

# Russell Investments

## Emerging Market Debt Local Currency Fund



**Senior Portfolio Manager**  
Gerard Fitzpatrick

Russell Investments' Global Fixed Income Team comprises over 9 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 I GBP Acc; GBP

#### Dealing frequency; Cut off

Daily; 2.00pm GMT

#### Domicile; Category

Ireland; UCITS

#### Fund size

USD 72.96m

#### ISIN; Bloomberg

IE00B83KM958; REMDLIG ID

#### Fund launch date

28 September 2012

#### Share class launch date

28 September 2012

#### Management fee

1.00%

#### Share class NAV

GBP 1,159.19

### Fund objective

The Fund aims to achieve long term income and growth on your investment by investing in the bonds of issuers in emerging markets (developing countries). The Fund is actively managed with reference to the JP-Morgan GBI-EM Global Diversified (USD) Index (the "Index") which it seeks to outperform by 1% over the medium to long term. Russell Investments/Money Managers have full discretion to select investments for the Fund

### Fund update

The Fund underperformed the benchmark over the quarter. Rates positioning was negative. Overweight exposure to rates in Brazil, Peru, the Czech Republic, Hungary and South Africa were detrimental while underweights to rates in Poland, Romania and Thailand were also ineffective. However, overweights to rates in Colombia and Indonesia and an underweight to rates in Malaysia were beneficial. Currency positioning was positive. Underweight exposure to the Swiss franc, Czech koruna, Romanian leu, Polish zloty and Thai baht contributed positively. Overweight exposure to the Argentine peso and Peruvian sol also helped. On the other hand, overweights to the Brazilian real, Hungarian forint, Japanese yen, South Korean won and South African rand detracted, weighing on performance. Exposure to the US dollar was also ineffective.

### Performance review (%)

Performance to period end Returns shown in EUR	1 month	3 months	Year to date	12 months	3 years	5 years	Since inception*
Return gross of management fee Class I GBP Acc	-0.3	-0.8	-0.8	6.8	4.9	3.3	1.7
Return net of management fee Class I GBP Acc	-0.4	-1.1	-1.1	5.8	3.8	2.2	0.7
JP Morgan GBI-EM Global Diversified (USD) Index	0.2	0.1	0.1	5.5	1.2	0.9	0.9

\*Inception: 28 September 2012

All returns greater than 1 year are annualised

### Discrete rolling 12 month performance (%)

Returns shown in EUR	31/03/24 31/03/23	31/03/23 31/03/22	31/03/22 31/03/21	31/03/21 31/03/20	31/03/20 31/03/19
Return gross of management fee Class I GBP Acc	6.8	6.7	1.1	7.5	-5.2
Return net of management fee Class I GBP Acc	5.8	5.7	0.1	6.4	-6.2
JP Morgan GBI-EM Global Diversified (USD) Index	5.5	1.7	-3.4	5.5	-4.3

Returns shown in EUR	31/03/19 31/03/18	31/03/18 31/03/17	31/03/17 31/03/16	31/03/16 31/03/15	31/03/15 31/03/14
Return gross of management fee Class I GBP Acc	0.3	-2.3	13.8	-7.3	13.7
Return net of management fee Class I GBP Acc	-0.7	-3.3	12.6	-8.2	12.6
JP Morgan GBI-EM Global Diversified (USD) Index	1.3	-1.8	12.4	-7.3	14.0

Past performance does not predict future returns.

The current benchmark is JP Morgan GBI-EM Global Diversified (USD) Index converted to British Pounds

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## Emerging Market Debt Local Currency Fund (continued)

### Portfolio statistics

	Fund	Benchmark
Effective duration	5.6	5.0
Average maturity	9.2	7.2
Average credit rating	BBB	BBB
Yield to worst	7.7	6.5

Data as at 29 February 2024

3 years	Fund	Benchmark
Volatility ratio	6.1	5.8
Tracking error	2.9%	-
Sharpe ratio	0.7	0.3
Information ratio	0.9	-
3 year return (net)	3.8%	1.2%
3 year excess return (net)	2.6%	-

### Ten largest holdings by weight

Security	Fund
Nota Do Tesouro Nacional 10 01-Jan-2033	3.8%
Nota Do Tesouro Nacional 10 01-Jan-2029	3.3%
Republic Of South Africa 8.75 28-Feb-2048	3.2%
Mex Bonos Desarr Fix Rt 8 07-Nov-2047	2.4%
Mex Bonos Desarr Fix Rt 7.75 29-May-2031	2.4%
Indonesia Government 8.375 15-Mar-2034	2.1%
Republic Of South Africa 8.75 31-Jan-2044	2.1%
Czech Republic 1.5 24-Apr-2040	2.1%
Mex Bonos Desarr Fix Rt 7.75 13-Nov-2042	2.0%
Titulos De Tesoreria 7 30-Jun-2032	1.9%

Source: State Street

### Duration contribution

	Fund	Benchmark
Mexico	0.8	0.5
Indonesia	0.7	0.6
South Africa	0.6	0.4
Brazil	0.5	0.3
Malaysia	0.5	0.6
Colombia	0.5	0.2
Czech Republic	0.4	0.3
Hungary	0.3	0.1
Israel	0.2	-
Other	1.0	1.6

Data as at 29 February 2024

### Credit quality weights

	Fund	Benchmark
AAA & Cash	7.8%	-
AA	5.8%	6.4%
A	15.3%	29.9%
BBB	47.6%	44.1%
BB	21.7%	18.7%
B	1.1%	0.9%
CCC	0.1%	-
NR/Other	0.5%	-

Data as at 29 February 2024

### Currency exposure

	Fund	Benchmark
Brazil	14.0%	10.0%
Mexico	9.8%	10.0%
Malaysia	9.6%	10.0%
South Africa	9.2%	8.2%
Indonesia	9.0%	10.0%
Colombia	8.9%	4.7%
Hungary	7.0%	3.2%
Thailand	6.7%	9.6%
Poland	5.0%	8.1%
Others	20.9%	26.2%

Data as at 29 February 2024

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## Emerging Market Debt Local Currency Fund (continued)

### Fund structure

Manager/Strategy	Role in fund	Target	Actual
Barings	Value driven approach blending quant and qualitative inputs	50.0%	48.7%
Colchester	Fundamental value-driven approach	50.0%	49.3%
Russell Investments (cash & other)		-	2.0%

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