

# 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 incl. GST

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

The Fund outperformed the benchmark in a month when bonds sold off as expectations of interest rate cuts were recalibrated. Rates positioning was positive, helped by underweights to rates in Canada and Japan. Exposure to US Treasuries, notably an overweight to 1-year T-bills and an underweight to 5-year issues was also ineffective. In currencies, underweights to the Swiss franc, Swedish krona, and an overweight to the US dollar were beneficial while overweights to the Japanese yen and Norwegian krone detracted. In credit, overweights to investment grade in Europe and the US helped. Exposure to non-agency commercial mortgage-backed securities was also positive. However, positioning in hard currency emerging market debt was detrimental due to an overweight to Europe.

## Performance review (%)

Period ending 31/01/2024	1 month	3 months	1 year p.a.	3 years p.a.	5 years p.a.	Since inception p.a.
Gross fund performance	-0.15	6.94	3.70	-2.46	1.37	4.43
Net fund performance	-0.20	6.78	3.09	-3.08	0.67	3.66
Benchmark return	-0.22	6.23	4.05	-2.31	0.79	3.52
Excess fund performance (gross)	0.07	0.71	-0.35	-0.15	0.58	0.91

## Rolling 12 month performance (%)

Period ending 31/01/2024	31/01/19 31/01/20	31/01/20 31/01/21	31/01/21 31/01/22	31/01/22 31/01/23	31/01/23 31/01/24
Gross fund performance	9.20	5.64	-1.94	-8.74	3.70
Net fund performance	8.36	4.82	-2.67	-9.28	3.09
Benchmark return	8.39	2.94	-2.28	-8.32	4.05

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	6.44	6.59
Yield	4.72%	2.83%
Yield to maturity	4.74%	2.83%
Average quality/rating	AA	AA
Number of issuers	457	3894

Data as at 31 December 2023

3 years	Fund	Benchmark
Volatility	5.88%	5.68%
Tracking error	0.99%	-
Sharpe ratio	-0.73	-
Information ratio	-0.15	-

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## Top ten issuers (%)

Security	Fund	Benchmark
United States Treasury Note/Bond	13.95	16.79
United States Treasury Bill	3.82	-
Mexican Bonos	3.14	0.34
Ginnie Mae II Pool	2.78	-
Bundesrepublik Deutschland Bundesanleihe	2.68	1.85
Japan Government Ten Year Bond	2.56	3.18
Japan Government Twenty Year Bond	2.03	3.24
United Kingdom Gilt	1.92	2.93
Romanian Government International Bond	1.84	0.08
Fannie Mae or Freddie Mac	1.56	-

Data as at 31 December 2023

## Credit ratings (%)

	Fund	Benchmark
Unassigned	2.45	0.01
AAA	44.53	36.64
AA	6.23	16.84
A	16.04	30.41
BBB	26.30	15.69

Data as at 31 December 2023

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

## Regional weights (%)

	Fund	Benchmark
US	45.22	41.76
EMEA ex UK	20.33	24.02
Unknown	10.07	-
Japan	7.44	10.55
Emerging	5.94	11.97
UK	3.10	2.98
Frontier	2.84	0.47
Other	2.14	2.37
Canada	1.69	2.85
Asia/Pacific ex Japan	1.23	3.03

Data as at 31 December 2023

## Sector allocation (%)

	Fund	Benchmark
Government	48.34	65.54
Corporate	26.43	22.60
Securitized Products	15.30	11.86
Cash	10.09	-
Derivatives & Other	-0.16	-

Data as at 31 December 2023

## ESG data

	Fund	Benchmark
ESG Risk Score**	22.2	22.7
Carbon Footprint***	157.7	218.5

Data as at 31 December 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).

# Russell Investments Global Fixed Interest Fund

## 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.

## Important Information

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