

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 EH-B Inc; EUR

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 1,467.55m

ISIN; Bloomberg

IE00B3LHS170; RGBEHBI ID

Fund launch date

30 September 1994

Share class launch date

06 May 2011

Management fee

1.20%

Share class NAV

EUR 769.33

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 underperformed the benchmark. Rates positioning was negative, with overweights to US Treasuries, notably 10- and 15-year issues, and rates in Australia, Brazil, Mexico and Norway detracting. However, underweights to German bunds and rates in Japan contributed positively. In currencies, an overweight to the US dollar and underweights to the Swiss franc, euro, Swedish krona and Mexican peso were beneficial. In contrast, an underweight to the Japanese yen and an overweight to the Norwegian krone were unhelpful. In credit, although overweights to US high yield industrials and investment grade financials were additive, this was offset by overweight exposure to hard currency emerging market debt in Europe. Elsewhere, an overweight to non-agency commercial mortgage-backed securities and an underweight to US securitised passthrough contributed positively.

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 EH-B Inc | -2.1 | -3.1 | -3.3 | -1.6 | -4.2 | -1.1 | 1.9 |
| Return net of management fee Class EH-B Inc | -2.2 | -3.4 | -3.7 | -2.7 | -5.4 | -2.3 | 0.7 |
| Bloomberg Global Aggregate Index (EUR Hdg) - Total Returns | -1.8 | -1.8 | -2.1 | 0.0 | -3.7 | -1.4 | 1.2 |

*Inception: 06 May 2011

All returns greater than 1 year are annualised

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 EH-B Inc | 0.9 | -6.7 | -4.5 | 5.0 | 2.0 |
| Return net of management fee Class EH-B Inc | -0.3 | -7.8 | -5.6 | 3.8 | 0.8 |
| Bloomberg Global Aggregate Index (EUR Hdg) - Total Returns | 2.1 | -6.5 | -4.8 | 0.5 | 3.7 |

| 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 EH-B Inc | 1.1 | 2.0 | 1.6 | 1.0 | 8.7 |
| Return net of management fee Class EH-B Inc | -0.1 | 0.8 | 0.4 | -0.2 | 7.4 |
| Bloomberg Global Aggregate Index (EUR Hdg) - Total Returns | 1.9 | 0.3 | -0.5 | 1.8 | 7.4 |

Past performance does not predict future returns.

The current benchmark is the Bloomberg Global Aggregate Index (EUR Hdg) - Total Returns. Effective August 24, 2021, the Bloomberg Barclays fixed income indices were rebranded the Bloomberg Indices. The benchmark prior to 24th August 2016 was the Barclays Global Aggregate Bond Index EUR Hdg. The benchmark prior to November 2008 was the Lehman Brothers Global Aggregate (EURH) Index.

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Global Bond Fund (continued)

Portfolio statistics

| | Fund Benchmark | |
|-----------------------|----------------|-----|
| Effective duration | 6.7 | 6.5 |
| Average maturity | 9.9 | 8.6 |
| Average credit rating | A | AA |
| Yield to worst | 3.0 | 3.8 |

Data as at 31 March 2024

| 3 years | Fund Benchmark | |
|----------------------------|----------------|-------|
| Volatility | 5.8 | 5.7 |
| Tracking error | 1.1% | - |
| Sharpe ratio | -0.9 | -0.6 |
| Information ratio | -1.6 | - |
| 3 year return (net) | -5.4% | -3.7% |
| 3 year excess return (net) | -1.6% | - |

Ten largest holdings by weight

| Security | Fund |
|---|------|
| Us Treasury N/B 1.5 30-Sep-2024 | 2.9% |
| Treasury Bill 0 21-May-2024 | 1.9% |
| Treasury Bill 0 07-May-2024 | 1.9% |
| Us Treasury N/B 2.875 31-May-2025 | 1.9% |
| Mex Bonos Desarr Fix Rt 5.5 04-Mar-2027 | 1.6% |
| Us Treasury N/B 0.25 15-Jun-2024 | 1.5% |
| FncI 6 11-May-2023 | 1.1% |
| FncI 5.5 13-May-2019 | 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 | 40.5% | 44.5% |
| Corporates | 23.2% | 17.9% |
| Securitised | 16.7% | 13.8% |
| EMD Hard | 6.6% | 3.1% |
| EMD Local | 6.1% | 12.6% |
| Other | 5.0% | 0.0% |
| Gov-related | 2.0% | 8.1% |
| Loans | 0.0% | - |

Data as at 31 March 2024

Credit quality weights

| | Fund | Benchmark |
|------------|-------|-----------|
| AAA & Cash | 40.4% | 36.7% |
| AA | 5.3% | 16.7% |
| A | 17.1% | 30.5% |
| BBB | 28.4% | 15.6% |
| BB | 4.1% | 0.5% |
| B | 0.5% | 0.0% |
| CCC | 0.3% | 0.0% |
| NR/Other | 3.9% | 0.0% |

Data as at 31 March 2024

Market weights (ccy)

| | Fund | Benchmark |
|--------|-------|-----------|
| USD | 52.8% | 44.9% |
| EUR | 24.5% | 22.4% |
| JPY | 7.4% | 10.3% |
| GBP | 5.2% | 4.0% |
| MXN | 3.4% | 0.3% |
| CAD | 1.5% | 2.7% |
| AUD | 1.0% | 1.4% |
| ZAR | 0.9% | - |
| CNY | 0.7% | 9.2% |
| Others | 2.7% | 4.7% |

Data as at 31 March 2024

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Global Bond Fund (continued)

ESG data

| | Fund | Benchmark |
|------------------|-------|-----------|
| ESG Score | 22.3 | 22.7 |
| Carbon footprint | 150.6 | 210.1 |

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 |
|------------------------------------|---|--------|--------|
| RBC Global Asset Management | Country selection with focus on macroeconomic fundamentals and technicals | 29.0% | 33.0% |
| Schroder | Securitized specialist focusing on US non-agency residential mortgages | 13.0% | 17.4% |
| Western Asset Management | Focus on long-term bottom-up fundamentals, with topdown macroeconomic views | 21.0% | 12.3% |
| Russell Investments | Positioning strategy targeting currency and rate factors | 37.0% | 34.9% |
| Russell Investments (cash & other) | | - | 2.3% |

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KvK number 67296386

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