

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

Interest rates positioning contributed positively to performance (in aggregate) over the period, including underweights to Canadian and Japanese government bonds. In the credit space, overweights to US and European investment-grade debt added value, as did our exposure to non-agency commercial mortgage-backed securities. Partly offsetting this positioning was our exposure to European hard currency emerging markets debt. In terms of active currency positioning, the Fund benefited from a long US dollar position as well as short Swiss franc and Swedish krona exposures. However, these positions were offset by long Japanese yen and Norwegian krone exposures.

Performance review (%)

Period ending 29/02/2024	1 month	3 months	1 year p.a.	3 years p.a.	5 years p.a.	Since inception p.a.
Gross fund performance	-0.84	2.33	4.50	-2.10	1.18	4.33
Net fund performance	-0.88	2.18	3.89	-2.72	0.48	3.56
Benchmark return	-0.70	2.16	5.12	-2.04	0.64	3.43
Excess fund performance (gross)	-0.14	0.17	-0.62	-0.06	0.54	0.90

Rolling 12 month performance (%)

Period ending 29/02/2024	28/02/19 29/02/20	29/02/20 28/02/21	28/02/21 28/02/22	28/02/22 28/02/23	28/02/23 29/02/24
Gross fund performance	10.59	2.19	-1.43	-8.92	4.50
Net fund performance	9.74	1.40	-2.15	-9.45	3.89
Benchmark return	9.67	0.12	-1.98	-8.75	5.12

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	6.60	6.52
Yield	5.15%	3.01%
Yield to maturity	5.17%	3.02%
Average quality/rating	A	AA
Number of issuers	480	3894

Data as at 31 January 2024

3 years	Fund	Benchmark
Volatility	5.81%	5.63%
Tracking error	0.97%	-
Sharpe ratio	-0.70	-
Information ratio	-0.07	-

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Top ten issuers (%)

Security	Fund	Benchmark
United States Treasury Note/Bond	12.91	17.18
United States Treasury Bill	4.07	-
Mexican Bonos	3.20	0.31
Bundesrepublik Deutschland Bundesanleihe	2.89	1.83
Ginnie Mae II Pool	2.85	-
Japan Government Ten Year Bond	2.54	3.05
Japan Government Twenty Year Bond	2.00	3.13
United Kingdom Gilt	1.96	2.93
Romanian Government International Bond	1.87	0.09
Fannie Mae or Freddie Mac	1.77	-

Data as at 31 January 2024

Credit ratings (%)

	Fund	Benchmark
Unassigned	3.00	0.01
AAA	39.55	36.56
AA	5.53	16.70
A	17.51	30.73
BBB	28.08	15.60

Data as at 31 January 2024

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

Regional weights (%)

	Fund	Benchmark
US	46.48	41.50
EMEA ex UK	22.31	23.93
Japan	7.33	10.81
Emerging	6.79	12.10
Unknown	6.01	-
UK	3.17	2.93
Frontier	2.91	0.48
Other	2.09	2.35
Canada	1.70	2.88
Asia/Pacific ex Japan	1.21	3.02

Data as at 31 January 2024

Sector allocation (%)

	Fund	Benchmark
Government	48.90	65.83
Corporate	28.95	22.43
Securitized Products	16.20	11.74
Cash	6.02	-
Derivatives & Other	-0.07	-

Data as at 31 January 2024

ESG data

	Fund	Benchmark
ESG Risk Score**	22.0	22.7
Carbon Footprint***	148.3	213.0

Data as at 31 January 2024

**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).

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Portfolio structure (manager weight)

Manager	Style	Target Allocation
RBC 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.

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