

Russell Investments Global High Yield 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

Fund objective The Fund aims to achieve long term income and growth by investing in high yield corporate bonds issued by companies in both developed and emerging markets. The Fund invests in bonds issued which pay either a fixed or variable rate of interest. The Fund is actively managed with reference to the ICE BofA Developed Markets HY Constrained Index (EUR) (the Index) which it seeks to outperform by 0.75% 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 outperformed the benchmark over the quarter. High yield spreads widened amid heightened political uncertainty, particularly in Europe. This followed the announcement of snap parliamentary elections in France after the far-right made significant gains in European Union elections. In US credit, overweight exposure to high yield financials contributed positively although this was offset by an underweight to high yield industrials which detracted. Exposure to US investment grade was helpful. In Europe, an overweight to high yield industrials detracted. However, overweights to high yield in other markets contributed positively. In hard currency emerging market debt, overweight exposure to high yield in Latin America and Asia was beneficial.

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 B Income	0.5	0.7	1.4	1.4	8.2	-1.5	1.3	1.5	1.8
ICE BofA Developed Market HY Constrained Index EUR Hedged	0.8	0.9	2.2	2.2	9.2	0.1	2.0	2.7	3.1

All returns greater than 1 year are annualised

Fund facts

Share Class; Dealing ccy

Class B Income; EUR

Dealing frequency; Cut off

Daily; 2:00 pm GMT

Domicile; Category

Ireland; UCITS

Fund size

EUR 409.06m

Fund launch date

28 February 2012

Share class launch date

18 January 2013

Management fee

1.60%

ISIN; Bloomberg

IE00B9721T72;

Share class NAV

EUR 1.80m

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 B Income	8.19	4.06	-15.16	16.46	-3.89
ICE BofA Developed Market HY Constrained Index EUR Hedged	9.17	6.71	-14.02	13.51	-3.07

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 B Income	3.65	-2.99	11.18	-0.10	-2.81
ICE BofA Developed Market HY Constrained Index EUR Hedged	5.24	-0.36	10.43	3.14	-0.94

Past performance does not predict future returns.

The current benchmark is the ICE BofA Developed Markets HY Constrained Index (EUR Hdg). Prior to 31st March 2019 the benchmark was BofAml Global High Yield 2% Constrained EH Index. Prior to 3rd December 2015, the composite benchmark was 70% BofAml Global High Yield 2% Constrained EH, 30% JP Morgan EMBIG EH.

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Portfolio Statistics

	Fund	Benchmark
Effective duration	3.4	3.0
Average maturity	7.3	6.1
Average credit rating	BB	B
Yield to worst	5.4	6.4

3 years	Fund	Benchmark
Volatility	7.7	7.7
Tracking error	0.0	0.0
Sharpe ratio	-0.5	-0.5
Information ratio	-	-
3 year return (net)	-1.5%	0.1%
3 year excess return (net)	-1.5%	-

Ten largest holdings by weight

Security	Fund	Benchmark
US TREASURY N/B 08/25 2.75	3.0%	-
REAL ALLOY COMMO	1.4%	-
UNITED KINGDOM GILT BONDS REGS 09/24 2.75	1.4%	-
TREASURY BILL 08/24 0.00000	1.2%	-
HIGHLAND HOLDINGS BOND SR SECURED 144A 10/25 7.625	0.6%	-
LEVEL 3 FINANCING INC SR SECURED 144A 11/29 11	0.5%	0.1%
GLOBAL AIR LEASE CO LTD SR UNSECURED 144A 09/24 6.5	0.5%	-
TRAVELEX ISSUERCO 2 PLC COMPANY GUAR REGS 08/25 12.5	0.5%	-
MARKS + SPENCER PLC SR UNSECURED REGS 07/27 4.5	0.5%	0.0%
PIKE CORP COMPANY GUAR 144A 09/28 5.5	0.5%	0.0%

Credit Quality Weights

	Fund	Benchmark
AAA	-2.3%	0.0%
AA	1.4%	0.0%
A	0.2%	0.0%
BBB	9.2%	0.5%
BB	54.7%	47.0%
B	27.1%	40.3%
CCC & Below	7.3%	12.3%
Unrated	2.6%	0.0%

Sector weights

	Fund	Benchmark
Corporate - High Yield	80.6%	95.3%
Corporate - Investment Grade	9.1%	0.5%
Emerging Markets - Hard Currency	7.3%	3.3%
Treasuries	5.6%	0.0%
Government Related	1.8%	0.9%
Securitized	0.2%	0.0%
Other	-4.5%	0.0%

Currency Exposure

	Fund	Benchmark
Euro	96.4%	100.0%
US Dollar	5.1%	0.0%
Pound Sterling	1.8%	0.0%
Norwegian Krone	1.7%	0.0%
Argentine Peso	0.0%	0.0%
Australian Dollar	0.0%	0.0%
Canadian Dollar	0.0%	0.0%
Japanese Yen	-0.8%	0.0%
Swedish Krona	-0.8%	0.0%
New Zealand Dollar	-0.8%	0.0%

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Fund Structure

Manager/Strategy	Strategy	Target	Actual
Barings LLC	Global High Yield	35.0%	36.0%
Hermes Fund Managers Ireland Limited	Global High Yield	34.0%	33.1%
Russell Investments	Positioning Strategies	31.0%	29.3%

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Past performance does not predict future returns.

The net assets of the fund are likely to have high volatility.

Potential investors in Emerging markets should be aware that investment in these markets can involve a higher degree of risk.

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