

DIVERSIFIED CORPORATE BOND FUND



31 March 2019

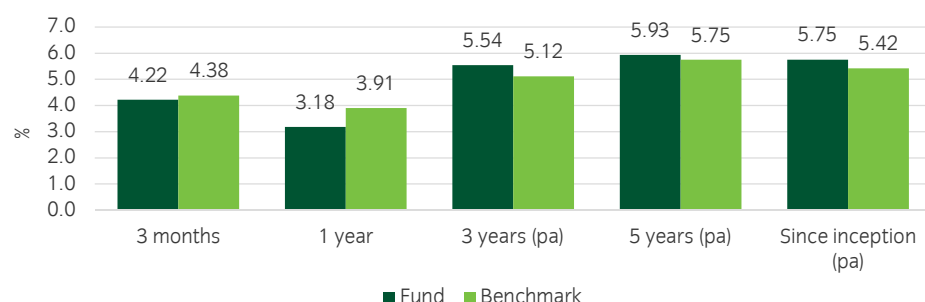
FUND OBJECTIVE

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 portfolio delivered a positive return but underperformed its benchmark. Credit strategy contributed negatively. We held a neutral risk position for most of the period but this still detracted as our CDS hedges outperformed in the rally. Our overweight in financials contributed positively during the period. Security selection contributed negatively. Our single name CDS positioning outperformed and negatively impacted performance. Prudential, AA and General Electric performed well but were not enough to offset the CDS losses. Duration and yield curve positioning modestly contributed to performance while currency was a small negative.

FUND FACTS

Fund size: £64.3m

Inception date: 11 June 2013

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

Fund manager: Adam Mossakowski

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 (%)	2.60	2.49
Duration (years)	8.3	8.2
Government spread (bp)	193	148
Spread over swaps (bp)	151	132

CREDIT RATING

(%)	Fund	Benchmark
AAA	5.7	6.7
AA	14.7	14.4
A	34.9	48.5
BBB	31.5	30.5
Sub-investment grade	0.0	0.0
CDS indices	-12.7	0.0
Cash and other	25.9	0.0

CREDIT SPREAD DURATION BY CURRENCY

(years)	Fund	Benchmark
Sterling	7.3	8.2
US dollar	0.5	0.0
Euro	-1.3	0.0
Other	0.0	0.0
Total	6.6	8.2

FUND ALLOCATION

(%)	Fund	Benchmark
Government and SSA	8.6	0.0
Financials	19.0	24.7
Corporate cyclicals	9.3	18.4
Corporate non-cyclicals	14.2	41.2
Securitized	31.1	15.6
Asset-backed securities	5.3	0.0
CDS indices	-13.2	0.0
Cash and other	25.7	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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