



# Fund Update

For the quarter ended 31 March 2023

- **Russell Investment Funds**
- **Russell Investments Global Fixed Interest Fund**

This fund update was first made publicly available on: 03 May 2023

## What is the purpose of this update?

This document tells you how the Russell Investments Global Fixed Interest Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. FundRock NZ Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

## Description of this fund

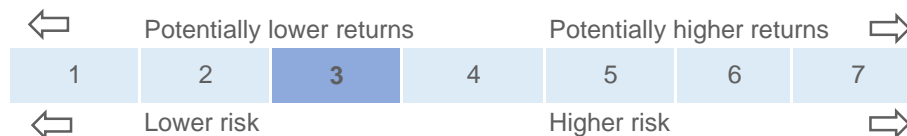
**Objective:** To provide a total return, before costs and tax, higher than the Bloomberg Global Aggregate Index – New Zealand dollar Hedged over the long term. The fund targets a 20% carbon footprint reduction of the corporate debt portion of the fund relative to its market index.

**Strategy:** The underlying investment exposure is predominantly to debt securities issued by supranationals, international governments, quasi-government agencies and corporates as well as structured credit securities including mortgage-backed and asset backed securities. The underlying investment portfolio may also be exposed to low grade or unrated debt securities, emerging market securities and currency. Derivatives may be used to obtain or reduce exposure to securities and markets, to implement investment strategies and to manage risk. Corporate debt with more than 25% revenue from coal power generation or thermal coal production is prohibited. The Fund targets a position of being fully hedged back to New Zealand Dollars. Due to active currency management by the underlying managers, there will generally be some foreign currency exposure.

Total value of the fund	\$NZ 487,162,564
The date the fund started	21 December 2011

## What are the risks of investing?

Risk indicator for the Russell Investments Global Fixed Interest Fund.



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz](http://www.sorted.org.nz)

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 31 March 2023. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

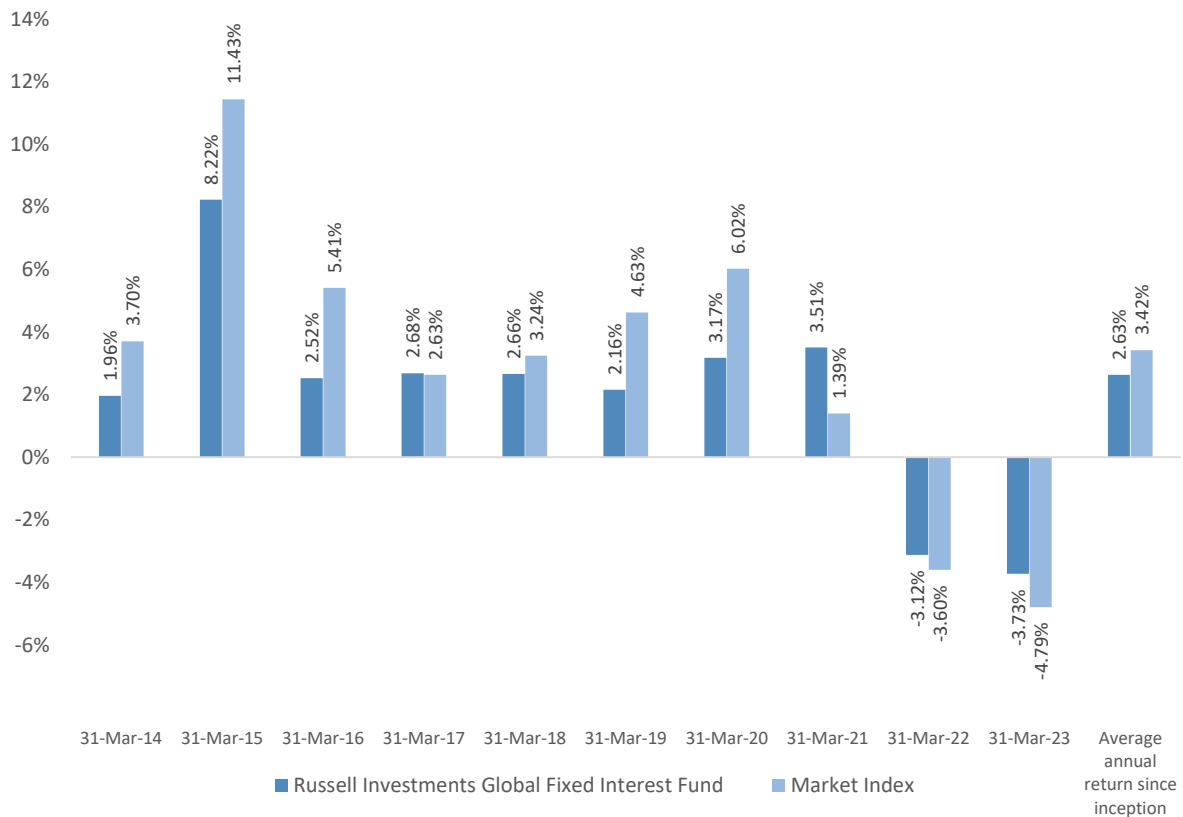
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

