

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 74.87m

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 1,135.85

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 GBP	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	-2.2	-4.0	2.4	3.7	2.0	2.1
Return net of management fee Class I GBP Acc	-0.3	-2.5	-4.3	1.3	2.6	1.0	1.1
JP Morgan GBI-EM Global Diversified (USD) Index	-0.1	-1.2	-2.5	2.3	0.3	-0.2	1.4

*Inception: 28 September 2012

All returns greater than 1 year are annualised

Discrete rolling 12 month performance (%)

Returns shown in GBP	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	4.0	11.0	0.3	3.4	-2.7
Return net of management fee Class I GBP Acc	2.9	9.9	-0.7	2.4	-3.6
JP Morgan GBI-EM Global Diversified (USD) Index	2.7	5.7	-4.2	1.6	-1.8

Returns shown in GBP	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	-1.4	0.2	22.7	1.6	-0.5
Return net of management fee Class I GBP Acc	-2.4	-0.8	21.5	0.6	-1.5
JP Morgan GBI-EM Global Diversified (USD) Index	-0.5	0.7	21.2	1.6	-0.2

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	5.3	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	6.4	6.5
Tracking error	2.9%	-
Sharpe ratio	0.3	-0.1
Information ratio	0.8	-
3 year return (net)	2.6%	0.3%
3 year excess return (net)	2.3%	-

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

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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%

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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.

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