

Russell Investments

Global Bond Fund

Article 8



Senior 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 GBPH-M Income; GBP

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 1,529.17m

ISIN; Bloomberg

IE00BKT6S150; RGBGBPH ID

Fund launch date

30 September 1994

Share class launch date

04 October 2019

Management fee

0.55%

Share class NAV

GBP 853.02

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 outperformed the benchmark. Rates positioning was negative, largely due to overweight exposure to US Treasuries (1-year and 10-year). An overweight to South African rates also detracted. However, an underweight to rates in Japan and an overweight to Mexico contributed positively. Allocations to German bunds and UK gilts also helped. In currencies, underweights to the Australian dollar, Swedish krona and Swiss franc and an overweight to the US dollar were effective while exposure to the Japanese yen, Norwegian krone and New Zealand dollar were negative. Credit positioning was positive, helped by an overweight to high yield and an underweight to investment grade in the US. Overweights to credit in Europe and the UK were also rewarded. In hard currency emerging market debt, an overweight to Europe was beneficial.

Performance review (%)

Performance to period end Returns shown in GBP	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class GBPH-M Income	0.0	-0.9	-0.9	2.3	-2.4	-	-0.9
Return net of management fee Class GBPH-M Income	-0.1	-1.0	-1.0	1.7	-2.9	-	-1.4
Bloomberg Global Aggregate Index (GBP Hdq) - Total Returns	0.9	-0.1	-0.1	3.5	-2.0	-	-0.9

*Inception: 04 October 2019

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

Returns shown in GBP	31/03/24 31/03/23	31/03/23 31/03/22	31/03/22 31/03/21	31/03/21 31/03/20	31/03/20 31/03/19
Return gross of management fee Class GBPH-M Income	2.3	-5.4	-3.8	5.6	-
Return net of management fee Class GBPH-M Income	1.7	-5.9	-4.3	5.0	-
Bloomberg Global Aggregate Index (GBP Hdq) - Total Returns	3.5	-5.1	-4.1	1.1	-

Past performance does not predict future returns.

Effective August 24, 2021, the Bloomberg Barclays fixed income indices were rebranded the Bloomberg Indices.

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Global Bond Fund (continued)

Portfolio statistics

	Fund Benchmark	
Effective duration	6.6	6.5
Average maturity	9.8	8.6
Average credit rating	AA	AA
Yield to worst	3.2	3.8

Data as at 29 February 2024

3 years	Fund Benchmark	
Volatility	5.7	5.6
Tracking error	1.1%	-
Sharpe ratio	-0.6	-0.5
Information ratio	-0.8	-
3 year return (net)	-2.9%	-2.0%
3 year excess return (net)	-0.9%	-

Ten largest holdings by weight

Security	Fund
Us Treasury N/B 1.5 30-Sep-2024	2.8%
Us Treasury N/B 0.25 15-Jun-2024	2.1%
Us Treasury N/B 2.875 31-May-2025	1.9%
Treasury Bill 0 07-May-2024	1.9%
Mex Bonos Desarr Fix Rt 5.5 04-Mar-2027	1.8%
Treasury Bill 0 21-May-2024	1.7%
FncI 5.5 10-Apr-2020	1.0%
FncI 6 4/23 6 13-Apr-2024	1.0%
Us Treasury N/B 3.5 31-Jan-2028	0.9%
Us Treasury N/B 1.5 15-Aug-2026	0.9%

Source: State Street

Sector weights

	Fund	Benchmark
Treasuries	38.9%	44.5%
Corporates	22.6%	17.8%
Securitised	15.8%	13.8%
Other	8.1%	0.1%
EMD Hard	6.5%	3.0%
EMD Local	6.0%	12.6%
Gov-related	2.1%	8.1%
Loans	0.0%	-

Data as at 29 February 2024

Credit quality weights

	Fund	Benchmark
AAA & Cash	42.0%	36.5%
AA	6.2%	16.7%
A	16.4%	30.6%
BBB	27.5%	15.6%
BB	4.0%	0.5%
B	0.5%	0.0%
CCC	0.3%	0.0%
NR/Other	3.2%	0.0%

Data as at 29 February 2024

Market weights (ccy)

	Fund	Benchmark
USD	53.0%	44.7%
EUR	24.7%	22.3%
JPY	6.9%	10.6%
GBP	5.7%	4.0%
MXN	3.4%	0.3%
CAD	1.5%	2.7%
ZAR	0.9%	-
CNY	0.7%	9.3%
AUD	0.6%	1.4%
Others	2.6%	4.7%

Data as at 29 February 2024

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Global Bond Fund (continued)

ESG data

	Fund	Benchmark
ESG Score	22.5	22.7
Carbon footprint	153.1	211.0

Data as at 29 February 2024

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	Role in fund	Target	Actual
RBC Global Asset Management	Country selection with focus on macroeconomic fundamentals and technicals	29.0%	33.6%
Schroder	Securitised specialist focusing on US non-agency residential mortgages	13.0%	17.1%
Western Asset Management	Focus on long-term bottom-up fundamentals, with topdown macroeconomic views	21.0%	12.1%
Russell Investments	Positioning strategy targeting currency and rate factors	37.0%	35.1%
Russell Investments (cash & other)		-	2.2%

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