



UK BROAD MARKET BOND FUND

31 December 2021

FUND OBJECTIVE

The objective of the Fund is to generate a return, comprising both income and capital growth, that exceeds the composite return represented by the 50% FTSE Actuaries UK Conventional Gilts All Stocks Index and the 50% iBoxx GBP Non-gilts Index (the "Fund's Benchmark") by 1% per year over a rolling five-year period before the deduction of tax, management charges and expenses (the "Target Return").

FUND SUMMARY

- Seeks 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 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 (%)

	3 months	1 year	3 years (pa)	5 years (pa)	10 years (pa)	Since inception (pa)
Fund	1.50	-3.43	4.87	3.63	5.34	5.63
Benchmark	1.39	-4.11	3.88	2.83	4.35	4.86

	Calendar year returns					12-month rolling returns				
	2021	2020	2019	2018	2017	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Fund	-3.43	9.85	8.72	-1.20	4.91	-3.43	9.85	8.72	-1.20	4.91
Benchmark	-4.11	8.13	8.10	-0.46	3.07	-4.11	8.13	8.10	-0.46	3.07

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 delivered a return of 1.50% in Q4 and outperformed the benchmark return of 1.39%. Although duration and yield curve positions were a drag on performance, country allocation positions were positive. We held short duration positions in 10-year UK and US which suffered in November in particular as yields fell with the emergence of the Omicron variant. Although yields rose in December, this was insufficient to offset earlier losses. We reduced our US short duration position in December. Yield curve positioning was also a drag on returns as we held UK steepeners (30s50s and 10s20s) which performed poorly as longer dated maturities outperformed. Country selection was a meaningful contributor to performance due to our long in 10-year Australia vs the US. Although the position initially underperformed when the RBA moved away from its yield curve control policy, it then meaningfully recovered in December. Credit strategy was modestly positive driven by sector strategy. In particular underweights in supnationals and positions in capital goods and senior banks were helpful for performance. Security selection was the largest positive for returns with contributions from Cia de Feguros Fidelidade, Hastings Group, and Bank of Cyprus. As at the 31th of December, the Fund had a duration of 9.45 years compared to a benchmark duration of 10.04 years.

FUND FACTS

Fund size: £60.5m

Inception date: 17 November 2004

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

Fund manager: David Hooker

Target return: Outperform benchmark by 1% per year over a rolling five-year period before the deduction of tax, management charges and expenses. However, a positive return is not guaranteed and a capital loss may occur.

FUND CHARACTERISTICS

	Fund	Benchmark
Yield (%)	1.59	1.41
Duration (years)	9.5	10.1

CREDIT RATING

(%)	Fund	Benchmark
AAA	6.6	10.3
AA	43.8	56.7
A	20.5	19.7
BBB	18.9	13.3
Sub-investment grade	2.8	0.0
Cash and other	7.5	0.0

DURATION EXPOSURE BY CURRENCY

(years)	Fund	Benchmark
Sterling	9.6	10.1
US dollar	-0.4	0.0
Euro	0.0	0.0
Other	0.3	0.0
Total	9.5	10.1

DURATION EXPOSURE BY MATURITY

(years)	Fund	Benchmark
0-5	0.5	0.9
5-10	1.2	1.4
10-15	2.3	1.1
15-25	2.2	2.6
25+	3.4	4.0
Total	9.5	10.1

FUND ALLOCATION

(%)	Fund	Benchmark	Fund	Benchmark	
Government	40.1	49.9	Asset-backed securities	0.0	0.0
Supranationals	3.1	11.8	Cash and other	7.3	0.1
Corporate	49.6	38.1			

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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