

DIVERSIFIED CORPORATE BOND FUND



31 December 2018

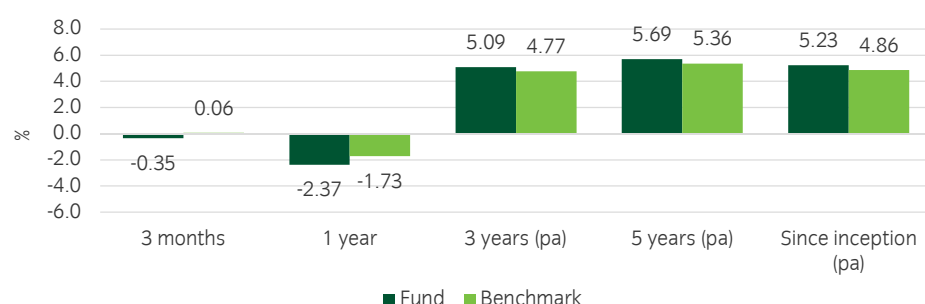
FUND OBJECTIVE

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 slightly negative return and underperformed its benchmark. Credit strategy contributed positively. We decreased our modestly long credit risk position to neutral but this still detracted. Our Index CDS and single name CDS hedges contributed positively and our overweight in financials detracted. Security selection contributed negatively. GE sold off heavily following its downgrade to BBB and some of our Brexit-exposed overweights such as AA, RAC and Intu performed poorly in the weak liquidity environment. Lloyds and Tesco were also positive contributions. Duration and yield curve positioning modestly detracted from performance.

FUND FACTS

Fund size: £61.7m

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 (%)	3.15	2.90
Duration (years)	8.1	8.0
Government spread (bp)	198	168
Spread over swaps (bp)	174	152

CREDIT RATING

(%)	Fund	Benchmark
AAA	7.3	6.7
AA	13.4	15.0
A	35.0	46.4
BBB	32.0	31.9
Sub-investment grade	0.3	0.0
CDS indices	-0.8	0.0
Cash and other	12.9	0.0

CREDIT SPREAD DURATION BY CURRENCY

(years)	Fund	Benchmark
Sterling	6.7	8.0
US dollar	0.0	0.0
Euro	-0.1	0.0
Other	0.0	0.0
Total	6.6	8.0

FUND ALLOCATION

(%)	Fund	Benchmark
Government and SSA	8.3	0.0
Financials	17.6	24.9
Corporate cyclicals	6.9	18.7
Corporate non-cyclicals	12.5	41.2
Securitized	31.0	15.3
Asset-backed securities	7.4	0.0
CDS indices	-0.9	0.0
Cash and other	17.2	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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