



UK BROAD MARKET BOND FUND

30 September 2021

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

FUND FACTS

Fund size: £60.5m

Inception date: 17 November 2004

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

Fund manager: David Hooker

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 (%)	1.50	1.30
Duration (years)	9.5	9.9

SHARE CLASS PERFORMANCE

	3 months	1 year	3 years (pa)	5 years (pa)	10 years (pa)	Since inception (pa)
Fund	-1.12	-2.50	4.49	2.81	5.58	5.62
Benchmark	-1.40	-3.65	3.75	1.93	4.58	4.85

	Calendar year returns					12-month rolling returns				
	2020	2019	2018	2017	2016	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Fund	9.85	8.72	-1.20	4.91	11.66	-2.50	5.37	11.05	0.67	-0.01
Benchmark	8.13	8.10	-0.46	3.07	10.41	-3.65	3.71	11.78	0.39	-1.89

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 Fund returned a negative absolute return of -1.12% (gross) but outperformed the benchmark return of -1.40%. Duration and yield curve positions were positive drivers of performance. We held a short duration position in the UK and US which was helpful as yields rose meaningfully in September. We also increased the US short duration position in September which was helpful for returns. We held various 'steepener' positions in the UK (10s20s and 30s50s steepener) which were collectively negative. In September we initiated a long in Germany versus the UK and this also contributed to performance. This is based on the view that we believe the ECB can be more patient than the BOE in tightening monetary policy as inflation risks are less pronounced in Europe. Credit strategy and security selection were the largest contributor to relative returns during the quarter. Some of the more cyclical sectors like subordinated financials performed well which benefited the Fund's relative returns. In terms of activity, we participated in several new issues during the quarter, including Annington, Santander, Realty Income, and AA bonds, among others

CREDIT RATING

(%)	Fund	Benchmark
AAA	6.3	10.3
AA	46.6	56.9
A	20.8	19.4
BBB	19.6	13.4
Sub-investment grade	3.6	0.0
CDS indices	-2.8	0.0
Cash and other	5.9	0.0

DURATION EXPOSURE BY CURRENCY

(years)	Fund	Benchmark
Sterling	9.8	9.9
US dollar	-0.2	0.0
Euro	0.0	0.0
Other	0.0	0.0
Total	9.5	9.9

DURATION EXPOSURE BY MATURITY

(years)	Fund	Benchmark
0-5	0.6	0.9
5-10	1.6	1.5
10-15	2.2	1.2
15-25	2.2	2.4
25+	3.0	3.9
Total	9.5	9.9

FUND ALLOCATION

(%)	Fund	Benchmark	Fund	Benchmark	
Government	43.1	50.0	CDS indices	-2.9	0.0
Supranationals	3.2	12.0	Cash and other	5.9	0.0
Corporate	50.8	38.0			
Asset-backed securities	0.0	0.0			

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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