# 31 December 2013 Russell Global Bond Fund



Russell's Global Fixed income team comprises 24 experienced professionals (including 10 manager research analysts) in Russell's London, Seattle, New York, Toronto and Sydney offices.

The team manages over US \$60bn in cash and multistrategy portfolios, which include Global, Regional, Investment Grade, High Yield, Emerging Market and Absolute Return mandates.

### Fund facts

Share class; Dealing ccy

Class A Acc; USD

Dealing frequency; Cut off

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Daily; 2.00pm GMT
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Domicile; Category

Ireland; UCITS

Fund size

USD 2,118.90m

ISIN; Bloomberg

IE0003507161; FRIGLAA ID

Fund launch date

30 September 1994

Share class launch date

30 September 1994

Management fee

0.65%

Share class NAV

USD 276.29

### Fund objective

The Fund aims to achieve income and growth by investing worldwide in bonds, using a multi-strategy approach. The Fund mainly invests in bonds issued by governments, their agencies, companies and non-government organisations which pay a fixed or variable rate of interest. The Fund is broadly diversified across countries, currencies and maturities.

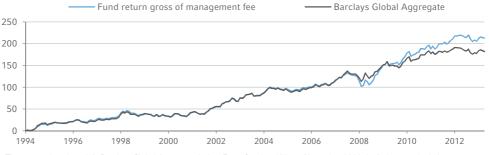
### **Russell fund update**

The Fund finished ahead of the benchmark over the quarter. Although an overweight to emerging market debt proved negative, this was offset by our overweights to non-agency mortgages and high yield corporate credit. An underweight to duration was also positive as yields inched higher due to positive economic newsflow and the likelihood of a Federal Reserve (Fed) taper to its monthly asset-buying purchases. With the Fed having begun tapering in December and improving developed market PMIs (both of which could further pressure government yields), we remain underweight duration.

### **Performance review**

Performance to period end Returns shown in USD	1 month %	3 months %	Year to date %	12 months %	3 years %p.a.	5 years %p.a.	Since inception %p.a.
Return gross of management fee Class A Acc	-0.3	0.4	-2.0	-2.0	4.5	7.7	6.1
Return net of management fee Class A Acc	-0.3	0.2	-2.6	-2.6	3.8	7.0	5.4
Benchmark Barclays Global Aggregate	-0.6	-0.4	-2.6	-2.6	2.4	3.9	5.5

### **Performance history**



The current benchmark is Barclays Global Aggregate Index. From October 2001 to November 2008 the index was the Lehman Brothers Global Aggregate Index. The benchmark prior to October 2001 was SSB WGBI.

### **Portfolio statistics**

	Fund Benchmark	
Effective duration	5.5	6.2
Average maturity	7.2	7.6
Average credit rating	A2	Aa3
Yield to worst	2.9	2.0

	Fund Be	nchmark
Volatility	5.1	4.4
Tracking error	1.5%	-
Sharpe ratio	0.5	0.1
Information ratio	1.4	-
3 year return	4.5%	2.4%
3 year excess return	2.1%	-

Data as at 30 November 2013

## 31 December 2013 Russell Global Bond Fund (continued)

### Ten largest holdings by weight

Security	Fund
Irish Tsy 5.4 13-Mar-2025	1.1%
Treasury Bill 0.01 06-Feb-2014	1.0%
New Zealand Government 6 15-Dec-2017	1.0%
Us Treasury N/B 3.75 15-Nov-2018	0.9%
Mex Bonos Desarr Fix Rt 8 11-Jun-2020	0.8%
Buoni Poliennali Del Tes 4 01-Sep-2020	0.8%
Japan (2 Year Issue) 0.1 15-Sep-2015	0.8%
France (Govt Of) 1 25-May-2018	0.7%
New Zealand Government 6 15-Apr-2015	0.7%
Japan 140 (20 Yr Issue) 1.7 20-Sep-2032	0.7%

### **Sector weights**

	Fund	Benchmark
Governments and Cash	45.7%	51.0%
EMD	11.9%	5.5%
RMBS	11.1%	14.8%
IG - Industrials	8.0%	7.7%
Gov-related	7.8%	11.5%
IG - Finance	7.1%	6.9%
Corporate HY	3.7%	0.1%
ABS	2.3%	0.3%
CMBS	2.1%	0.5%
IG - Utilities	0.3%	1.7%
Data as at 30 November 2013		

### Market weight (ccy)

	Fund B	Fund Benchmark	
USD	40.0%	41.5%	
EUR	24.7%	26.6%	
AUD	6.6%	1.3%	
JPY	5.9%	16.9%	
NZD	4.6%	0.2%	
GBP	4.5%	6.0%	
MXN	4.4%	0.4%	
CAD	1.9%	2.7%	
PLN	1.7%	0.3%	
Others	5.7%	4.2%	
Data as at 30 November 2013			

### **Credit quality weights**

	Fund	Benchmark	
AAA & Cash	34.2%	41.3%	
AA	22.3%	32.6%	
A	12.5%	10.7%	
BBB	18.3%	15.4%	
BB	3.9%	0.1%	
В	1.9%	-	
CCC	4.9%	-	
NR/Other	2.1%	-	
	Data as at 30 November 2013		

### **Portfolio structure**

Manager	Style	Target weight	Actual weight
Brookfield	Sector specialist	6.5%	7.5%
Colchester Global Investors	Macro value	25.0%	25.0%
Loomis	Security selection	25.0%	24.3%
PIMCO	Sector specialist	30.0%	30.4%
Russell Absolute Return Bond Fund	Multi strategy absolute return	5.0%	5.0%
Strategic	Rates & currency - tactical	8.5%	4.6%
Russell (cash & other)		-	3.3%

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