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UK CORPORATE LONG MATURITIES BOND FUND

30 September 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: £434.2m

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 (%)	2.34	2.29
Duration (years)	14.1	13.7
Government spread (bp)	117	102
Spread over swaps (bp)	111	103

SHARE CLASS PERFORMANCE

	3 months	1 year	3 years (pa)	5 years (pa)	10 years (pa)	Since inception (pa)
Fund	-1.55	-0.56	7.77	4.48	7.99	7.01
Benchmark	-1.88	-2.15	6.60	3.44	7.13	6.18

	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	-0.56	8.13	16.41	-0.29	-0.26
Benchmark	13.15	15.07	-2.87	5.70	15.82	-2.15	5.74	17.08	-0.25	-2.00

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. Sterling investment grade spreads were largely unchanged in July despite the supportive backdrop of continued economic reopening, relatively scarce supply and institutional demand remaining resolute. Our sector selection was positive in July as overweights in cyclical sectors such as media and property contributed to performance. In August, investment grade spreads traded in a tight range with seasonally low volumes in both primary and secondary markets. All credit performance drivers were generally positive in August with our mild directional credit risk long being the consistent return driver. Investment grade spreads tightened then widened, to once again end flat in September despite the sharp move higher in underlying government yields as institutional yield buyers offset retail and ETF selling. Credit performance drivers delivered positively in aggregate in September with sector and stock selection picks performing well.

CREDIT RATING

(%)	Fund	Benchmark
AAA	2.4	8.4
AA	9.9	12.6
A	46.3	50.9
BBB	38.3	27.6
Sub-investment grade	3.6	0.0
CDS indices	-7.6	0.0
Cash and other	7.1	0.4

CREDIT SPREAD DURATION BY CURRENCY

(years)	Fund	Benchmark
Sterling	12.0	13.6
US dollar	0.0	0.0
Euro	-0.1	0.0
Other	0.0	0.0
Total	11.9	13.6

FUND ALLOCATION

(%)	Fund	Benchmark
Government and SSA	8.9	13.5
Financials	18.9	15.0
Corporate cyclicals	13.9	11.3
Corporate non-cyclicals	40.5	43.3
Securitized	17.5	16.6
Asset-backed securities	0.1	0.0
CDS indices	-7.8	0.0
Cash and other	8.0	0.4

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: 0.35% (represented by share class Gross P Acc, other share classes are available)



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