**How has the fund performed?**

	Average over the past 5 years	Past year
Annual return (after deductions for charges and tax)	0.35%	-3.73%
Annual return (after deductions for charges but before tax)	0.44%	-5.22%
Market index annual return (reflects no deduction for charges and tax)	0.64%	-4.79%

The market index return is the Bloomberg Global Aggregate Index – New Zealand dollar Hedged This has been the market index since the inception of the fund. Additional information about the market index is available on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

Annual Return Graph<sup>1</sup>



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2023

**Important:** This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

## What fees are investors charged?

Investors in the Russell Investments Global Fixed Interest Fund are charged fund charges. In the year to 31 March 2022 these were:

	% of net asset value (including GST)
Total fund charges	0.71%
Which are made up of:	
Total manager and administration charges	0.71%
Including:	
Manager's basic fee (including GST)	0.60%
Other management and administration charges	0.11%

Fund fees were reduced in December 2021. Hence going forward, we expect total fund charges to be less than in the table above. Estimated total fund charges in the current PDS are 0.59% (including GST).

The 'other management and administration charges' include fees and costs charged in underlying funds. The amount of fees and costs charged in underlying funds has been estimated. See Note 2 at the end of this fund update for more information about this estimate.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Russell Investments Global Fixed Interest Fund on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for more information about those fees.

## Example of how this applies to an investor

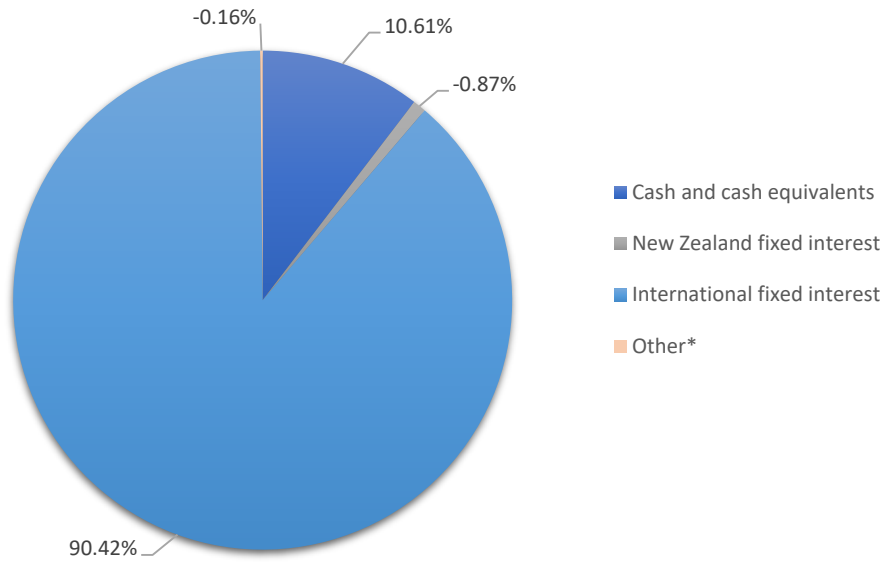
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Anthony incurred a loss after fund charges were deducted of \$522 (that is -5.22% of his initial \$10,000). This gives Anthony a total loss after tax of \$373 for the year.

