

# Russell Investments Emerging Market Debt Local Currency Fund



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Portfolio Manager

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 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. 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<br>Returns shown in EUR | 1<br>month | 3<br>months | 6<br>months | Year to<br>Date | 1<br>year | 3<br>years | 5<br>years | 10<br>years | Since<br>inception |
|---|------------|-------------|-------------|-----------------|-----------|------------|------------|-------------|--------------------|
| Return net of management fee Class I<br>GBP Accum | 0.9        | 1.9         | 3.8         | 3.3             | 4.0       | 5.1        | 2.0        | 1.6         | 1.0                |
| JP Morgan GBI-EM Global Diversified<br>Index      | 0.6        | 2.3         | 5.1         | 2.3             | 6.6       | 4.3        | 0.7        | 1.6         | 1.3                |

All returns greater than 1 year are annualised

## Rolling 12 Month Performance (%)

| Returns shown in EUR                              | 31/12/23<br>31/12/24 | 31/12/22<br>31/12/23 | 31/12/21<br>31/12/22 | 31/12/20<br>31/12/21 | 31/12/19<br>31/12/20 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class I GBP<br>Accum | 0.04                 | 10.90                | 0.46                 | -1.38                | -4.64                |
| JP Morgan GBI-EM Global Diversified Index         | 4.14                 | 8.89                 | -5.90                | -1.82                | -5.79                |

  

| Returns shown in EUR                              | 31/12/18<br>31/12/19 | 31/12/17<br>31/12/18 | 31/12/16<br>31/12/17 | 31/12/15<br>31/12/16 | 31/12/14<br>31/12/15 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Return net of management fee Class I GBP<br>Accum | 12.51                | -3.16                | 0.15                 | 12.06                | -5.33                |
| JP Morgan GBI-EM Global Diversified Index         | 15.56                | -1.48                | 1.20                 | 13.23                | -5.23                |

Past performance does not predict future returns.

The current benchmark is JP Morgan GBI-EM Global Diversified (USD) Index, converted into the currency displayed in the performance table above where applicable.

| Fund facts                        |
|-----------------------------------|
| <b>Share Class; Dealing ccy</b>   |
| I GBP Accum; EUR                  |
| <b>Dealing frequency; Cut off</b> |
| Daily; 2:00 pm GMT                |
| <b>Domicile; Category</b>         |
| Ireland; UCITS                    |
| <b>Fund size</b>                  |
| USD 72.71m                        |
| <b>Fund launch date</b>           |
| 28 September 2012                 |
| <b>Share class launch date</b>    |
| 28 September 2012                 |
| <b>Management fee</b>             |
| 1.00%                             |
| <b>ISIN; Bloomberg</b>            |
| IE00B83KM958;                     |
| <b>Share class NAV</b>            |
| EUR 0.26m                         |

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## Portfolio Statistics

|                       | Fund |
|-----------------------|------|
| Effective duration    | 6.0  |
| Average maturity      | 10.8 |
| Average credit rating | BBB  |
| Yield to worst        | 9.4  |

| 3 years                    | Fund | Benchmark |
|----------------------------|------|-----------|
| Volatility                 | 11.2 | 11.2      |
| Tracking error             | 3.5  | 3.5       |
| Sharpe ratio               | -    | -         |
| Information ratio          | 0.5  | 0.5       |
| 3 year return (net)        | 6.4% | 4.3%      |
| 3 year excess return (net) | 2.1% | -         |

## Ten largest holdings by weight

| Issuer                                   | Fund  |
|--|-------|
| Republic of South Africa Government Bond | 13.9% |
| Indonesia Treasury Bond                  | 13.2% |
| Mexican Bonos                            | 12.6% |
| Malaysia Government Bond                 | 11.2% |
| Colombian TES                            | 10.0% |
| Brazil Notas do Tesouro Nacional Serie F | 7.7%  |
| Czech Republic Government Bond           | 4.3%  |
| Turkiye Government Bond                  | 4.3%  |
| Peru Government Bond                     | 3.4%  |
| Republic of Poland Government Bond       | 2.6%  |

## Duration Contribution

|                | Fund | Benchmark |
|----------------|------|-----------|
| South Africa   | 1.0  | 0.4       |
| Indonesia      | 0.8  | 0.5       |
| Mexico         | 0.8  | 0.5       |
| Colombia       | 0.6  | 0.2       |
| Malaysia       | 0.6  | 0.7       |
| Czech Republic | 0.5  | 0.3       |
| Brazil         | 0.4  | 0.2       |
| Peru           | 0.3  | 0.1       |
| Hungary        | 0.2  | 0.1       |
| Chile          | 0.1  | 0.1       |

## Credit Quality Weights

|             | Fund  | Benchmark |
|-------------|-------|-----------|
| AAA         | 7.1%  | 0.0%      |
| AA          | 5.1%  | 5.0%      |
| A           | 15.3% | 29.2%     |
| BBB         | 44.0% | 49.3%     |
| BB          | 23.2% | 14.9%     |
| B           | 4.7%  | 1.7%      |
| CCC & Below | 0.3%  | 0.0%      |
| Unrated     | 0.4%  | 0.0%      |

## Currency Exposure

|                    | Fund  | Benchmark |
|--------------------|-------|-----------|
| Mexican Peso       | 12.1% | 10.1%     |
| Malaysian Ringgit  | 11.2% | 10.1%     |
| Indonesian Rupiah  | 10.5% | 10.1%     |
| Brazilian Real     | 10.3% | 6.6%      |
| South African Rand | 9.0%  | 7.7%      |
| Colombian Peso     | 5.9%  | 4.2%      |
| Thai Baht          | 5.5%  | 8.9%      |
| Turkish Lira       | 5.4%  | 1.7%      |
| Polish Zloty       | 5.0%  | 7.1%      |
| Hungarian Forint   | 5.0%  | 2.4%      |

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## Fund structure

| Manager/Strategy                    | Strategy               | Target | Actual |
|-------------------------------------|------------------------|--------|--------|
| Barings LLC                         | Emerging Market Debt   | 49.5%  | 47.9%  |
| Colchester Global Investors Limited | Emerging Market Debt   | 49.5%  | 51.1%  |
| Russell Investments                 | Positioning Strategies | 1.0%   | 1.0%   |

Any reference to specific money managers should not be taken as a recommendation. Money managers are subject to change.

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