

Russell Investments Global Bond Fund



Gerard Fitzpatrick
Portfolio Manager

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 Objective

The Fund aims to achieve income and growth by investing at least 70% of its assets worldwide in bonds, and debt instruments, including mortgage and asset backed securities. The Fund is actively managed with reference to the Bloomberg Global Aggregate Index (USD) - Total Returns (the Index) which it seeks to outperform by 1% over the medium to long term. Russell Investments/ Money Managers have full discretion to select investments for the Fund. This product is an Article 8 product, as defined under EU regulation - it promotes environmental or social characteristics and invests in companies that follow good governance practices. This product does not have sustainable investment as its objective.

Fund Update

The Fund performed in line with the benchmark. Rates positioning was positive, benefitting from overweights to US Treasuries (two and 10-year issues), UK gilts and Mexican rates. An underweight to Japanese rates also helped. Currency allocations were negative due to positioning in the Chinese yuan and underweights to the Swiss franc and euro. However, overweights to the US dollar, Turkish lira and Mexican peso were effective. Credit allocations were positive, helped by an overweight to European investment grade financials. In US credit, the positive impact from an underweight to investment grade industrials was offset by an overweight to high yield industrials. Allocations to hard currency emerging market debt were rewarded, mainly due to exposure to Europe. Elsewhere, positioning in sovereign debt in Italy, France and Spain detracted.

Performance Review %

| Performance to period end Returns shown in EUR | 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 Class EH-B Income | 1.6 | 3.4 | 0.8 | 0.5 | 3.4 | -4.6 | -2.0 | -0.2 | 1.1 |
| Bloomberg Global Aggregate Bond Index Euro Hedged | 1.8 | 3.3 | 1.5 | 1.1 | 4.3 | -3.3 | -1.3 | 0.5 | 1.4 |

All returns greater than 1 year are annualised

Fund facts

Share Class; Dealing ccy

Class EH-B Income; EUR

Dealing frequency; Cut off

Daily; 2:00 pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 1,436.60m

Fund launch date

29 September 1994

Share class launch date

06 May 2011

Management fee

1.20%

ISIN; Bloomberg

IE00B3LHS170;

Share class NAV

EUR 12.41m

Rolling 12 Month Performance (%)

| Returns shown in EUR | 30/06/23 30/06/24 | 30/06/22 30/06/23 | 30/06/21 30/06/22 | 30/06/20 30/06/21 | 30/06/19 30/06/20 |
|---------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class Class EH-B Income | 5.29 | -5.83 | 1.79 | -4.12 | 7.86 |
| Bloomberg Global Aggregate Bond Index Euro Hedged | 6.07 | -3.68 | 3.29 | -5.22 | 7.54 |

| Returns shown in EUR | 30/06/18 30/06/19 | 30/06/17 30/06/18 | 30/06/16 30/06/17 | 30/06/15 30/06/16 | 30/06/14 30/06/15 |
|---------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class Class EH-B Income | 8.85 | -0.89 | -1.64 | - | - |
| Bloomberg Global Aggregate Bond Index Euro Hedged | 10.52 | -0.70 | -3.00 | - | - |

Past performance does not predict future returns.

The current benchmark is the Bloomberg Global Aggregate Index (EUR Hdg) - Total Returns. Effective August 24, 2021, the Bloomberg Barclays fixed income indices were rebranded the Bloomberg Indices. The benchmark prior to 24th August 2016 was the Barclays Global Aggregate Bond Index EUR Hdg. The benchmark prior to November 2008 was the Lehman Brothers Global Aggregate (EURH) Index.

