

Russell Investments Global Fixed Interest Fund



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

Inception date

21 December 2011

Benchmark**

Bloomberg Global Aggregate Index (\$NZ Hedged)

Currency

NZD

Total Annual Fund Charges

0.59%

Management Fees

0.47%

Estimated Administration Fee

0.12%

Dealing frequency; Cut off

Daily, 11am NZT

Dividend reinvestment available

Yes

Fund objective

To provide a total return, before costs and tax, higher than the Bloomberg Global Aggregate Index – New Zealand dollar Hedged over the long term (3 years plus).

Fund update

Interest rates positioning detracted from performance (in aggregate) over the period, including overweights to US Treasuries and Australian government debt. Partly offsetting this was an underweight to Japanese government bonds. Yields in Japan rose after the country's central bank announced further changes to its yield curve control policy. Performance was further impacted by our credit positioning, including overweights to US high-yield debt and European hard currency emerging markets debt. However, the Fund did benefit from an underweight to US securitised credit. Meanwhile, active currency positioning contributed positively to overall returns; namely a long US dollar (USD) exposure and short Colombian peso, Mexican peso and Canadian dollar positions.

Performance review (%)

Period ending 31/10/2023	1 month	3 months	1 year p.a.	3 years p.a.	5 years p.a.	Since inception p.a.
Gross fund performance	-0.71	-3.10	0.65	-4.18	0.56	3.94
Net fund performance	-0.76	-3.24	0.06	-4.81	-0.14	3.16
Benchmark return	-0.75	-2.60	1.24	-4.18	0.14	3.06
Excess fund performance (gross)	0.04	-0.50	-0.59	0.00	0.42	0.88

Rolling 12 month performance (%)

Period ending 31/10/2023	31/10/18 31/10/19	31/10/19 31/10/20	31/10/20 31/10/21	31/10/21 31/10/22	31/10/22 31/10/23
Gross fund performance	10.42	5.89	0.17	-12.76	0.65
Net fund performance	9.57	5.07	-0.60	-13.28	0.06
Benchmark return	9.94	4.12	-0.83	-12.37	1.24

Net fund performance shown is net of fees and charges. Assumes reinvestment of income. Past performance is not a reliable indicator of future performance. Performance data is provided for informational purposes only and is not intended to imply a recommendation about a product or form the basis for making an investment decision.

Portfolio statistics

	Fund	Benchmark
Duration	6.94	6.41
Yield	6.06%	3.60%
Yield to maturity	6.07%	3.61%
Average quality/rating	AA	AA
Number of issuers	402	3899

Data as at 30 September 2023

3 years	Fund	Benchmark
Volatility	5.10%	4.94%
Tracking error	1.08%	-
Sharpe ratio	-1.11%	-
Information ratio	-0.01%	-

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Top ten issuers (%)

Security	Fund	Benchmark
United States of America	14.91	16.83
Japan	7.76	10.69
Bundesrepublik Deutschland	3.57	2.30
Government National Mortgage Association 2	2.31	2.40
European Union	2.09	0.59
Estados Unidos Mexicanos	2.03	0.48
U.K. of Great Britain and Northern Ireland	1.87	2.87
Romania	1.79	0.17
Canada	1.21	0.91
Reino de Espana	1.18	1.73

Data as at 30 September 2023

Credit ratings (%)

	Fund	Benchmark
Unassigned	2.79	0.02
AAA	46.66	36.48
AA	6.68	16.53
A	16.65	30.76
BBB	23.98	15.85

Data as at 30 September 2023

Cash/Cash equivalents are classified as AAA from a credit ratings perspective.

Regional weights (%)

	Fund	Benchmark
US	42.93	41.47
EMEA ex UK	19.54	23.97
Unknown	12.06	-
Japan	7.76	11.23
Other	4.66	2.33
Emerging	4.54	11.99
Frontier	2.95	0.47
UK	2.93	2.90
Canada	1.94	2.64
Asia/Pacific ex Japan	0.69	3.00

Data as at 30 September 2023

Sector allocation (%)

	Fund	Benchmark
Government	46.55	65.81
Corporate	26.70	22.40
Securitized Products	14.79	11.79
Cash	12.06	-
Derivatives & Other	-0.10	-

Data as at 30 September 2023

ESG data

	Fund	Benchmark
ESG Risk Score**	22.6	22.8
Carbon Footprint***	171.1	223.3

Data as at 30 September 2023

**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 which we define as relative carbon emissions as the weighted average of portfolio companies' Scope 1 & 2 GHG emissions divided by revenue (CO2e/\$1M revenue USD).

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Portfolio structure (manager weight)

Manager	Style	Target Allocation
BlueBay	Country selection	29%
Russell Investments	Integrated Global Governments	14%
Russell Investments	Intelligent Credit (Systematic)	20%
Russell Investments	Liquidity	3%
Schroders	Securitised specialist	13%
Western Asset Management	Security selection	21%

Footnotes

**Effective August 24, 2021, the Bloomberg Barclays fixed income indices were rebranded the Bloomberg Indices.

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