management fee Class A Acc | -3.6 | -8.3 | -14.2 | -15.6 | -2.2 | 0.2 | 4.5 |
| Return net of management fee Class A Acc | -3.6 | -8.4 | -14.5 | -16.1 | -2.8 | -0.5 | 3.8 |
| Bloomberg Global Aggregate Index (USD) - Total Returns | -3.2 | -8.3 | -13.9 | -15.2 | -3.2 | -0.6 | 3.8 |

*Inception: 30 September 1994

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

| Returns shown in USD | 30/06/17 30/06/18 | 30/06/18 30/06/19 | 30/06/19 30/06/20 | 30/06/20 30/06/21 | 30/06/21 30/06/22 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return gross of management fee Class A Acc | 2.3 | 5.3 | 5.6 | 5.0 | -15.6 |
| Return net of management fee Class A Acc | 1.6 | 4.6 | 4.9 | 4.3 | -16.1 |
| Bloomberg Global Aggregate Index (USD) - Total Returns | 1.4 | 5.8 | 4.2 | 2.6 | -15.2 |

Past performance is not a guide to future performance.

The current benchmark is the Bloomberg Global Aggregate Index (USD) - Total Returns converted into the currency displayed in the performance table above where applicable. 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. From October 2001 to November 2008 the index was the Lehman Brothers Global Aggregate Index. The benchmark prior to October 2001 was SSB WGBI.

Portfolio statistics

| | Fund | Benchmark | 3 years | Fund | Benchmark |
|-----------------------|------|-----------|----------------------------|-------|-----------|
| Effective duration | 7.2 | 7.0 | Volatility | 6.6 | 5.9 |
| Average maturity | 10.0 | 8.9 | Tracking error | 1.7% | - |
| Average credit rating | AA | AA | Sharpe ratio | -0.5 | -0.6 |
| Yield to worst | 3.8 | 2.6 | Information ratio | 0.3 | - |
| | | | 3 year return (net) | -2.8% | -3.2% |
| | | | 3 year excess return (net) | 0.4% | - |

Data as at 31 May 2022

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Global Bond Fund (continued)

Ten largest holdings by weight

| Security | Fund |
|--|------|
| Japan (20 Year Issue) 2.2 20-Mar-2024 | 1.4% |
| Japan (5 Year Issue) 0.1 20-Sep-2024 | 1.1% |
| Us Treasury N/B 1.5 30-Sep-2024 | 1.1% |
| Us Treasury N/B 1.375 15-Aug-2050 | 1.1% |
| Japan (10 Year Issue) 0.1 20-Jun-2029 | 1.0% |
| Bundesrepub. Deutschland 0 15-Aug-2030 | 1.0% |
| Us Treasury N/B 1.5 15-Aug-2026 | 0.9% |
| Uk Tsy 3.5 22-Jan-2045 | 0.9% |
| Us Treasury N/B 1.375 31-Aug-2026 | 0.9% |
| Japan (20 Year Issue) 2.1 20-Dec-2029 | 0.8% |

Source: State Street

Sector weights

| | Fund | Benchmark |
|-------------|-------|-----------|
| Treasuries | 32.5% | 45.7% |
| Other | 31.3% | - |
| Corporates | 12.8% | 17.5% |
| Securitised | 12.2% | 14.3% |
| EMD Hard | 6.1% | 3.1% |
| Gov-related | 2.9% | 8.3% |
| EMD Local | 2.2% | 11.2% |
| Loans | 0.1% | - |

Data as at 31 May 2022

Credit quality weights

| | Fund | Benchmark |
|------------|-------|-----------|
| AAA & Cash | 50.9% | 38.5% |
| AA | 7.1% | 14.2% |
| A | 21.9% | 30.6% |
| BBB | 12.8% | 16.3% |
| BB | 2.4% | 0.4% |
| B | 0.3% | 0.0% |
| CCC | 0.9% | 0.0% |
| NR/Other | 3.6% | 0.0% |

Data as at 31 May 2022

Market weights (ccy)

| | Fund | Benchmark |
|--------|-------|-----------|
| USD | 52.0% | 44.8% |
| EUR | 27.1% | 21.2% |
| JPY | 10.2% | 12.4% |
| GBP | 5.6% | 4.4% |
| CAD | 1.6% | 2.9% |
| MXN | 0.8% | 0.2% |
| ZAR | 0.6% | - |
| AUD | 0.4% | 1.4% |
| CHF | 0.3% | 0.5% |
| Others | 1.3% | 12.2% |

Data as at 31 May 2022

Fund structure

| Manager/Strategy | Role in fund | Target | Actual |
|------------------------------------|---|--------|--------|
| BlueBay | Country selection with focus on macroeconomic fundamentals and technicals | 26.0% | 28.5% |
| Schroder | Securitised specialist focusing on US non-agency residential mortgages | 13.0% | 13.1% |
| Western Asset Management | Focus on long-term bottom-up fundamentals, with topdown macroeconomic views | 28.0% | 19.6% |
| Russell Investments | Positioning strategy targeting currency and rate factors | 33.0% | 34.7% |
| Russell Investments (cash & other) | | - | 4.1% |

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Global Bond Fund (continued)

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