

# Russell Investments

## Emerging Market Debt Fund



**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 B Roll Up; USD

#### Dealing frequency; Cut off

Daily; 2.00pm GMT

#### Domicile; Category

Ireland; UCITS

#### Fund size

USD 58.34m

#### ISIN; Bloomberg

IE00BYSJV369; RUEMDBR ID

#### Fund launch date

03 December 2015

#### Share class launch date

03 December 2015

#### Management fee

1.50%

#### Share class NAV

USD 1,029.55

### Fund objective

The Fund aims to achieve income and growth by investing directly or indirectly (through the use of specialist financial instruments known as derivatives) in bonds of issuers located in or with a significant economic link to emerging markets (developing countries). The Fund is actively managed with reference to the JP Morgan EMBIG (USD) (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 uses a systematic, factors-based approach that substitutes sovereign exposure with quasi-sovereign exposure by harvesting known factors in credit and liquidity premiums that could be alternatives to both passive and active Emerging Market Debt mandates. This quasi-sovereign strategy has benefitted from overweights to sovereign credit in Latin America and Eastern Europe in recent months. There continues to be opportunities to generate returns from issuer and country selection.

### Performance review (%)

| Performance to period end<br>Returns shown in USD | 1 month | 3 months | Year to date | 12 months | 3 years | 5 years | Since inception* |
|---|---------|----------|--------------|-----------|---------|---------|------------------|
| Return gross of management fee Class B Roll Up    | -1.8    | 1.3      | 0.4          | 9.8       | -1.9    | -0.7    | 1.9              |
| Return net of management fee Class B Roll Up      | -1.9    | 0.9      | -0.1         | 8.1       | -3.4    | -2.2    | 0.3              |
| JP Morgan EMBIG (USD)                             | -2.0    | 0.5      | -0.6         | 6.8       | -2.4    | 0.5     | 2.7              |

\*Inception: 03 December 2015

All returns greater than 1 year are annualised

### Discrete rolling 12 month performance (%)

| Returns shown in USD                           | 31/03/24<br>31/03/23 | 31/03/23<br>31/03/22 | 31/03/22<br>31/03/21 | 31/03/21<br>31/03/20 | 31/03/20<br>31/03/19 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return gross of management fee Class B Roll Up | 12.6                 | -2.9                 | -10.7                | 19.3                 | -16.5                |
| Return net of management fee Class B Roll Up   | 10.9                 | -4.4                 | -12.1                | 17.5                 | -17.8                |
| JP Morgan EMBIG (USD)                          | 9.5                  | -5.9                 | -6.2                 | 14.3                 | -5.3                 |

| Returns shown in USD                           | 31/03/19<br>31/03/18 | 31/03/18<br>31/03/17 | 31/03/17<br>31/03/16 | 31/03/16<br>31/03/15 | 31/03/15<br>31/03/14 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return gross of management fee Class B Roll Up | -2.9                 | 4.6                  | 18.2                 | -                    | -                    |
| Return net of management fee Class B Roll Up   | -4.4                 | 3.1                  | 16.5                 | -                    | -                    |
| JP Morgan EMBIG (USD)                          | 3.5                  | 3.3                  | 8.8                  | -                    | -                    |

Past performance does not predict future returns.

The current benchmark is JP Morgan GBI-EM Global Diversified (USD) Index.

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## Emerging Market Debt Fund (continued)

### Portfolio statistics

|                       | Fund | Benchmark |
|-----------------------|------|-----------|
| Effective duration    | 6.6  | 6.8       |
| Average maturity      | 13.2 | 11.4      |
| Average credit rating | BB   | BBB       |
| Yield to worst        | 8.7  | 6.9       |

Data as at 31 March 2024

| 3 years                    | Fund  | Benchmark |
|----------------------------|-------|-----------|
| Volatility                 | 10.1  | 10.2      |
| Tracking error             | 4.2%  | -         |
| Sharpe ratio               | -0.6  | -0.5      |
| Information ratio          | -0.2  | -         |
| 3 year return (net)        | -3.4% | -2.4%     |
| 3 year excess return (net) | -1.0% | -         |

### Top Holdings

|   | Fund |
|---|------|
| Petroleos Mexicanos 6.625 29-Sep-2049     | 3.1% |
| Eskom Holdings Soc Ltd 8.45 10-Aug-2028   | 2.5% |
| Empresa Nacional Del Pet 4.5 14-Sep-2047  | 2.4% |
| Riyad Tier 1 Sukuk 4 16-Aug-2172          | 2.4% |
| Agua Y Saneamientos Arg 7.9 01-May-2026   | 2.4% |
| Instituto Costarricense 6.375 15-May-2043 | 2.4% |
| Banco Do Brasil (Cayman) 6.25 15-Oct-2172 | 2.3% |
| Indo Asahan/Mineral Ind 5.8 15-May-2050   | 2.2% |
| Petrobras Global Finance 6.85 05-Jun-2115 | 2.1% |
| Kazmunaygas National Co 6.375 24-Oct-2048 | 2.1% |

Source: State Street

### Sector weights

|             | Fund  | Benchmark |
|-------------|-------|-----------|
| EMD Hard    | 94.2% | 99.7%     |
| Other       | 3.7%  | 0.0%      |
| Gov-related | 2.0%  | 0.3%      |

Data as at 31 March 2024

### Ratings Breakdown

|            | Fund  | Benchmark |
|------------|-------|-----------|
| AAA & Cash | 3.7%  | -         |
| AA         | 0.3%  | 8.4%      |
| A          | 3.6%  | 19.6%     |
| BBB        | 22.0% | 31.6%     |
| BB         | 31.2% | 17.6%     |
| B          | 24.6% | 13.9%     |
| CCC        | 12.2% | 8.6%      |
| NR/Other   | 2.5%  | 0.2%      |

Data as at 31 March 2024

### Country weight

|              | Fund  | Benchmark |
|--------------|-------|-----------|
| Mexico       | 6.6%  | 10.2%     |
| Turkey       | 6.2%  | 7.2%      |
| Indonesia    | 6.0%  | 7.8%      |
| Brazil       | 4.9%  | 3.4%      |
| Chile        | 4.8%  | 3.9%      |
| Panama       | 4.6%  | 2.4%      |
| South Africa | 4.5%  | 1.8%      |
| Colombia     | 4.2%  | 2.5%      |
| Argentina    | 3.7%  | 2.4%      |
| Others       | 54.6% | 58.4%     |

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## Emerging Market Debt Fund (continued)

### Fund structure

| Manager/Strategy                   | Role in fund  | Target | Actual |
|------------------------------------|---|--------|--------|
| Russell Investments                | Systematic strategy harvesting the risk premium in Quasisovereign EM corporates | 100.0% | 97.8%  |
| Russell Investments (cash & other) |   | -      | 2.2%   |

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