

# UK BROAD MARKET BOND FUND



31 March 2019

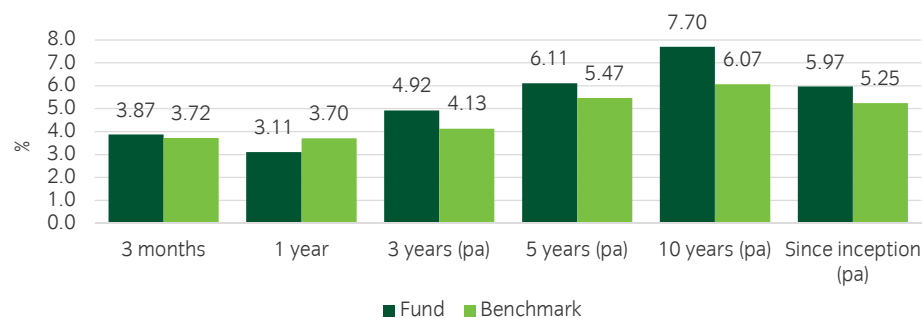
## FUND OBJECTIVE

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

## SHARE CLASS PERFORMANCE



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 portfolio delivered a positive return and outperformed its benchmark. Duration positioning contributed positively. We held a short 10-year long 50-year gilt position in February but reversed this position in March. In March, we had some tactical long exposure to the UK and a short 10-year duration position in Germany. Yield curve positioning contributed negatively. At the beginning of the period, we held a 10s30s flattener in Australia, a 20s30s40s butterfly spread position in the UK and a 5s10s steepener position in the UK. We switched the 10s30s flattener position in Australia for a 5s30s flattener position in the US in February but closed out of it by March. 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. Inflation positioning detracted from performance. We continued to hold a long position in US 30-year inflation breakevens.

## FUND FACTS

**Fund size:** £82.1m

**Inception date:** 17 November 2004

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

**Fund manager:** Harvey Bradley

**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 (%)	1.79	1.69
Duration (years)	9.7	9.7

## CREDIT RATING

(%)	Fund	Benchmark
AAA	15.6	10.6
AA	52.8	58.7
A	16.3	19.7
BBB	12.7	11.0
Sub-investment grade	-0.1	0.0
CDS indices	-5.5	0.0
Cash and other	8.3	0.0

## DURATION EXPOSURE BY CURRENCY

(years)	Fund	Benchmark
Sterling	9.1	9.7
US dollar	0.1	0.0
Euro	0.5	0.0
Other	0.0	0.0
Total	9.7	9.7

## DURATION EXPOSURE BY MATURITY

(years)	Fund	Benchmark
0-5	0.5	0.8
5-10	2.1	1.4
10-15	0.7	1.0
15-25	2.0	2.8
25+	4.5	3.7
Total	9.7	9.7

## FUND ALLOCATION

(%)	Fund	Benchmark	Fund	Benchmark	
Government	47.5	50.0	Asset-backed securities	1.6	0.0
Government index-linked	3.5	0.0	CDS indices	-5.7	0.0
Supranationals	6.5	11.6	Cash and other	8.1	0.0
Corporate	38.5	38.4			

## 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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