

MATURING BUY AND MAINTAIN FUNDS



31 December 2018

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	0.25	0.67	0.77
iBoxx GBP Corporates 2016-2020	0.12	0.54	0.69
MBAM Bond Fund 2021-2025	-0.09	-0.96	0.18
iBoxx GBP Corporates 2021-2025	0.01	-0.91	0.30
MBAM Bond Fund 2026-2030	0.23	-2.11	-0.02
iBoxx GBP Corporates 2026-2030	0.44	-1.74	0.47
MBAM Bond Fund 2031-2035	-0.36	-2.65	0.33
iBoxx GBP Corporates 2031-2035	0.05	-2.39	0.25
MBAM Bond Fund 2036-2040	-1.54	-4.96	-0.66
iBoxx GBP Corporates 2036-2040	-1.72	-5.60	-1.76
MBAM Bond Fund 2041-2045	-1.25	-5.05	-1.40
iBoxx GBP Corporates 2041-2045	-0.49	-3.47	-0.47

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

In tandem with other risk assets, GBP credit spreads widened significantly took another large leg wider over the quarter leaving them at levels last seen just after the UK/EU referendum. The risk-off environment also saw Gilt yields fall so overall market returns were broadly flat. Four of the portfolios underperformed the comparator index in this environment. Exposures to Intu Properties, RAC and GE were the main detractors across the range. Conversely, low levels of exposure to tobacco beneficial for overall and relative performance. The portfolios established a new position in RAC, the better of the two UK roadside recovery operators, where we felt the spread was overcompensating for the risks to bondholders who further benefit from being senior creditors in a securitisation. We also bought attractive new issues from Legal & General, Center Parcs and VW. The latter we feel having now adequately addressed its problems to be suitable again for long term investment. There were no sales for credit concerns over the quarter.

FUND RANGE FACTS

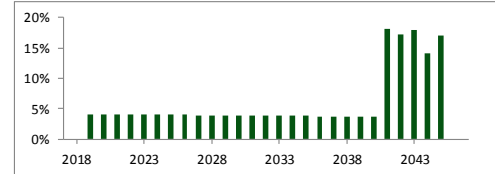
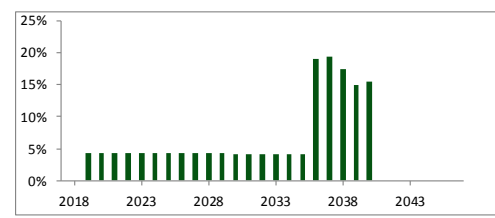
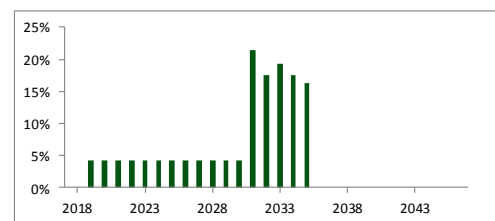
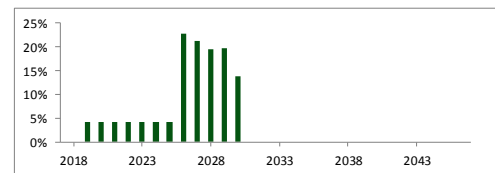
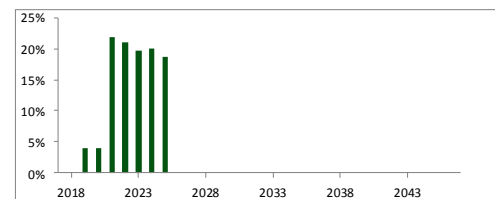
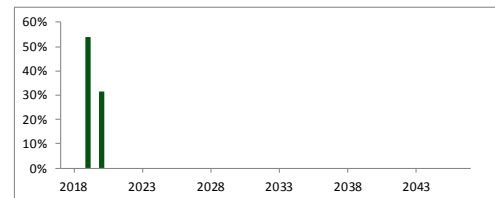
Inception date: 17 July 2017

Benchmark: No benchmark

Fund manager: Adam Mossakowski

Target return: Absolute return

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 (%)	1.53	2.46	3.13	3.31	3.45	3.30
Spread to government (bps)	90	166	204	190	192	181
Spread to swaps (bps)	63	135	188	197	212	203
Duration (years)	0.79	3.98	7.41	10.17	12.09	14.08
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	2.6	2.5	0.0	0.0
AA	0.0	9.1	1.9	4.1	5.0	13.7
A	25.9	32.9	40.7	36.0	40.1	44.0
BBB	58.2	55.7	53.1	56.2	53.7	40.2
Cash and other	15.9	1.3	1.7	1.2	1.2	2.1

SECTOR WEIGHTS (%)

	2017-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045
Financials	28.2	29.8	27.4	28.7	24.2	30.9
Utilities	16.6	16.8	22.1	25.3	26.1	15.4
Consumer	11.3	20.8	6.0	13.1	5.9	13.1
Industrials	2.7	17.2	10.0	12.5	16.4	14.8
Telecoms	14.6	6.2	14.4	11.8	14.2	14.4
Secured	10.5	7.8	18.3	7.5	12.0	9.2
Cash and other	15.9	1.3	1.7	1.2	1.2	2.1

DENOMINATION OF BONDS (PRE-HEDGING %)

	2017-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045
GBP	71.4	76.5	81.6	82.2	73.5	54.1
EUR	6.6	2.5	4.8	0.0	0.0	0.0
USD	6.1	19.6	11.9	16.6	25.3	43.8

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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Client Relationship Management

clientdirectors@insightinvestment.com
+44 20 7321 1499



www.insightinvestment.com

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