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UK BROAD MARKET BOND FUND

30 June 2021

FUND OBJECTIVE

The Fund aims to generate a return by investing principally in sterling denominated fixed interest securities issued by governments, public authorities and corporate entities

FUND SUMMARY

- Actively managed to aim to deliver attractive total returns in excess of a broad market benchmark
- Aims to add value principally through duration, yield curve, credit strategy, security selection and currency management and off-benchmark exposures across global fixed income
- 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

FUND FACTS

Fund size: £62.2m

Inception date: 17 November 2004

Benchmark: 50% FTSE Actuaries UK Conventional Gilts All Stocks Index; 50% Markit iBoxx GBP Non-Gilts Index

Fund manager: David Hooker

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 (%)	1.38	1.12
Duration (years)	9.5	10.0

SHARE CLASS PERFORMANCE

	3 months	1 year	3 years (pa)	5 years (pa)	10 years (pa)	Since inception (pa)
Fund	1.99	-0.99	4.49	3.88	6.20	5.78
Benchmark	1.71	-2.31	3.88	3.01	5.23	5.01

	Calendar year returns					12-month rolling returns				
	2020	2019	2018	2017	2016	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Fund	9.85	8.72	-1.20	4.91	11.66	-0.99	9.86	4.90	1.94	3.97
Benchmark	8.13	8.10	-0.46	3.07	10.41	-2.31	8.86	5.40	1.28	2.16

Source: Insight Investment and Rimes. Fund performance is shown for share class P £ 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 returned 1.99% during the quarter and outperformed the benchmark return of 1.71%. Duration positions were positive for portfolio returns. Although our short duration bias in the UK and Germany was negative for performance, our country allocation positions were positive and more than offset those losses. We held a long position in the 30-year US vs UK which performed well as spreads tightened with the US a relative outperformer. Yield curve positions were also positive, largely driven by our 30s50s steepener position in the UK. Credit strategy was the largest driver of our relative outperformance as we held a long position in credit and spreads continued to modestly tighten. The allocation to short dated high yield was also positive for performance. Security selection was also helpful, with top contributions from Intercontinental Hotels, Channel Link and Marstons. Whole business securitisations continue to perform well and contribute to our relative returns. Currency was not a material contributor to returns during the period.

CREDIT RATING

(%)	Fund	Benchmark
AAA	6.2	9.9
AA	44.8	57.0
A	22.0	19.6
BBB	16.9	13.4
Sub-investment grade	2.7	0.0
Cash and other	7.5	0.0

DURATION EXPOSURE BY CURRENCY

(years)	Fund	Benchmark
Sterling	9.6	10.0
US dollar	0.0	0.0
Euro	-0.1	0.0
Other	0.0	0.0
Total	9.5	10.0

DURATION EXPOSURE BY MATURITY

(years)	Fund	Benchmark
0-5	0.4	0.8
5-10	1.7	1.6
10-15	2.4	1.2
15-25	2.0	2.5
25+	3.0	3.9
Total	9.5	10.0

FUND ALLOCATION

(%)	Fund	Benchmark	Fund	Benchmark	
Government	41.5	50.0	Asset-backed securities	0.0	0.0
Supranationals	3.2	11.6	Cash and other	7.0	0.1
Corporate	48.3	38.3			

TECHNICAL DETAILS

Legal structure: Open Ended Investment Company (UCITS)

Domicile: United Kingdom

Share class currencies: Sterling

Dealing frequency: Daily, Midday

Settlement period: T+3

Pricing method: Swinging single price

Scheme: Insight Investment Discretionary Funds ICVC

Depository: NatWest Trustee and Depository Services Limited

Administrator: The Bank of New York Mellon (International) Limited

Ongoing charges: 0.50% (represented by share class Gross P Acc, other share classes are available)



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