

# 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. 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 USD	1 month	3 months	6 months	Year to Date	1 year	3 years	5 years	10 years	Since inception
Return net of management fee Class I USD Accum	-0.4	-2.8	1.4	-3.1	1.0	2.1	0.8	0.1	-0.7
JP Morgan GBI-EM Global Diversified Index	-0.6	-1.9	2.3	-0.5	2.7	0.2	-0.7	0.0	-0.4

All returns greater than 1 year are annualised

## Rolling 12 Month Performance (%)

Returns shown in USD	30/09/23 30/09/24	30/09/22 30/09/23	30/09/21 30/09/22	30/09/20 30/09/21	30/09/19 30/09/20
Return net of management fee Class I USD Accum	13.21	16.89	-16.91	2.77	-0.67
JP Morgan GBI-EM Global Diversified Index	13.42	13.10	-20.63	2.63	-1.45

Returns shown in USD	30/09/18 30/09/19	30/09/17 30/09/18	30/09/16 30/09/17	30/09/15 30/09/16	30/09/14 30/09/15
Return net of management fee Class I USD Accum	6.73	-8.82	7.50	15.24	-20.47
JP Morgan GBI-EM Global Diversified Index	10.13	-7.40	7.32	17.06	-19.77

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 USD Accum; USD
<b>Dealing frequency; Cut off</b>
Daily; 2:00 pm GMT
<b>Domicile; Category</b>
Ireland; UCITS
<b>Fund size</b>
USD 77.11m
<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>
IE00B8N1QF24;
<b>Share class NAV</b>
USD 15.50m

# Russell Investments Emerging Market Debt Local Currency Fund

## Portfolio Statistics

	Fund
Effective duration	5.6
Average maturity	10.0
Average credit rating	BBB
Yield to worst	9.1

3 years*	Fund	Benchmark
Volatility	11.2	11.2
Tracking error	3.7	3.7
Sharpe ratio	-	-
Information ratio	0.7	0.7
3 year return (net)	3.4%	0.2%
3 year excess return (net)	3.2%	-

\* Data as at 31 October 2024

## Ten largest holdings by weight

Issuer	Fund
Republic of South Africa Government Bond	14.6%
Indonesia Treasury Bond	13.5%
Mexican Bonos	11.7%
Malaysia Government Bond	10.5%
Colombian TES	8.8%
Brazil Notas do Tesouro Nacional Serie F	7.5%
Czech Republic Government Bond	4.1%
Hungary Government Bond	3.6%
Turkiye Government Bond	3.3%
Peru Government Bond	3.2%

## Duration Contribution

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

## Credit Quality Weights

	Fund	Benchmark
AAA	10.3%	0.0%
AA	4.8%	5.5%
A	14.4%	29.9%
BBB	43.6%	46.0%
BB	22.6%	17.1%
B	3.7%	1.5%
CCC & Below	0.2%	0.0%
Unrated	0.4%	0.0%

## Currency Exposure

	Fund	Benchmark
Indonesian Rupiah	11.5%	10.2%
Mexican Peso	11.5%	10.2%
Brazilian Real	11.4%	7.7%
South African Rand	11.1%	8.8%
Malaysian Ringgit	10.5%	10.3%
Thai Baht	6.9%	9.4%
Polish Zloty	5.4%	7.6%
Colombian Peso	5.4%	4.0%
Hungarian Forint	5.2%	2.5%
Turkish Lira	4.7%	1.5%

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## Fund structure

Manager/Strategy	Strategy	Target	Actual
Barings LLC	Emerging Market Debt	49.5%	49.6%
Colchester Global Investors Limited	Emerging Market Debt	49.5%	49.1%
Russell Investments	Positioning Strategies	1.0%	1.2%

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

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**Past performance does not predict future returns.**

**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.**

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

**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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