

Russell Investments

Unconstrained Bond Fund



Portfolio Manager
Adam Smears

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 L GBP H; GBP

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 707.51m

ISIN; Bloomberg

IE00B9HH4Q06; RUSABLH ID

Fund launch date

09 April 2013

Share class launch date

09 April 2013

Management fee

0.85%

Share class NAV

GBP 1,091.76

Fund objective

The aim of the Fund is to achieve an absolute return on your investment in excess of 3-Month USD Interest Rate LIBOR, by investing at least 70% of its assets worldwide in bonds, and debt instruments, including mortgage and asset backed securities (a financial security backed by loans, leases and other assets) while using financial derivatives (complex financial instruments). The Fund is actively managed with the aim to achieve a total return of 3% over the 3-Month USD Interest Rate LIBOR (the "Index"). Russell Investments/ Money Managers have full discretion to select investments for the Fund.

Fund update

The Fund is dynamically managed in alignment with our cycle, valuation, sentiment framework as well as to take advantage of tactical opportunities within each manager's excess return cycle. The Fund retains our preference for credit spread to act as a core return driver. The Fund retains its opportunistic allocation to mortgage risk. Both sets of Russell Investments positioning strategies continue to play a key role in diversifying the Fund's return profile.

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 L GBP H	0.2	0.8	1.2	6.3	2.6	-	2.5
Return net of management fee Class L GBP H	0.1	0.5	0.8	5.4	1.7	-	1.6
LIBOR 3 Month GBP +3%	0.2	0.8	1.2	3.1	3.5	-	3.5

*Inception: 06 September 2016

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

Returns shown in GBP	31/03/16 31/03/17	31/03/17 31/03/18	31/03/18 31/03/19	31/03/19 31/03/20	31/03/20 31/03/21
Return gross of management fee Class L GBP H	-	2.0	2.7	-4.1	9.3
Return net of management fee Class L GBP H	-	1.2	1.8	-4.9	8.4
LIBOR 3 Month GBP +3%	-	3.4	3.8	3.8	3.1

Past performance is not a guide to future performance.

The current benchmark is the LIBOR 3 Month GBP +3%.

The Fund was originally launched on 9th April 2013. However the Fund was subject to a material change to the investment policy on 6 September 2016, at which point it adopted a new name and an amended investment policy. Accordingly, the performance data for the period ending 6 September was achieved in circumstances which no longer apply.

Portfolio statistics

	Fund	Benchmark	3 years	Fund	Benchmark
Effective duration	1.8	0.3	Volatility	4.7	0.1
Average maturity	3.9	0.3	Tracking error	4.8%	-
Average credit rating	A	n/a	Sharpe ratio	0.3	27.6
Yield to worst	4.1	0.1	Information ratio	-0.3	-
			3 year return (net)	1.7%	3.5%
			3 year excess return (net)	-1.8%	-

Data as at 30 April 2021

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Unconstrained Bond Fund (continued)

Ten largest holdings by weight

Security	Fund
Us Treasury N/B 0.25 31-Aug-2025	6.9%
Us Treasury N/B 1.125 15-Feb-2031	4.6%
G2sf 3 21-Jun-2021	3.3%
FncI 2.5 14-Jun-2021	3.0%
Repo Morgan Stanley 0 01-Jun-2021	2.8%
Treasury Bill 0 17-Jun-2021	2.8%
FncI 3.5 14-Jun-2021	2.3%
Fnma 3 14-Jun-2051	2.1%
FncI 4 14-Jun-2021	1.6%
Fed Home Ln Discount Nt 0 02-Jun-2021	1.1%

Source: State Street

Sector weights

	Fund
Corporates	49.7%
Securitized	39.7%
Treasuries	18.1%
Gov-related	3.4%
EMD Hard	2.9%
Loans	0.8%
Other	-14.7%

Data as at 30 April 2021

Credit quality weights

	Fund
AAA & Cash	33.7%
AA	3.9%
A	6.7%
BBB	17.4%
BB	26.6%
B	7.9%
CCC	1.1%
NR/Other	2.5%

Data as at 30 April 2021

Market weights (ccy)

	Fund
USD	87.7%
EUR	10.6%
GBP	1.7%
CAD	0.0%
AUD	0.0%
JPY	0.0%

Data as at 30 April 2021

Fund structure

Manager/Strategy	Role in fund	Target	Actual
Putnam	Mortgage-backed securities and prepayment risk strategies	20.0%	23.1%
Post Advisory	Short dated High Yield credit. US focus	20.0%	13.8%
Hermes	Short-dated High Yield credit. Global perspective	25.0%	37.5%
Russell Investments	Positioning strategy targeting currency and rate factors	35.0%	25.6%

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Unconstrained Bond Fund (continued)

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Any past performance is not necessarily a guide to future performance.

Some investments/bonds may not be liquid and therefore may not be sold instantly. If these investments must be sold on short notice, you might suffer a loss.

Any reference to returns linked to currencies may increase or decrease as a result of currency fluctuations. Tax treatments depend on the circumstances of the individual client and may be subject to change in the future.

Decisions to invest should be based on the fund's prospectus, ex-ante costs & charges document and key investor information document (KIID), with consideration to risk warnings. Copies available free of charge from Russell Investments.

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