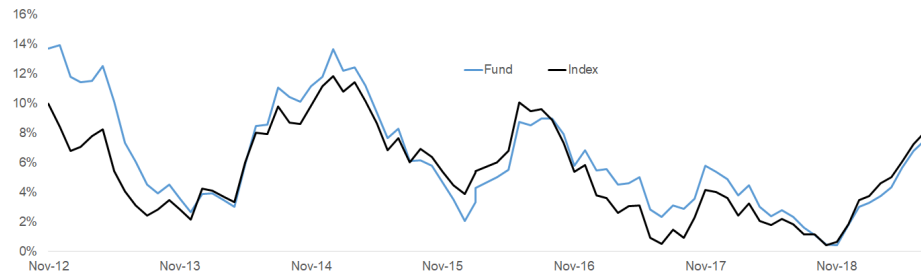


# Russell Investments Global Fixed Interest Fund

Fund facts	
<b>Inception date</b>	21 December 2011
<b>Benchmark</b>	Bloomberg Barclays Global Aggregate Index (\$NZ Hedged)
<b>Currency</b>	NZD

## Rolling 1 year performance history



## Performance review

Period ending 31/07/2019	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Gross fund performance	0.8	3.5	7.5	4.0	5.7	6.8
Benchmark return	0.7	3.5	8.0	3.4	5.4	5.8
Excess return	0.1	0.0	-0.5	0.6	0.3	1.0

Past performance is not a reliable indicator of future performance. Performance data shown is gross of fees, charges or taxes and is not in any way an indicator of the net return to you as an investor.

## Fund commentary

The Russell Investments Global Fixed Interest Fund (NZD hedged) narrowly outperformed the benchmark in July.

- Credit positioning had a positive effect through overweight positions to non-agency RMBS and investment-grade financials. Underweights to investment-grade industrials and government-related were minor headwinds.
- In active currency positioning meanwhile, underweights to the Swiss franc, euro, Hungarian forint and New Zealand dollar, added meaningful value. This was overturned however, by overweights to the Swedish krone, British pound, Norwegian krone and Polish zloty.
- In rates positioning, the underweight in Germany offset the gains generated through overweights in Greece and Spain.

Bluebay outperformed the benchmark in July. Rates positioning continued to drive performance at the start of Q3, notably through the overweights in Italy and Greece. Underweights in the UK and Germany were headwinds. In active currency positioning, the underweight to the euro added meaningful value. The overweights to the Norwegian krone and Swedish krone had a negative effect. In credit positioning, the underweights to IG industrials and hard currency EMD, slightly offset the gains generated through overweights to corporate high yield and agency RMBS.

Rates and currency specialist Colchester underperformed the benchmark this quarter. Rates positioning was positive through overweights in Singapore, Poland and Colombia. However, the underweights in Germany, France and the UK pulled back this positive effect. In active currency positioning, the overweights to British pound, Swedish krone, Norwegian krone and Polish zloty, offset the gains generated through underweight Hungarian forint, euro, New Zealand dollar and the Swiss franc.

## Portfolio statistics

	Fund	Benchmark
Modified duration	6.16	6.95
Yield to maturity	1.97%	1.48%
Average to maturity	8.90	8.80
Average credit rating	AA-	AA

Data as at 30 June 2019

# Russell Investments Global Fixed Interest Fund

## Sector allocation

	Fund	Benchmark
Governments & Cash	40.9%	50.7%
RMBS	13.6%	11.2%
EMD	11.5%	7.3%
IG Industrials	9.5%	10.0%
IG Finance	9.4%	6.8%
ABS	5.0%	0.2%
Government Related	4.2%	9.0%
CMBS	3.4%	0.8%
Corporate HY	2.1%	-
Others	0.4%	4.1%

Data as at 30 June 2019

## Credit quality weights

	Fund	Benchmark
AAA	37.2%	39.6%
AA	8.7%	15.8%
A	24.6%	29.3%
BBB	16.0%	15.4%
Under BBB	7.6%	0.0%
Not Rated	6.0%	-

Data as at 30 June 2019

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

## Portfolio structure

Manager	Style	Weight %
BlueBay	Country & credit selection	20.0
Colchester	Rates & currency – value	23.0
Insight	Macro / Sector rotation	20.0
Russell Investments	Positioning strategies	15.0
Schroders	Securitized specialist	10.0
Voya	Diversified alpha	12.0

The performance in this fact sheet is gross of fees and tax. Investors should also refer to the quarterly Fund Update, which is available on [www.iisolutions.co.nz](http://www.iisolutions.co.nz) and [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose). Past performance is not necessarily indicative of future performance.

The following information provides the investment and exposures within the underlying investment portfolio. Please note that this information is indicative only and is provided for general information purposes only.

Performance figures above may differ slightly from the periodic returns found on Russell Investments Performance Review.

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