

Russell Investments Global Fixed Interest Fund



Portfolio Manager
Gerard Fitzpatrick

Russell Investments' Global Fixed Income Team comprises of 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

Portfolio 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 10- and 15-year US Treasuries. Partly offsetting these positions were underweights to German bunds and Japanese government bonds. The Fund's credit exposure also weighed on returns, including an overweight to European hard currency emerging markets debt. Meanwhile, active currency positioning had no material impact on overall fund performance in April. The Fund benefited from a long US dollar position; however, this was offset by a short Japanese yen exposure and a long Norwegian krone position.

Performance review (%)

Period ending 30/04/2024	1 month	3 months	1 year p.a.	3 years p.a.	5 years p.a.	Since inception p.a.
Gross fund performance	-1.97	-1.97	0.69	-2.54	0.62	4.17
Net fund performance	-2.02	-2.11	0.09	-3.15	-0.07	3.41
Benchmark return	-1.64	-1.44	1.58	-2.23	0.15	3.32
Excess fund performance (gross)	-0.34	-0.53	-0.89	-0.31	0.48	0.85

Rolling 12 month performance (%)

Period ending 30/4/2024	30/04/2019 30/04/2020	30/04/2020 30/04/2021	30/04/2021 30/04/2022	30/04/2022 30/04/2023	30/04/2023 30/04/2024
Gross fund performance	7.02	4.12	-6.21	-1.96	0.69
Net fund performance	6.19	3.32	-6.87	-2.54	0.09
Benchmark return*	7.70	0.07	-6.59	-1.50	1.58

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	3 years	Fund	Benchmark
Duration	6.85	6.41	Volatility	5.92%	5.72%
Yield	5.94%	5.46%	Tracking error	0.97%	-
Yield to maturity	5.97%	5.47%	Sharpe ratio	-0.80	-
Average quality/rating	A	AA	Information ratio	-0.32	-
Number of issuers	460	3894			

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Top ten issuers (%)

Security	Fund	Benchmark
United States Treasury Note/Bond	12.51	17.41
Mexican Bonos	3.41	0.32
United States Treasury Bill	3.33	0.00
Bundesrepublik Deutschland Bundesanleihe	3.06	1.79
Ginnie Mae II Pool	2.75	0.00
Japan Government Ten Year Bond	2.63	2.86
Romanian Government International Bond	2.07	0.10
United Kingdom Gilt	2.06	2.80
Japan Government Twenty Year Bond	1.96	2.92
Spain Government Bond	1.91	1.79

Credit ratings (%)

Security	Fund	Benchmark
AAA	39.46	36.65
AA	27.32	15.56
A	18.07	30.66
BBB	5.00	0.55
BB	4.87	16.58
B	4.54	0.00
CCC & Below	0.44	0.00
Unrated	0.30	0.00

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

Regional weights (%)

	Fund	Benchmark
Asia/Pacific ex Japan	1.15	2.98
Canada	1.66	2.89
EMEA ex UK	23.06	24.02
Emerging	6.43	12.50
Frontier	2.83	0.50
Japan	7.93	10.22
Other	7.28	2.47
UK	2.86	2.84
US	46.80	41.58

Sector weights (%)

Security	Fund	Benchmark
Treasuries	36.57	44.39
Corporate – Investment Grade	22.08	17.53
Securitized	16.01	11.46
Other	9.60	2.26
Emerging Markets – Local Currency	6.06	12.75
Emerging Markets – Hard Currency	5.15	3.05
Corporate – High Yield	3.06	0.39
Government Related	1.47	8.17

ESG data

	Fund	Benchmark
ESG Risk Score**	21.70	20.45
Carbon Footprint***	134.33	146.52

** Higher scores imply higher 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
Russell Investments	Positioning Strategies	37%
RBC Global Asset Management (UK) Limited	Rates/FX	29%
Western Asset Management Company Pty Ltd	Investment Grade Corporate	21%
Schroder Investment Management North America Inc.	Structured Products	13%

Footnotes

All information contained in the document is for the current reporting period unless otherwise stated.
 *Effective August 24, 2021, the Bloomberg Barclays fixed income indices were rebranded the Bloomberg Indices.

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