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Portfolio Statistics

| | Fund |
|-----------------------|------|
| Effective duration | 6.8 |
| Average maturity | 10.3 |
| Average credit rating | AA |
| Yield to worst | 3.3 |
| Volatility 3 Year | 8.8% |
| Volatility 5 Year | 7.9% |

| 3 years | Fund | Benchmark |
|----------------------------|-------|-----------|
| Volatility | 8.8 | 8.8 |
| Tracking error | 1.0 | 1.0 |
| Sharpe ratio | - | - |
| Information ratio | 0.0 | 0.0 |
| 3 year return (net) | -4.5% | -3.3% |
| 3 year excess return (net) | -1.3% | - |

Ten largest holdings by weight

| Security | Fund | Benchmark |
|-------------------------------------------|------|-----------|
| TREASURY BILL 09/24 0.00000 | 3.9% | - |
| US TREASURY N/B 05/25 2.875 | 2.1% | - |
| US TREASURY N/B 09/24 1.5 | 1.9% | - |
| US TREASURY N/B 03/25 1.75 | 1.9% | - |
| MEX BONOS DESARR FIX RT BONDS 03/27 5.5 | 1.8% | 0.0% |
| FNMA TBA 30 YR 6 SINGLE FAMILY MORTGAGE | 1.8% | - |
| TREASURY BILL 09/24 0.00000 | 1.6% | - |
| FNMA TBA 30 YR 5.5 SINGLE FAMILY MORTGAGE | 1.5% | - |
| US TREASURY N/B 04/25 0.375 | 1.3% | - |
| US TREASURY N/B 05/26 4.875 | 1.2% | 0.1% |

Credit Quality Weights

| | Fund | Benchmark |
|-------------|-------|-----------|
| AAA | 41.7% | 37.6% |
| AA | 4.8% | 16.7% |
| A | 17.0% | 29.7% |
| BBB | 27.8% | 15.4% |
| BB | 4.4% | 0.5% |
| B | 0.2% | 0.0% |
| CCC & Below | 0.3% | 0.0% |
| Unrated | 3.8% | 0.0% |

Sector weights

| | Fund | Benchmark |
|-----------------------------------|-------|-----------|
| Treasuries | 41.8% | 44.2% |
| Corporate - Investment Grade | 21.9% | 17.6% |
| Securitized | 16.9% | 11.7% |
| Emerging Markets - Local Currency | 5.6% | 12.8% |
| Emerging Markets - Hard Currency | 4.8% | 3.0% |
| Other | 4.6% | 2.2% |
| Corporate - High Yield | 3.0% | 0.4% |
| Government Related | 1.3% | 8.2% |
| Bank Loan | 0.0% | 0.0% |

Currency Exposure

| | Fund | Benchmark |
|-------------------|-------|-----------|
| US Dollar | 47.0% | 45.9% |
| Euro | 20.5% | 22.3% |
| Japanese Yen | 9.9% | 9.1% |
| Yuan Renminbi | 9.3% | 9.5% |
| Pound Sterling | 4.0% | 4.0% |
| Canadian Dollar | 2.9% | 2.8% |
| Australian Dollar | 1.6% | 1.4% |
| South Korean Won | 0.9% | 1.2% |
| Brazilian Real | 0.7% | 0.0% |
| Turkish Lira | 0.4% | 0.0% |

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ESG Data

| | Fund | Benchmark |
|------------------|-------|-----------|
| ESG Score | 20.3 | 19.7 |
| Carbon Footprint | 104.1 | 153.4 |

Source: The portfolio-level ESG Risk Rating is the weighted average of the Sustainalytics' Risk Rating for securities in the portfolio. The Sustainalytics Risk Rating details are available at <https://www.sustainalytics.com/esg-data>. Carbon footprint is the weighted average carbon intensity of the Scope 1 and 2 carbon emission intensity of companies in the portfolio. It is measured in tonnes of CO2e divided by revenue (USD \$M).

Fund Structure

| Manager/Strategy | Strategy | Target | Actual |
|---------------------------------------------------|----------------------------|--------|--------|
| RBC Global Asset Management (UK) Limited | Rates/FX | 29.0% | 33.5% |
| Schroder Investment Management North America Inc. | Structured Products | 13.0% | 17.9% |
| Western Asset Management Company Limited | Investment Grade Corporate | 21.0% | 13.3% |
| Russell Investments | Positioning Strategies | 37.0% | 35.4% |

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