

31 December 2013

# Russell Global Bond Fund



**Portfolio Manager**  
Albert Jalso

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 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	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	-0.3	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		Fund	Benchmark
Effective duration	5.5	6.2	Volatility	5.1	4.4
Average maturity	7.2	7.6	Tracking error	1.5%	-
Average credit rating	A2	Aa3	Sharpe ratio	0.5	0.1
Yield to worst	2.9	2.0	Information ratio	1.4	-
			3 year return	4.5%	2.4%
			3 year excess return	2.1%	-

Data as at 30 November 2013

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## 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

### 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%

### Market weight (ccy)

	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%
B	1.9%	-
CCC	4.9%	-
NR/Other	2.1%	-

Data as at 30 November 2013

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