

Russell Investments Floating Rate Fund



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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 facts

Share Class; Dealing ccy

AUD-H; AUD

Dealing frequency; Cut off

See Prospectus

Domicile; Category

Ireland; NON-UCITS

Fund launch date

25 April 2014

Share class launch date

17 May 2017

Management fee

0.90%

ISIN; Bloomberg

IE00BD8Z6K96;

Share class NAV

AUD 28.83m

Fund Objective

Russell Investments Floating Rate Fund aims to provide income and capital growth by investing in floating rate loans and debt securities, asset-backed securities and residential and commercial mortgage backed securities, issued primarily in Europe and the U.S.

Fund Update

The Fund recorded a negative return. Geopolitical concerns and the US government shutdown contributed to investor nervousness, raising the appeal of safe-haven assets. Furthermore, two high-profile bankruptcies and warnings of alleged fraud by borrowers from two US regional banks triggered worries over risk in credit markets, which saw high yield spreads widen in the US and Europe. Whilst the Federal Reserve cut its benchmark rate by 25 basis points (bps) it downplayed the likelihood of a cut in December citing the challenges it faced by a lack of economic data due to the shutdown. The European Central Bank left rates unchanged amid a strengthening economy and benign inflation. Both underlying strategies recorded a negative return.

Performance Review %

| Performance to period end Returns shown in AUD | 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 AUD-H | -0.5 | 0.4 | 3.4 | 4.0 | 5.4 | 9.0 | 5.2 | - | 3.9 |
| UBS Australian Bank Bill (LBD) - AUD | 0.3 | 0.9 | 1.9 | 3.3 | 4.1 | 4.1 | 2.6 | 2.1 | 2.1 |

All returns greater than 1 year are annualised

Rolling 12 Month Performance (%)

| Returns shown in AUD | 30/09/24 30/09/25 | 30/09/23 30/09/24 | 30/09/22 30/09/23 | 30/09/21 30/09/22 | 30/09/20 30/09/21 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class AUD-H | 6.92 | 9.23 | 9.25 | -6.33 | 8.80 |
| UBS Australian Bank Bill (LBD) - AUD | 4.19 | 4.41 | 3.56 | 0.52 | 0.04 |

| Returns shown in AUD | 30/09/19 30/09/20 | 30/09/18 30/09/19 | 30/09/17 30/09/18 | 30/09/16 30/09/17 | 30/09/15 30/09/16 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class AUD-H | -2.47 | 2.95 | 4.89 | - | - |
| UBS Australian Bank Bill (LBD) - AUD | 0.58 | 1.74 | 1.87 | 1.76 | - |

Past performance does not predict future returns.

The current benchmark is the UBS Australian Bank Bill (LBD) - AUD.

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Portfolio Statistics

| | Fund |
|-----------------------|------|
| Spread | 2.7 |
| Effective duration | 0.2 |
| Average credit rating | BB |
| Yield to worst | 7.0 |

| 3 years | Fund | Benchmark |
|----------------------------|------|-----------|
| Volatility | 2.7 | 2.7 |
| Tracking error | 2.8 | 2.8 |
| Sharpe ratio | 1.9 | 1.9 |
| Information ratio | 2.3 | 2.3 |
| 3 year return (net) | 9.0% | 4.1% |
| 3 year excess return (net) | 4.9% | - |

Credit Quality Weights

| | Fund |
|-------------|-------|
| AAA | 6.7% |
| AA | 3.1% |
| A | 4.1% |
| BBB | 9.1% |
| BB | 11.1% |
| B | 41.2% |
| CCC & Below | 11.6% |
| Unrated | 13.2% |

Sector weights

| | Fund |
|----------------------------------|-------|
| Bank Loan | 49.4% |
| Securitized | 38.2% |
| Corporate - High Yield | 7.5% |
| Other | 4.2% |
| Emerging Markets - Hard Currency | 0.8% |

Market weights (ccy)

| | Fund |
|-------------------|-------|
| Euro | 85.3% |
| Pound Sterling | 9.7% |
| Australian Dollar | 5.0% |
| US Dollar | 0.1% |

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Fund Structure

| Manager/Strategy | Strategy | Target | Actual |
|------------------------------|------------------------|--------|--------|
| ICG GLOBAL LOAN-D EUR ACC | | 64.0% | 54.7% |
| TWENTYFOUR SU E IN ABS-A EUR | | 34.0% | 38.6% |
| Russell Investments | Positioning Strategies | 2.0% | -1.0% |

Russell Investments may trade a portion of the Fund's assets based on a model portfolio provided by the investment advisor. By employing this emulated portfolio approach, the Fund leverages off the implementation capabilities of Russell Investments in order to manage the funds in an efficient manner.

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KvK number 67296386