

## Press release

11 March 2010

Fund in focus: M&G Emerging Markets Bond

**Sheridan Admans, investment adviser at The Share Centre, explains how investors looking for exposure to emerging markets could benefit from investing in emerging markets debt over the longer term with the M&G Emerging Markets Bond fund.**

“Emerging markets have become increasingly popular with investors over recent years, given their strong fundamentals, positive reform, advantageous demographics, wealth in resources and sound banking systems.

“More recently, the global financial crisis has helped to boost the attraction of emerging markets debt. As pressure grows on the UK and US to reduce their debt level, which is almost 80% and 90% of GDP respectively, many emerging markets such as Brazil, Poland and Indonesia are demonstrating fiscal surpluses.

“This is important because if you are going to ‘loan’ these economies’ money by investing in their debt, you want some degree of certainty that they have the ability to pay you back, and with interest.

“The M&G Emerging Markets Bond aims to maximise total return through a combination of income and capital growth. It primarily invests in debt instruments which may be gained through the use of derivatives.

“The fund only holds bonds issued by emerging market borrowers that are denominated in G8 currencies. It will not hold loans or corporate issues, which can be higher risk and offer lower long-term returns. It also avoids emerging market currency debt, as this can be more at risk from default and high inflation.

“The fund’s manager Jim Leaviss focuses on proprietary research. He looks extremely closely at the structure of a country’s debts and underlying assets, rather than relying on broader, less precise debt measures. In terms of performance, the fund has returned 38% over the last three years.

“As with any investment, exposure to emerging markets carries some risk. Currency fluctuations, political upheaval, inflation and risk of default are just some of the issues investors need to consider before investing in emerging market debt.

“Investing in emerging markets is far riskier than investing in the developed world. As such, this fund sits higher up the risk scale for lower risk investors. For those who believe emerging markets have a significant role to play within the developing global economy, funds like the M&G Emerging Markets Bond could be just the ticket.”

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**Note to editors:**

As one of The Share Centre's Platinum 120 funds there is no initial charge when investing in the M&G Emerging Markets Bond fund and customers will not be charged dealing commission.

**About The Share Centre's Platinum 120 range:**

The Share Centre launched its Platinum 120 funds range in June 2009 in order to help investors identify the funds with the best long-term prospects and strong management. Customers who invest in a Platinum 120 fund will benefit from no purchase commission on all funds and no initial charge on almost 90%. Please visit [www.share.com/p120](http://www.share.com/p120) to view the full Platinum 120 range. Please be aware that this may require registration.

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**Risk Warnings:**

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPPs are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.