

Russell Investments

Global Bond Fund



Portfolio Manager
James Mitchell

Russell Investments' Global Fixed Income Team comprises over 45 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 A Acc; USD

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 1,887.73m

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 294.27

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.

Fund update

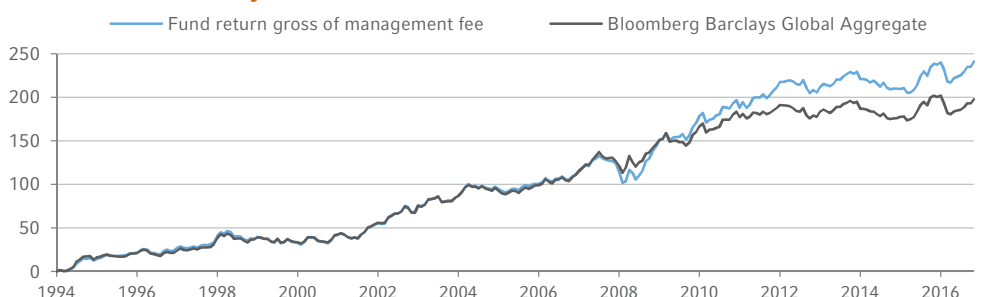
The Fund outperformed the benchmark in July, driven by currency and credit positioning. Within the active currency space, overweights to the euro and the Japanese yen, added significant value over the period. In sectors, overweights to corporate high yield and investment-grade financials continued to perform for the Fund. Within rates, an underweight in Canada and an overweight in Brazil generated some gains, however these were offset by an overweight in Australia and underweight in the UK.

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	1.9	3.5	7.7	0.7	1.4	2.1	5.5
Return net of management fee Class A Acc	1.8	3.4	7.2	0.1	0.8	1.5	4.8
Benchmark Bloomberg Barclays Global Aggregate	1.7	3.2	6.2	-1.3	0.5	0.9	4.9

*Inception: 30 September 1994

Performance history



The current benchmark is Bloomberg Barclays Global Aggregate Index. The benchmark prior to 24th August 2016 was the 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	6.5	6.8	Volatility	5.4	5.0
Average maturity	10.0	8.6	Tracking error	1.1%	-
Average credit rating	A+	AA	Sharpe ratio	0.2	0.0
Yield to worst	2.2	1.6	Information ratio	0.8	-
			3 year return (gross)	1.4%	0.5%
			3 year excess return (gross)	0.9%	-

Data as at 30 June 2017
Source: Factset

Russell Investments

Global Bond Fund (continued)

Ten largest holdings by weight

Security	Fund
Fnc1 3 13-Aug-2017	1.2%
Bundesrepub. Deutschland 0.25 15-Feb-2027	1.1%
Fnc1 3.5 14-Sep-2017	0.9%
Us Treasury N/B 1.625 31-Aug-2019	0.9%
New Zealand Government 5 15-Mar-2019	0.9%
Us Treasury N/B 3.75 15-Nov-2018	0.9%
Fnc1 3 14-Sep-2017	0.9%
J P Morgan Term Repo 0 01-Aug-2017	0.9%
Tsy Infl Ix N/B 0.625 15-Jan-2026	0.9%
Tsy Infl Ix N/B 0.375 15-Jan-2027	0.6%

Source: State Street

Sector weights

	Fund	Benchmark
Governments and Cash	35.4%	50.9%
RMBS	16.6%	14.3%
EMD	12.4%	6.0%
IG - Finance	11.2%	6.7%
Gov-related	6.8%	9.9%
IG - Industrials	6.8%	9.8%
ABS	4.9%	0.3%
Corporate HY	3.4%	0.0%
CMBS	2.0%	0.7%
IG - Utilities	0.5%	1.4%

Data as at 30 June 2017
Source: Factset

Fund structure

Manager/Strategy	Role in fund	Target	Actual
BlueBay	Country selection and tactical credit, focus on fundamentals and technicals	18.0%	8.9%
Schroder	Securitized specialist focusing on US non-agency residential mortgages	10.0%	11.1%
Colchester	Systematic high real yield and purchasing power-based currency approach	21.0%	18.5%
Insight	Broad market approach utilising rates, currencies and credit	18.0%	13.7%
Manager in transition		-	12.5%
PIMCO	Macro thematic sector rotation; capable of meaningful tactical rates trades	18.0%	15.4%
Russell Investments	Positioning strategy targeting currency factors and markets with high real yield	15.0%	14.3%
Russell Investments (cash & other)		-	5.5%

Market weight (ccy)

	Fund	Benchmark
USD	57.0%	44.8%
EUR	15.1%	24.4%
JPY	5.2%	16.9%
GBP	3.9%	5.2%
AUD	2.6%	1.4%
MXN	2.4%	0.3%
NZD	2.0%	0.1%
CAD	1.8%	2.6%
BRL	1.4%	-
Others	8.6%	4.4%

Data as at 30 June 2017
Source: Factset

Credit quality weights

	Fund	Benchmark
AAA & Cash	34.2%	40.0%
AA	11.9%	16.2%
A	20.8%	27.1%
BBB	16.3%	16.7%
BB	6.0%	0.0%
B	2.8%	-
CCC	4.8%	-
NR/Other	3.2%	0.0%

Data as at 30 June 2017
Source: Factset

Important Information

For Professional Clients Only. This material is not intended for distribution to retail clients.

Unless otherwise specified, Russell Investments is the source of all data. All information contained in this material is current at the time of issue and, to the best of our knowledge, accurate. Any opinion expressed is that of Russell Investments, is not a statement of fact, is subject to change and does not constitute investment advice.

The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Any past performance figures are not necessarily a guide to future performance. Any reference to returns linked to currencies may increase or decrease as a result of currency fluctuations.

Please consult the fund's prospectus and Key Investor Information Document (KIID) before deciding whether to invest. Copies are available free of charge on request from Russell Investments.

This document is issued by Russell Investments Limited, a company incorporated in England and Wales under registered number 02086230 and with its registered office at: Rex House, 10 Regent Street, London SW1Y 4PE. Telephone +44 (0)20 7024 6000. Authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.