

Russell Investments

Global High Yield 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

Share class; Dealing ccy

Class NZDH-A Acc; NZD

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

EUR 507.23m

ISIN; Bloomberg

IE00BYH8666; RUGNZDH ID

Fund launch date

31 July 1998

Share class launch date

01 February 2018

Management fee

1.00%

Share class NAV

NZD 1,046.24

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.

Fund update

The Fund underperformed the benchmark return. Credit fundamentals remained robust despite economic growth headwinds. This led US and EU corporate high yield spreads to tighten significantly over the month. Within this environment, the Fund's underweight to US high yield was the primary detractor. However, exposure to European high yield industrials contributed positively. Exposure to hard currency emerging market debt within Asia was also rewarded and limited additional underperformance.

Performance review (%)

Performance to period end Returns shown in NZD	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class NZDH-A Acc	1.8	-3.9	-13.5	-12.6	0.5	-	2.0
Return net of management fee Class NZDH-A Acc	1.7	-4.1	-14.2	-13.4	-0.5	-	1.0
ICE BofA Developed Markets HY Constrained Index (NZD Hdg)	2.5	-3.9	-12.8	-12.2	-0.8	-	1.1

*Inception: 01 February 2018

All returns greater than 1 year are annualised
Data as at 31 October 2022

Discrete rolling 12 month performance (%)

Returns shown in NZD	30/09/17 30/09/18	30/09/18 30/09/19	30/09/19 30/09/20	30/09/20 30/09/21	30/09/21 30/09/22
Return gross of management fee Class NZDH-A Acc	-	6.7	1.0	16.3	-14.7
Return net of management fee Class NZDH-A Acc	-	5.7	0.0	15.2	-15.6
ICE BofA Developed Markets HY Constrained Index (NZD Hdg)	-	6.8	0.6	10.9	-14.6

Past performance is not a guide to future performance.

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

Portfolio statistics

	Fund	Benchmark	3 years	Fund	Benchmark
Effective duration	4.1	4.0	Volatility	11.3	11.2
Average maturity	7.4	6.5	Tracking error	1.8%	-
Average credit rating	BB	B	Sharpe ratio	-0.2	-0.3
Yield to worst	6.7	7.4	Information ratio	0.2	-
			3 year return (net)	-0.5%	-0.8%
			3 year excess return (net)	0.4%	-

Data as at 30 September 2022

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Global High Yield Fund (continued)

Ten largest holdings by weight

Security	Fund
Us Treasury N/B 0.25 15-Mar-2024	4.5%
Us Treasury N/B 0.25 31-Aug-2025	2.8%
Vistra Operations Co Llc 4.875 13-May-2024	1.0%
United Kingdom Gilt 3 31-Jan-2024	0.8%
Global Air Lease Co Ltd 6.5 15-Sep-2024	0.6%
Cco Hldgs Llc/Cap Corp 6.375 01-Sep-2029	0.5%
Enterprise Products Oper 5.375 15-Feb-2078	0.5%
Electricite De France Sa 6 29-Jul-2170	0.5%
Dkt Finance Aps 7 17-Jun-2023	0.5%
Plains All American Pipe 6.125 15-Nov-2170	0.5%

Source: State Street
Data as at 31 October 2022

Sector weights

	Fund	Benchmark
Corporates	88.2%	96.5%
Treasuries	10.1%	-
EMD Hard	5.6%	2.5%
Gov-related	1.7%	1.0%
Loans	0.4%	-
Securitised	0.1%	0.0%
Other	-6.2%	-

Data as at 30 September 2022

Credit quality weights

	Fund	Benchmark
AAA & Cash	1.8%	-
AA	0.8%	-
A	0.2%	-
BBB	11.4%	0.2%
BB	50.7%	49.9%
B	23.8%	39.3%
CCC	9.2%	10.5%
NR/Other	2.0%	0.0%

Data as at 30 September 2022

Market weight (ccy)

	Fund	Benchmark
USD	64.8%	75.2%
EUR	28.9%	21.7%
GBP	6.1%	2.4%
CHF	0.2%	-
CAD	0.1%	0.8%
JPY	0.0%	-
ARS	0.0%	-
AUD	0.0%	-

Data as at 30 September 2022

Fund structure

Manager/Strategy	Role in fund	Target	Actual
Hermes	Global top-down tactical approach. Emphasis on capital structure trades	35.0%	37.2%
Barings	Focus on credit selection; accessing illiquidity and value premia	35.0%	32.1%
Russell Investments	Positioning strategy	30.0%	23.9%
Russell Investments (cash & other)		-	6.7%

Data as at 31 October 2022

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Global High Yield Fund (continued)

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