

MATURING BUY AND MAINTAIN FUNDS



31 March 2019

OBJECTIVE

The Funds seeks to generate a return for investors by investing primarily in a portfolio of debt securities

FUND RANGE SUMMARY

- Insight's Maturing Buy and Maintain Bond Fund range consists of six funds which invest in assets that mature over discrete five-year periods, and pay out coupon and principal proceeds over time, offering a predictable stream of cash flows
- Insight's buy and maintain approach focuses on credit quality, avoidance of default and stability of cash flows, aiming to offer an attractive solution for investors seeking structural credit exposure

FUND AND COMPARATOR INDEX PERFORMANCE

To aid the assessment of manager performance Fund returns can be compared over the long term to a series of customised iBoxx indices that mirror the five-year maturity periods of each fund and also mature over time

	3 months %	1 year %	Since inception % p.a.
MBAM Bond Fund 2017-2020	0.56	1.42	0.99
iBoxx GBP Corporates 2016-2020	0.82	1.70	1.65
MBAM Bond Fund 2021-2025	2.44	2.74	1.58
iBoxx GBP Corporates 2021-2025	2.46	2.72	1.69
MBAM Bond Fund 2026-2030	4.15	3.79	2.40
iBoxx GBP Corporates 2026-2030	4.42	4.52	2.98
MBAM Bond Fund 2031-2035	6.01	5.15	3.78
iBoxx GBP Corporates 2031-2035	6.38	4.52	2.98
MBAM Bond Fund 2036-2040	7.27	3.76	3.61
iBoxx GBP Corporates 2036-2040	8.56	4.63	3.36
MBAM Bond Fund 2041-2045	7.15	3.76	3.64
iBoxx GBP Corporates 2041-2045	8.62	6.47	5.44

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. Benchmark measure shown is for the iBoxx GBP Corporate & Collateralised over 10 year ex-T1 & UT2, 1.5% issuer cap, 25% level 3 sector cap Index, which has been used as a comparator for performance purposes. Performance for periods over one year is annualised. **Past performance is not indicative of future results. Investment in any strategy involves a risk of loss which may partly be due to exchange rate fluctuations.**

FUND MANAGER COMMENTS

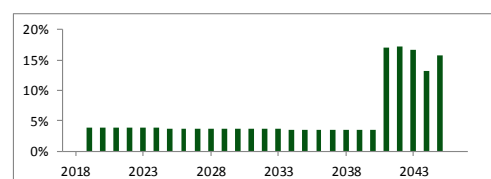
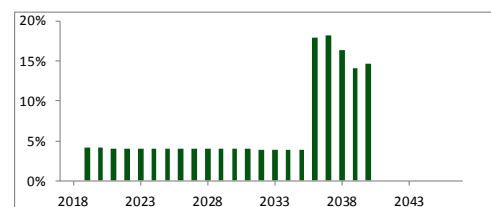
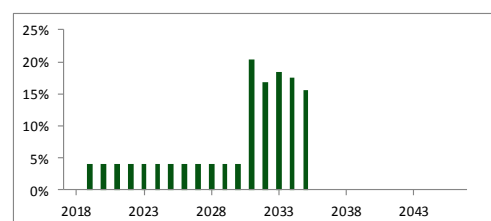
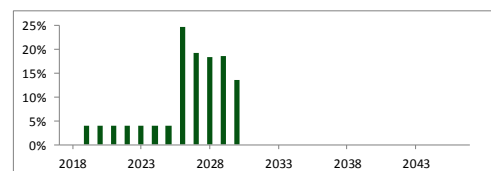
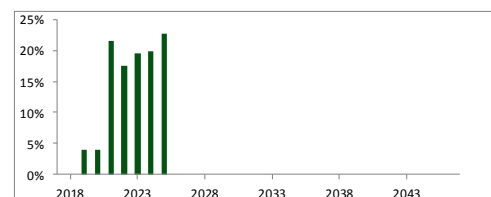
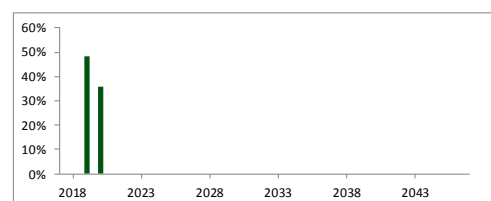
GBP credit spreads rallied over the quarter, reversing much of the previous quarter's losses. Longer dated Gilt yields also rallied which meant that overall total returns for the asset class ranged from +0.5% at shorter maturities to as much as +7% at longer dated tenors. The funds slightly underperformed their comparator indices due to modestly lower levels of credit risk and also less interest rate exposure. We sold all exposure to Australian insurer QBE – the company posted further disappointing results and is now on its third CEO in as little as five years. There were no other sales for credit concern reasons. The funds bought new issues from Ford and ING as well as increasing exposure to some preferred names, e.g. Eurotunnel, RAC and Intu.

FUND RANGE FACTS

Inception date: 17 July 2017

Fund manager: Adam Mossakowski

PROJECTED CASH FLOWS



Cash flows shown are based on current holdings. Holdings will change, although the overall cash flow profile of each fund is not expected to change significantly. Final redemption year cash flows will be smoothed.

FUND SUMMARY

	2017-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045
Yield (%)	1.14	2.05	2.73	2.83	2.95	2.88
Spread to government (bps)	56	133	183	158	153	143
Spread to swaps (bps)	41	102	163	160	169	161
Duration (years)	0.67	3.91	7.29	10.28	12.55	14.50
Swing (%)	0.08	0.20	0.34	0.44	0.50	0.52
Average rating	A	A-	A-	A-	A-	A-

CREDIT RATING DISTRIBUTION (%)

	2017-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045
AAA	0.0	0.9	2.5	2.5	0.0	0.0
AA	0.0	9.1	1.8	4.0	4.8	13.0
A	29.6	32.4	42.1	35.8	41.9	44.5
BBB	52.9	56.1	52.0	56.8	51.6	39.4
Cash and other	17.6	1.4	1.7	0.9	1.7	3.1

SECTOR WEIGHTS (%)

	2017-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045
Financials	32.00	30.04	28.52	28.80	24.26	30.07
Utilities	14.13	16.39	22.93	25.18	26.20	14.99
Consumer	12.88	21.40	6.18	13.54	5.76	12.48
Industrials	2.99	16.82	8.25	12.44	16.24	14.46
Telecoms	8.43	6.22	14.06	11.78	14.23	14.22
Secured	12.00	7.69	18.40	7.32	11.59	10.65
Cash and other	17.6	1.4	1.7	0.9	1.7	3.1

DENOMINATION OF BONDS (PRE-HEDGING %)

	2017-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045
GBP	71.8	75.7	82.7	83.0	73.8	55.5
EUR	7.2	2.5	4.5	0.0	0.0	0.0
USD	3.4	20.4	11.1	16.1	24.5	41.4

TECHNICAL DETAILS

Legal structure: Qualifying Investor Alternative Investment Fund (QIAIF)

Domicile: Ireland

Share class currencies: Sterling

Dealing frequency: 3rd business day (London and Dublin) of each calendar month

Settlement period: Purchases: T+3, Redemptions: 15 Business Days following the Dealing Day after receipt of repurchase instruction (usually)

Pricing method: Swinging single price

Scheme: LDI Solutions Plus plc

Depository: Northern Trust Fiduciary Services (Ireland) Limited

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

Ongoing charges: 0.20% (represented by share class B Income, other share classes are available)

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