

# Russell Investments NZ Fixed Interest Fund



**Portfolio Manager**  
Clive Smith

Russell Investments' New Zealand Fixed Income Team brings over 20 years of experience in managing portfolios.

The team works closely with our 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

14 February 2013

### Benchmark\*\*

Bloomberg NZ Bond Composite 0+ Yr Index

### Currency

NZD

### Total Annual Fund Charges

0.49%

### Management Fees

0.40%

### Estimated Administration Fee

0.09%

### 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 NZ Bond Composite 0+ Yr Index over the long term (3 years plus).

## Fund update

Security selection contributed positively to performance over the period, including an overweight to short-dated swaps. Our holdings in Housing New Zealand and Kommunalbanken were amongst the key contributors at the security level. Partly offsetting these positions was our holding in New Zealand Local Government Funding Agency. The Fund's exposure to inflation-indexed bonds also added value over the period. In contrast, duration positioning detracted from overall performance in October. The Fund maintained a long duration exposure (in aggregate) throughout the month; positioning that was impacted by the rise in yields we saw over the period.

## 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	-0.12	-1.81	0.33	-4.18	0.09	2.67
Net fund performance	-0.17	-1.93	-0.16	-4.74	-0.56	1.94
Benchmark return*	-0.16	-1.79	-0.40	-5.00	-0.49	2.06
Excess fund performance (gross)	0.04	-0.02	0.73	0.82	0.58	0.61

## 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	7.51	6.22	-7.43	-5.27	0.33
Net fund performance	6.70	5.41	-8.14	-5.75	-0.16
Benchmark return*	7.64	5.71	-8.78	-5.63	-0.40

\*As at 28 Jun 19 the benchmark changed to the Bloomberg NZ Bond composite index. From December 2014 through to June 2019 the benchmark was 75:25 weighted average of the S&P/NZX NZ Government Stock Index and S&P/NZX A-Grade Corporate Index. Prior to December 2014 the benchmark was the S&P/NZX NZ Government Stock Index.

Net fund performance shown is net of fees and charges. Assumes reinvestment of income.

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.

Past performance is not a reliable indicator of future performance.

## Portfolio statistics

	Fund	Benchmark
Duration	4.90	4.42
Yield	5.36%	5.69%
Average quality/rating	AA	AAA
Number of issuers	57	46

Data as at 30 September 2023

3 years	Fund	Benchmark
Volatility	4.45%	4.46%
Tracking error	0.38%	-
Sharpe ratio	-1.27%	-
Information ratio	2.15%	-

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## Top ten issuers (%)

Security	Fund	Benchmark
New Zealand Government	42.13	62.96
NZ Local Govt Funding Agency Ltd	6.00	8.24
Housing New Zealand Limited	4.73	3.35
Bank of New Zealand	2.96	2.01
Westpac New Zealand Limited	2.48	1.87
City of Auckland	2.45	0.60
Intl Bank for Reconstruction and Dev	2.15	4.31
Asian Development Bank	1.99	3.20
Kiwibank Limited	1.71	0.54
Transpower New Zealand Limited	1.69	0.66

Data as at 30 September 2023

## Credit ratings (%)

	Fund	Benchmark
Unassigned	3.48	0.14
AAA	69.71	88.25
AA	7.61	1.63
A	13.53	7.60
BBB	5.67	2.38

Data as at 30 September 2023

## Sector allocation(%)

	Fund	Benchmark
Government	72.74	90.03
Corporate	19.73	9.97
Cash	5.40	-
Securitized Products	2.13	-

Data as at 30 September 2023

# Russell Investments NZ Fixed Interest Fund

## Portfolio structure (manager weight)

Manager	Style	Target Allocation
Harbour Asset Management	Short-term local rates	50%
Western Asset Management	Medium-term thematic strategy	50%

### Footnotes

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

## Important Information

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