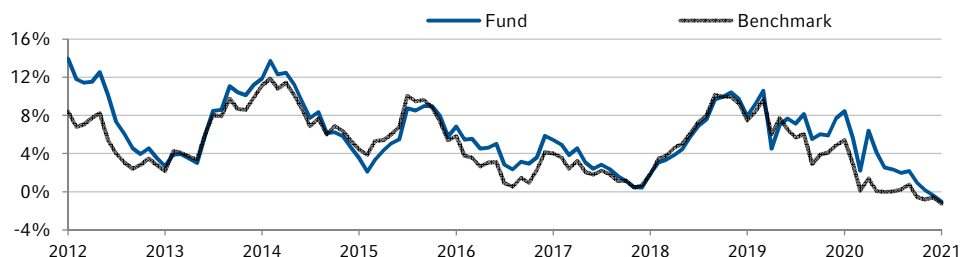


Russell Investments Global Fixed Interest Fund

Fund facts
Inception date
21 December 2011
Benchmark**
Bloomberg Global Aggregate Index (\$NZ Hedged)
Currency
NZD

Rolling 1 year performance history



Performance review

Period ending 31/12/2021	1 month %	3 months %	1 year %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Gross fund performance	-0.2	-0.2	-1.1	5.0	4.5	6.1
Benchmark return	-0.4	0.2	-1.2	3.8	3.5	4.9
Excess return	0.2	-0.4	0.2	1.2	1.0	1.2

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. Performance is calculated on exit price

Fund commentary

The Russell Investments Global Fixed Interest Fund underperformed the benchmark in the December quarter.

Interest rates positioning contributed to the Fund's underperformance over the period; notably an overweight to US Treasuries and underweights to German bunds and UK gilts. In contrast, the Fund benefited from our long-held overweight to credit. This included overweights to US high-yield debt, non-agency collateralised mortgage obligations and non-agency commercial mortgage-backed securities. Our overweights to European, Latin American and African hard currency emerging markets debt also added value over the period. Meanwhile, active currency positioning had a relatively neutral impact on overall performance, with gains from short Swiss franc and Canadian dollar positions offset by long Chinese renminbi and South African rand exposures. In terms of strategic factor performance, our rates factor and currency factor strategies detracted from returns over the period, while our credit risk premium added value. Our term risk premium had no meaningful impact on overall performance in the fourth quarter.

At the manager, BlueBay was the best performer for the quarter, benefiting in part from an overweight to European hard currency emerging markets debt and an underweight to French government bonds. Western Asset Management, corporate credit specialist Schroders and the Russell Investments Intelligent Credit strategy also outperformed. Meanwhile, the Russell Investments Integrated Governments strategy performed in line with its benchmark over the period. The strategy benefited from an underweight to Italian government debt and an overweight to Canadian government bonds, however this was offset by overweights to Australian and UK government debt.

Portfolio statistics

	Fund	Benchmark
Modified duration	7.71	7.39
Yield to maturity	2.34%	1.77%
Average to maturity	10.49	9.35
Average credit rating	AA	AA

Data as at 30 November 2021

Russell Investments Global Fixed Interest Fund

Sector allocation

	Fund	Benchmark
Treasuries	38.8%	46.6%
Cash	11.6%	-
Emerging Markets	11.2%	13.6%
Securitized	10.5%	13.5%
Corporates	10.4%	17.8%
Government Related	1.7%	8.6%
Bank Loan	0.1%	-
Other Product Type*	15.7%	-

Data as at 30 November 2021

* includes cash derivatives, foreign exchange options & swaps

Credit quality weights

	Fund	Benchmark
AAA	50.2%	36.8%
AA	6.3%	15.3%
A	20.3%	30.0%
BBB	14.7%	17.4%
Under BBB	3.6%	0.4%
Not Rated	4.9%	0.2%

Data as at 30 November 2021

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

Portfolio structure

Manager	Style	Strategic weight %
BlueBay	Country selection	26.0
Russell Investments	Integrated Global Governments	14.0
Russell Investments	Intelligent Credit	14.0
Russell Investments	Liquidity	5.0
Schroders	Securitized specialist	13.0
Western Asset Management	Security selection	28.0

Investment performance and positions

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 and www.business.govt.nz/disclose

Footnotes

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

Important Information

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