

31 December 2013

Russell US Bond Fund



Portfolio Manager
Keith Brakebill

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 multi-strategy 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

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 182.60m

ISIN; Bloomberg

IE0002409922; FRUUBAI ID

Fund launch date

08 August 2001

Share class launch date

08 June 2004

Management fee

0.40%

Share class NAV

USD 161.61

Fund objective

The Fund aims to generate income and growth by investing primarily in US bonds, using a multi-strategy investment approach. The Fund mainly invests in bonds issued by the U.S. government, its agencies and US companies. The Fund is broadly diversified by bond issuer, by industry sector, and with varying maturities.

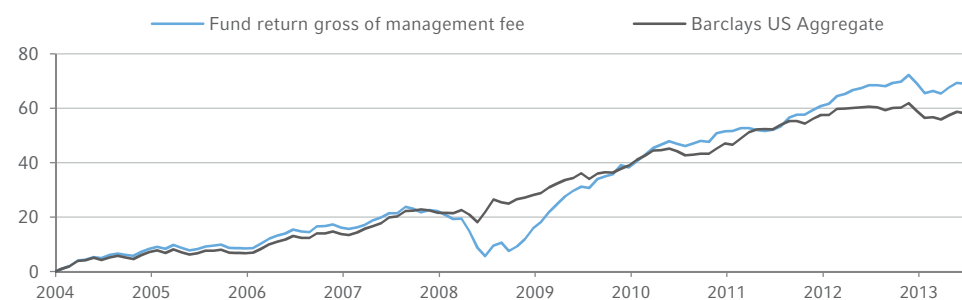
Russell fund update

Fund outperformance was largely due to our overweights across the credit sectors and an underweight in treasuries. Additionally, a short duration position was also additive to relative gains. The Fund finished the year 1.8% ahead of the benchmark. We maintain our current strategy line-up, which we believe is well positioned to benefit from a risk-on environment.

Performance review

Performance to period end	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception
Returns shown in USD	%	%	%	%	%p.a.	%p.a.	%p.a.
Return gross of management fee Class A Acc	-0.7	0.2	-0.4	-0.4	4.7	8.9	5.6
Return net of management fee Class A Acc	-0.7	0.1	-0.8	-0.8	4.3	8.5	5.1
Benchmark							
Barclays US Aggregate	-0.6	-0.1	-2.0	-2.0	3.3	4.4	4.8

Performance history



The current benchmark is Barclays US Aggregate Index. The benchmark prior to November 2008 was the Lehman Brothers US Aggregate Index.

Portfolio statistics

	Fund	Benchmark
Effective duration	5.0	5.4
Average maturity	6.6	6.6
Average credit rating	Aa3	Aa2
Yield to worst	3.1	2.2

	Fund	Benchmark
Volatility	3.0	2.7
Tracking error	1.9%	-
Sharpe ratio	0.9	0.4
Information ratio	0.8	-
3 year return	4.7%	3.3%
3 year excess return	1.5%	-

Data as at 30 November 2013

31 December 2013

Russell US Bond Fund (continued)

Ten largest holdings by weight

Security	Fund
Fnma Tba Feb 30Yr Single Fam 4 12-Jan-2099	2.4%
Fnma Tba 15 Yr 3 12-Jan-2099	1.2%
Us Treasury N/B 0.25 30-Nov-2015	1.1%
Fnma Tba 30Yr Single Family Ja 3.5 12-Jan-2099	1.0%
U S Treasury Note 0.015 31-Aug-2018	0.8%
Wi Treasury N/B 1.5 31-Dec-2018	0.7%
Fnma 4.5 12-Jan-2099	0.7%
Wi Treasury N/B 1.25 30-Nov-2018	0.7%
Fnma Tba 3Pct Jan 30 Single Fa 3 12-Jan-2099	0.7%
Tsy Infl Ix N/B 2 15-Jan-2026	0.6%

Sector weights

	Fund	Benchmark
RMBS	34.7%	29.8%
Governments and Cash	23.6%	35.7%
ABS	10.8%	0.5%
IG - Finance	7.4%	7.0%
IG - Industrials	7.3%	12.7%
Gov-related	5.6%	8.4%
CMBS	3.9%	1.7%
Corporate HY	3.8%	-
EMD	1.7%	1.8%
IG - Utilities	1.3%	2.4%

Data as at 30 November 2013

Credit quality weights

	Fund	Benchmark
AAA & Cash	60.1%	72.5%
AA	10.4%	5.0%
A	7.5%	11.0%
BBB	11.7%	11.5%
BB	4.5%	0.0%
B	1.5%	-
CCC	3.6%	-
NR/Other	0.7%	-

Data as at 30 November 2013

Portfolio structure

Manager	Style	Target weight	Actual weight
Logan Circle	Sector rotator	50.0%	45.2%
PIMCO	Sector specialist	50.0%	45.2%
Russell (cash & other)		-	9.7%

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