

UK IFA Defensive Assets



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Portfolio Manager

Russell Investments' Multi-Asset Strategies Team comprises over 23 experienced professionals, including portfolio managers, researchers, portfolio analysts, and strategists in Russell Investments offices around the globe. This team focuses on total client outcomes, including all major asset classes in their solutions. They identify areas of the market offering attractive valuations and growth potential with a reasonable level of risk and

Fund Objective

This fund aims to preserve your capital over the long term and give you a greater return than you'd get from cash, with low volatility. We aim to achieve this by combining traditionally lower volatility investments to produce steady returns. Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met. The Fund may use currency hedging techniques to reduce exposure to currencies other than Sterling. The fund utilises both active management and passive strategies in its implementation.

Suggested Use

We've designed this fund to offset some of the risk of equities and real assets, and help achieve a steady total return. It has diversification built-in and works well as the defensive element within a wider portfolio of investments. This fund is designed to be the defensive element within a wider portfolio of investments.

Fund Update

The Fund delivered a positive return in the third quarter. After a shaky start due to recession fears, risk markets rebounded on more encouraging economic data from the US and signals from Fed Chair Jerome Powell that US interest rates would be lowered imminently. The central bank followed through with a bumper 50-bps interest rate cut in September. Later in the quarter, equities were further boosted by new measures in China aimed at reviving the ailing economy. In this market environment, fixed income assets outperformed equities, and our exposure to high yield bonds was beneficial as credit spreads narrowed. Our large exposure to rate-sensitive government bonds and investment grade credit was also positive due to falling yields. Our exposure to alternative sources of fixed income through securitised credit and short-dated US inflation linked bonds delivered positive returns due to their attractive carry.

Performance Review %

Performance to period end Returns shown in GBP	1 month	3 months	6 months	Year to Date	1 year	3 years	5 years	10 years	Since inception
Return net of management fee Class C Class Share Accumulation GBP	0.8	3.1	3.3	3.4	9.6	-1.6	-0.3	0.7	1.0
Bank of England Base Rate	0.4	1.3	2.6	3.9	5.2	3.3	2.1	1.3	1.0

All returns greater than 1 year are annualised

Fund facts
Inception date
12 January 2010
Benchmark
Bank of England Base Rate
SEDOL
B4L7KL8
Ongoing Charge
0.87% (30/11/23)
Minimum Investment
£1,000 initial, £500 subsequent
Currency
GBP
Distribution date
28 February

Rolling 12 Month Performance (%)

Returns shown in GBP	30/09/23 30/09/24	30/09/22 30/09/23	30/09/21 30/09/22	30/09/20 30/09/21	30/09/19 30/09/20
Return net of management fee Class C Class Share Accumulation GBP	9.57	2.11	-14.85	1.03	2.10
Bank of England Base Rate	5.22	4.05	0.77	0.10	0.39

Returns shown in GBP	30/09/18 30/09/19	30/09/17 30/09/18	30/09/16 30/09/17	30/09/15 30/09/16	30/09/14 30/09/15
Return net of management fee Class C Class Share Accumulation GBP	5.84	0.01	0.11	4.38	-1.05
Bank of England Base Rate	0.75	0.52	0.25	0.46	0.50

Past performance does not predict future returns.

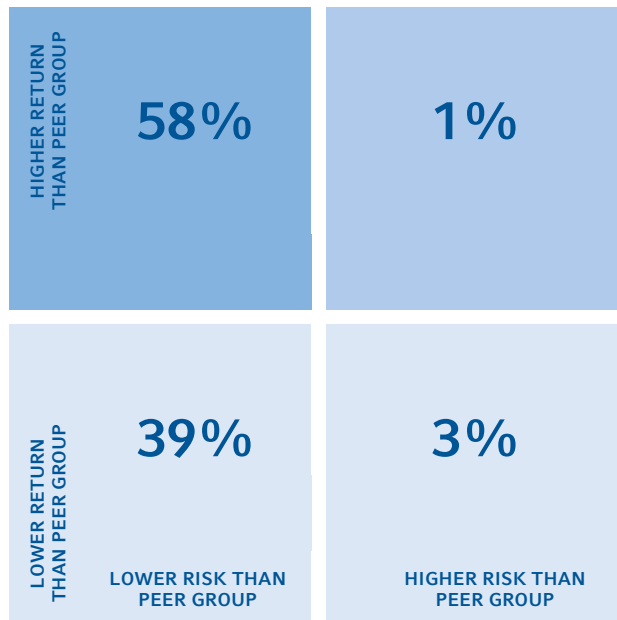
The Bank of England Base Rate is the target benchmark against which the performance of the Fund has been set. The benchmark was chosen because the Fund aims to generate cash equivalent returns. The Fund is intended to form a component part of a diversified portfolio of holdings, rather than as a standalone investment.

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Portfolio Statistics

	Fund
No of Managers	22
No of Holdings	4368
Volatility 3 Year	6.0%
Volatility 5 Year	5.7%
Current yield	2.2%
Fund size	GBP 53.51m

Rolling 12-Month Risk & Return



The vertical quadrants illustrate the percentage of 12-month periods the fund has delivered more or less return than the Bank of England Base Rate. The horizontal quadrants show how often the fund exhibited more or less volatility than the Morningstar Europe OE Global Large-Cap Blend Equity sector

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Portfolio Structure

Portion of fund	Allocation to fund portion	Managers allocated to each portion, and their weight in the total fund			
Fixed Income	88.2%				
Core Global Fixed Income	48.9%	RBC Global Asset Management 6.0%	Schroder 3.4%	Colchester 3.5%	Russell Investments 5.5%
	-	iShares UK UCITS ETF 7.7%	Amundi Government Bond ETF 10.2%	iShares Global bond ESG ETF 7.8%	iShares USD UCITS ETF 4.8%
Investment Grade Credit	23.3%	Fidelity 3.3%	Metlife 5.2%	Robeco 5.9%	Russell Investments 4.6%
	-	iShares GBP ESG corporate bond ETF 3.5%	iShares GBP corporate bond ETF 0.7%		
Securitized	4.6%	Schroders 4.6%			
High Yield Credit	11.4%	Barings 4.5%	DDJ 0.1%	Hermes 3.1%	Russell Investments 3.7%
Cash & Positioning Strategies	11.8%				
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Some investments/bonds may not be liquid and therefore may not be sold instantly. If these investments must be sold on short notice, you might suffer a loss.

Past performance does not predict future returns.

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