

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 U Euro Acc; EUR

Dealing frequency; Cut off

Daily; 2.00pm GMT

Domicile; Category

Ireland; UCITS

Fund size

USD 74.87m

ISIN; Bloomberg

IE00B7YK2S66; REMDLUE ID

Fund launch date

28 September 2012

Share class launch date

18 February 2013

Management fee

2.20%

Share class NAV

EUR 931.93

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 is dynamically managed in alignment with our cycle, valuation, sentiment framework as well as to take advantage of tactical opportunities within each manager's excess return cycle. We believe the variety of the local debt markets makes investing in Emerging Market Debt an attractive complement to other fixed income and equity exposures. Some emerging market countries have implemented interest rate cuts ahead of the developed market cycle and sizeable rate cuts are now priced into the market. We have chosen managers for the Fund which are high conviction research picks who have complementary characteristics; one has a 'Value Driven' investment process while the other is more 'Fundamental' in their approach.

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 U Euro Acc	-0.1	-1.9	-2.4	3.3	4.0	2.7	1.6
Return net of management fee Class U Euro Acc	-0.3	-2.4	-3.2	1.0	1.7	0.5	-0.6
JP Morgan GBI-EM Global Diversified (USD) Index	0.1	-0.9	-1.0	3.2	0.6	0.5	0.7

*Inception: 18 February 2013

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 U Euro Acc	6.8	6.7	1.1	7.4	-5.2
Return net of management fee Class U Euro Acc	4.5	4.4	-1.0	5.1	-7.2
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 U Euro Acc	0.4	-2.3	13.7	-7.1	13.9
Return net of management fee Class U Euro Acc	-1.8	-4.4	11.2	-9.1	11.4
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 Euro

Russell Investments

Emerging Market Debt Local Currency Fund (continued)

Portfolio statistics

	Fund	Benchmark
Effective duration	5.3	4.9
Average maturity	9.2	7.2
Average credit rating	BBB	BBB
Yield to worst	6.9	7.0

Data as at 30 April 2024

3 years	Fund	Benchmark
Volatility ratio	6.1	5.8
Tracking error	2.9%	-
Sharpe ratio	0.3	0.1
Information ratio	0.4	-
3 year return (net)	1.7%	0.6%
3 year excess return (net)	1.1%	-

Ten largest holdings by weight

Security	Fund
Republic Of South Africa 8.75 28-Feb-2048	3.2%
Nota Do Tesouro Nacional 10 01-Jan-2029	2.8%
Republic Of South Africa 8.75 31-Jan-2044	2.6%
Mex Bonos Desarr Fix Rt 7.75 29-May-2031	2.2%
Mex Bonos Desarr Fix Rt 8 07-Nov-2047	2.2%
Indonesia Government 8.375 15-Mar-2034	2.0%
Czech Republic 1.5 24-Apr-2040	2.0%
Nota Do Tesouro Nacional 10 01-Jan-2033	2.0%
Mex Bonos Desarr Fix Rt 7.75 13-Nov-2042	1.9%
Titulos De Tesoreria 7 30-Jun-2032	1.8%

Source: State Street

Duration contribution

	Fund	Benchmark
Mexico	0.7	0.5
South Africa	0.7	0.4
Indonesia	0.6	0.5
Colombia	0.6	0.2
Malaysia	0.5	0.7
Czech Republic	0.4	0.3
Hungary	0.4	0.1
Brazil	0.4	0.2
Thailand	0.2	0.6
Others	0.8	1.3

Data as at 30 April 2024

Credit quality weights

	Fund	Benchmark
AAA & Cash	8.6%	-
AA	5.0%	6.3%
A	14.3%	29.6%
BBB	49.1%	43.9%
BB	21.2%	19.0%
B	1.0%	1.2%
CCC	0.2%	-
NR/Other	0.5%	-

Data as at 30 April 2024

Currency exposure

	Fund	Benchmark
Brazil	13.4%	10.0%
Malaysia	9.8%	10.0%
Mexico	9.7%	10.0%
South Africa	9.4%	8.4%
Indonesia	8.7%	10.0%
Colombia	7.8%	4.8%
Thailand	7.7%	9.5%
Hungary	7.2%	3.0%
Poland	5.1%	7.8%
Others	21.1%	26.4%

Data as at 30 April 2024

Russell Investments

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%	49.3%
Colchester	Fundamental value-driven approach	50.0%	50.0%
Russell Investments (cash & other)		-	0.7%

Important Information

This material does not constitute an offer or invitation to anyone in any jurisdiction in which such distribution is not authorised.

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.

Past performance does not predict future returns.

Potential investors in Emerging Markets should be aware that investment in these markets can involve a higher degree of risk.

Some investments/bonds may not be liquid and therefore may not be sold instantly. If these investments must be sold on short notice, you might suffer a loss.

Any reference to returns linked to currencies may increase or decrease as a result of currency fluctuations. Tax treatments depend on the circumstances of the individual client and may be subject to change in the future.

This is a marketing communication. Please refer to the prospectus of the UCITS and to the KIID/KID before making any final investment decisions.

In the UK this marketing document has been issued by Russell Investments Limited. Company No. 02086230. Registered in England and Wales with 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, 12 Endeavour Square, London, E20 1JN. In the EU this marketing document has been issued by Russell Investments Ireland Limited. Company No. 213659. Registered in Ireland with registered office at: 78 Sir John Rogerson's Quay, Dublin 2, Ireland. Authorised and regulated by the Central Bank of Ireland. In the Middle East this marketing document has been issued by Russell Investments Limited a Dubai International Financial Centre company which is regulated by the Dubai Financial Services Authority at: Office 4, Level 1, Gate Village Building 3, DIFC, PO Box 506591, Dubai UAE. Telephone +971 4 578 7097. This material should only be marketed towards Professional Clients as defined by the DFSA.

KvK number 67296386

© 1995-2024 Russell Investments Group, LLC. All rights reserved.