

Russell Investments Global High Yield Fund

Article 8



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 A Roll Up; EUR

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

EUR 409.67m

ISIN; Bloomberg

IE00B459FF93; RUGSYAR ID

Fund launch date

31 July 1998

Share class launch date

31 July 1998

Management fee

1.00%

Share class NAV

EUR 1,441.10

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 ended the month in line with the benchmark. High yield credit outperformed investment grade while credit spreads diverged. Global high yield spreads tightened whereas US and European high yield spreads widened, the latter more noticeably. In US credit, an overweight to high yield financials was helpful although the positive impact was offset by underweights to high yield industrials and utilities. An overweight to US investment grade industrials was additive. In Europe, an overweight to high yield industrials contributed positively. In hard currency emerging market debt, an overweight to Latin America was helpful, as seen in recent months.

Performance review (%)

Performance to period end Returns shown in EUR	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class A Roll Up	-0.8	0.2	0.2	7.5	0.1	2.6	5.6
Return net of management fee Class A Roll Up	-0.9	0.0	-0.1	6.5	-0.9	1.6	4.6
ICE BofA Developed Markets HY Constrained Index (EUR Hdg)	-0.9	0.3	0.4	7.8	-0.1	1.7	5.4

*Inception: 31 July 1998

All returns greater than 1 year are annualised

Data as at 30 April 2024

Discrete rolling 12 month performance (%)

Returns shown in EUR	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 A Roll Up	9.0	-5.4	-0.5	25.3	-9.8
Return net of management fee Class A Roll Up	7.9	-6.3	-1.4	24.0	-10.7
ICE BofA Developed Markets HY Constrained Index (EUR Hdg)	9.5	-5.8	-1.6	21.7	-10.0

Returns shown in EUR	31/03/19 31/03/18	31/03/18 31/03/17	31/03/17 31/03/16	31/03/16 31/03/15	31/03/15 31/03/14
Return gross of management fee Class A Roll Up	2.4	2.5	14.9	-1.3	0.7
Return net of management fee Class A Roll Up	1.4	1.5	13.8	-2.2	-0.3
ICE BofA Developed Markets HY Constrained Index (EUR Hdg)	2.4	2.0	14.0	-1.5	2.6

Past performance does not predict future returns.

The current benchmark is the ICE BofA Developed Markets HY Constrained Index (EUR Hdg) converted into the currency displayed in the performance table above where applicable. 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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Global High Yield Fund (continued)

Portfolio statistics

	Fund Benchmark	
Effective duration	3.5	3.0
Average maturity	7.8	6.0
Average credit rating	BB	B
Yield to worst	5.4	6.4

Data as at 31 March 2024

3 years	Fund Benchmark	
Volatility	7.7	8.0
Tracking error	1.5%	-
Sharpe ratio	-0.1	0.0
Information ratio	-0.6	-
3 year return (net)	-0.9%	-0.1%
3 year excess return (net)	-0.8%	-

Ten largest holdings by weight

Security	Fund
Us Treasury N/B 0.25 31-May-2025	2.4%
Uk Tsy 2.75 07-Sep-2024	1.4%
Us Treasury N/B 1.875 31-Aug-2024	0.9%
Level 3 Financing Inc 11 15-Nov-2029	0.7%
Global Air Lease Co Ltd 6.5 15-Sep-2024	0.6%
Travelex Issuerc Ltd 0.5 05-Aug-2025	0.6%
Highland Holdings Bond 7.625 15-Oct-2025	0.6%
Pike Corp 5.5 01-Sep-2028	0.5%
Iqvia Inc 2.25 15-Mar-2029	0.5%
Cellnex Telecom Sa 0.75 20-Nov-2031	0.5%

Source: State Street
Data as at 30 April 2024

Sector weights

	Fund	Benchmark
Corporates	86.9%	96.0%
Treasuries	8.4%	-
EMD Hard	5.9%	3.0%
Gov-related	2.0%	0.9%
Loans	0.4%	-
Securitised	0.1%	-
Other	-3.7%	-

Data as at 31 March 2024

Credit quality weights

	Fund	Benchmark
AAA & Cash	1.5%	-
AA	1.2%	-
BBB	9.2%	0.8%
BB	53.2%	45.9%
B	26.0%	41.2%
CCC	6.1%	12.1%
NR/Other	2.8%	0.0%

Data as at 31 March 2024

Market weight (ccy)

	Fund	Benchmark
USD	64.6%	74.6%
EUR	28.2%	21.6%
GBP	7.1%	2.9%
CHF	0.2%	-
CAD	0.0%	0.8%
ARS	0.0%	-
AUD	0.0%	-
JPY	0.0%	-

Data as at 31 March 2024

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Global High Yield Fund (continued)

ESG data

	Fund	Benchmark
ESG Score	22.0	23.4
Carbon footprint	199.7	226.1

Data as at 31 March 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
Hermes	Global top-down tactical approach. Emphasis on capital structure trades	35.0%	33.7%
Barings	Focus on credit selection; accessing illiquidity and value premia	35.0%	34.6%
Russell Investments	Positioning strategy	30.0%	26.9%
Russell Investments (cash & other)		-	4.7%

Data as at 30 April 2024

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