



# UK CORPORATE LONG MATURITIES BOND FUND

31 March 2021

## FUND OBJECTIVE

The Fund aims to generate a return by investing principally in sterling denominated fixed interest securities with long maturities issued by entities other than the UK government

## FUND SUMMARY

- Actively managed to aim to deliver attractive total returns in excess of a credit benchmark
- Aims to add value principally through credit strategy, security selection, duration and currency management and off-benchmark exposures across global fixed income
- Aims to add value by investing in longer-dated sterling credit markets
- 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:** £570.8m

**Inception date:** 19 November 2004

**Benchmark:** Markit iBoxx GBP Non-Gilts Over 10 Years Index

**Fund manager:** Damien Hill

**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 (%)	2.41	2.30
Duration (years)	13.7	13.6
Government spread (bp)	125	108
Spread over swaps (bp)	126	112

## SHARE CLASS PERFORMANCE

	3 months	1 year	3 years (pa)	5 years (pa)	10 years (pa)	Since inception (pa)
Fund	-7.46	10.83	6.53	7.31	8.39	7.12
Benchmark	-8.11	8.86	5.64	6.36	7.70	6.30

  

	Calendar year returns					12-month rolling returns				
	2020	2019	2018	2017	2016	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Fund	15.73	15.29	-3.44	7.17	15.73	10.83	4.57	4.31	2.72	14.57
Benchmark	13.15	15.07	-2.87	5.70	15.82	8.86	2.94	5.20	1.70	13.51

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. 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 negative return over the quarter, outperforming its benchmark. After a strong early opening to 2021 investment grade spreads were driven mildly wider over the month of January by a combination of vaccine rollout difficulties in Europe and increased equity market volatility. Our long credit risk position was a mild negative for performance in January with sector and security selection both contributing positively. February was a month of two halves for sterling investment grade credit as spreads tightened in the first two weeks followed by some widening. The moderate rise in spreads later in the month reflected an increased concern that risk markets could see heightened volatility stemming from the accelerating pace of government yield rises which had started to lift real yields. All credit attribution drivers contributed positively to performance in February. March saw a continuation of the investment grade spread weakness seen in the second half of February despite underlying government bond yields stabilising at higher levels. Both sector and stock selection decisions delivered positively which more than made up for the small drag from credit beta.

## CREDIT RATING

(%)	Fund	Benchmark
AAA	2.1	8.3
AA	10.0	12.1
A	45.3	51.9
BBB	38.3	27.7
Sub-investment grade	3.1	0.0
Cash and other	1.1	0.0

## CREDIT SPREAD DURATION BY CURRENCY

(years)	Fund	Benchmark
Sterling	11.3	13.6
US dollar	0.2	0.0
Euro	0.3	0.0
Other	0.0	0.0
Total	11.8	13.6

## FUND ALLOCATION

(%)	Fund	Benchmark
Government and SSA	10.2	13.6
Financials	17.1	14.5
Corporate cyclicals	12.9	11.5
Corporate non-cyclicals	40.2	44.2
Securitized	18.7	16.1
Asset-backed securities	0.1	0.0
Cash and other	0.9	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:** 0.35% (represented by share class Gross P Acc, other share classes are available)



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