### What does the fund invest in?

This shows the types of assets that the fund invests in.

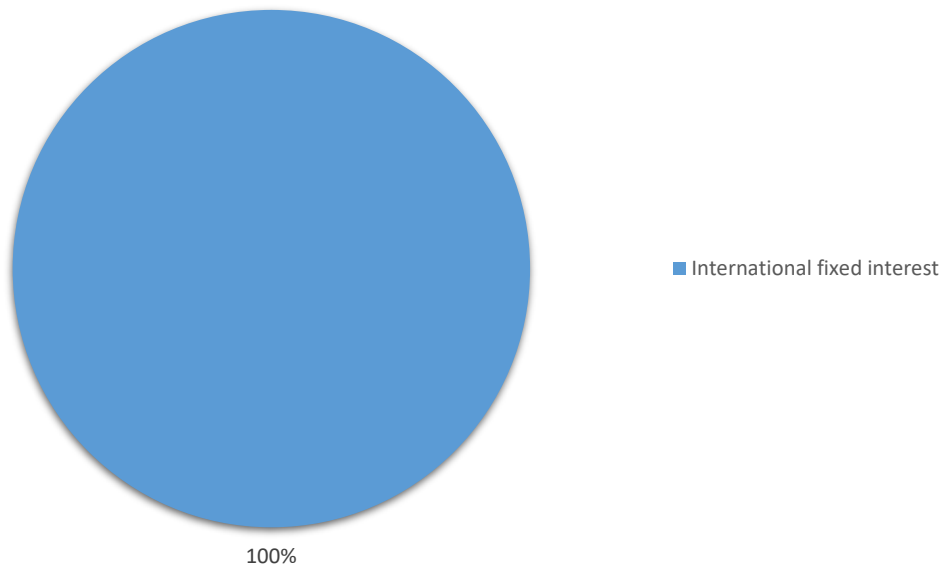
#### Actual investment mix



\*Forward currency contracts

Foreign currency exposure was 98.97% hedged to New Zealand dollars as at 31 March 2023.

#### Target investment mix



## Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit rating (if applicable)
1	NEW ZEALAND DOLLAR CASH	5.40%	Cash and cash equivalents	NZ	N/A
2	JAPAN 5 YEAR GOVERNMENT BOND 0.1 20/09/2023	5.29%	International fixed interest	JP	A
3	US DOLLAR CASH	4.11%	Cash and cash equivalents	US	N/A
4	US TREASURY NOTES/BILLS 2.5 31/01/2024	1.59%	International fixed interest	US	AAA
5	US TREASURY NOTES/BILLS 0.375 30/04/2025	1.41%	International fixed interest	US	AAA
6	JAPAN 30 YEAR GOVERNMENT BOND 1.5 20/03/2045	1.20%	International fixed interest	JP	A
7	BUNDESobligation 2.2 13/04/2028	1.15%	International fixed interest	DE	AAA
8	JAPAN 10 YEAR GOVERNMENT BOND 0.1 20/06/2029	1.05%	International fixed interest	JP	A
9	US TREASURY NOTES/BILLS 1.5 15/08/2026	1.02%	International fixed interest	US	AAA
10	BUNDESREPUB. DEUTSCHLAND 0.5 15/02/2025	0.97%	International fixed interest	DE	AAA

The top 10 investments make up 23.18% of the net asset value of the fund.

## Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
<b>Gerard Fitzpatrick</b>	Senior Portfolio Manager, Head of Fixed Income, Russell Investments	4 years 1 months	Chief Investment Officer, Fixed Income, Russell Investments	6 years 0 months
<b>Helena Hui Ravanis</b>	Portfolio Manager (Global Fixed Income), Russell Investments	1 years 11 months	Senior Research Analyst	6 years 7 months

## Further information

You can also obtain this information, the PDS for the Russell Investment Funds, and some additional information from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

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Notes

- <sup>1</sup> The bar chart shows fund returns after deducting fees and tax. Tax is deducted at the highest Prescribed Investor Rate of 28%. However, the market index returns are shown before deducting fees and tax.
- <sup>2</sup> The underlying fund fees and costs are as advised by Russell Investments.