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DIVERSIFIED CORPORATE BOND FUND

30 September 2019

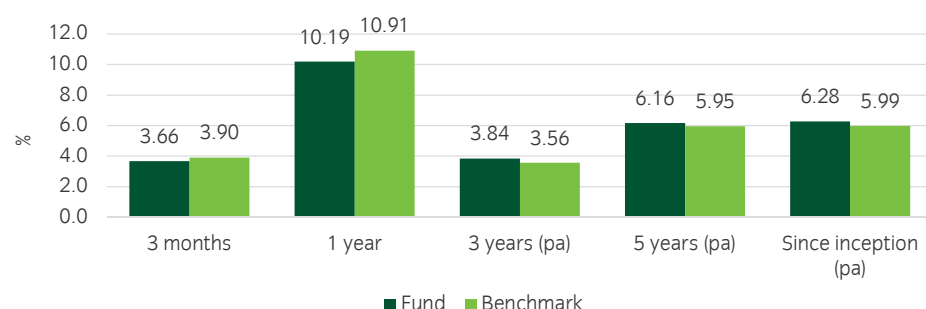
FUND OBJECTIVE

The Fund seeks to generate a return for investors by investing primarily in a portfolio of sterling denominated corporate bonds

FUND SUMMARY

- Actively managed to aim to deliver attractive total returns in excess of a credit benchmark
- Aims to add value principally through credit strategy, security selection, duration and currency management and off-benchmark exposures across global fixed income
- Customised benchmark approach limits concentration risks and avoids exposure to lower-yielding supranationals
- Invests primarily in fixed income securities and currencies, either directly or via derivatives
- Rigorous, disciplined investment process drawing on a large team of fixed income and currency specialists

SHARE CLASS PERFORMANCE



Source: Insight Investment and Rimes. Fund performance is shown for share class S £ Acc and is calculated as total return, including reinvested income, gross of fees and expenses. Gross of fees performance results do not reflect the deduction of charges, which will reduce investors' returns. Performance for periods over one year is annualised. Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may be partly due to exchange rate fluctuations). Investors may not get back the full amount invested.

FUND MANAGER COMMENTS

The Fund delivered a positive return but slightly underperformed its benchmark. In July, credit strategy was negative due to overweights in fixed-rate securitisations and subordinated financials; security selection was also negative, primarily due to an overweight position in Intu, which published worse-than-expected results. However, the allocation to euro-denominated bonds was positive for returns. In August, Intu was again the main detractor – with bonds pricing well below our expectation of recovery value we continued to hold. General Electric also detracted after a well-publicised research note issued by a short seller, and our small overweight to credit risk was negative as spreads widened. The Fund recovered performance in September as the Intu bonds rebounded, and other UK names performed well in the wake of improved sentiment over Brexit. A new issue from Rothesay Life also performed well, benefiting the portfolio.

FUND FACTS

Fund size: £68.2m

Inception date: 11 June 2013

Benchmark: Markit iBoxx GBP Collateralized & Corporates (1% issuer cap/25% sector cap) index

Fund manager: Damien Hill

Target return: Outperform benchmark by 1% pa (before tax, fees and expenses) over rolling five year periods. However, a positive return is not guaranteed and a capital loss may occur.

FUND CHARACTERISTICS

	Fund	Benchmark
Yield (%)	2.51	1.96
Duration (years)	8.6	8.5
Government spread (bp)	200	145
Spread over swaps (bp)	173	131

CREDIT RATING

(%)	Fund	Benchmark
AAA	4.8	6.7
AA	12.5	14.4
A	35.3	47.9
BBB	37.0	31.0
CDS indices	-3.2	0.0
Cash and other	13.6	0.0

CREDIT SPREAD DURATION BY CURRENCY

(years)	Fund	Benchmark
Sterling	7.5	8.5
US dollar	0.1	0.0
Euro	0.1	0.0
Other	0.0	0.0
Total	7.7	8.5

FUND ALLOCATION

(%)	Fund	Benchmark
Government and SSA	6.2	0.0
Financials	19.3	24.4
Corporate cyclicals	12.5	19.4
Corporate non-cyclicals	16.7	41.2
Securitized	30.7	15.0
Asset-backed securities	4.1	0.0
Cash and other	10.4	0.0

TECHNICAL DETAILS

Legal structure: Open Ended Investment Company (UCITS)

Domicile: Ireland

Share class currencies: Sterling

Dealing frequency: Daily, midday (Irish time)

Settlement period: T+3

Pricing method: Swinging single price

Scheme: Insight Global Funds II plc

Depository: Northern Trust Fiduciary Services (Ireland) Limited

Administrator: Northern Trust International Fund Administration Services (Ireland) Limited

Ongoing charges: 0.07% (represented by share class S Accumulation, other share classes are available)



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