



# UK BROAD MARKET BOND FUND

30 June 2023

## 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	-4.28	-8.77	-7.69	-1.94	2.12	3.85
Benchmark	-4.40	-10.75	-8.92	-2.81	1.17	3.03

  

	Calendar year returns					12-month rolling returns				
	2022	2021	2020	2019	2018	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Fund	-19.53	-3.43	9.85	8.72	-1.20	-8.77	-12.91	-0.99	9.86	4.90
Benchmark	-20.82	-4.11	8.13	8.10	-0.46	-10.75	-13.34	-2.31	8.86	5.40

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. Investors must read all performance information alongside the full performance information in the KIID.

## FUND MANAGER COMMENTS

The portfolio outperformed its benchmark over the quarter. Our biggest contributor was security selection due to relative bets in utilities of being underweight the water sector in aggregate and being overweight auto maker Ford. We also gained from a general moderate overweight to credit as US and European yields fell over the quarter. We also saw outperformance from our short duration positions on 3-year Australian and 5-year German bond as yields on developed market government bonds broadly rose. Our country selection was negative for performance, the main driver being our general short position in Germany relative to long positions the US and UK.

## FUND FACTS

**Fund size:** £26.4m

**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 (%)	5.83	5.47
Duration (years)	7.1	7.1

## CREDIT RATING

(%)	Fund	Benchmark
AAA	4.8	11.5
AA	54.1	57.5
A	16.0	18.1
BBB	17.6	12.9
Sub-investment grade	1.4	0.0
CDS indices	-9.0	0.0
Cash and other	15.1	0.0

## DURATION EXPOSURE BY CURRENCY

(years)	Fund	Benchmark
Sterling	7.3	7.1
US dollar	0.4	0.0
Euro	-0.6	0.0
Other	0.0	0.0
Total	7.1	7.1

## DURATION EXPOSURE BY MATURITY

(years)	Fund	Benchmark
0-5	1.2	1.0
5-10	0.5	1.4
10-15	1.8	0.9
15-25	2.2	1.7
25+	1.4	2.1
Total	7.1	7.1

## FUND ALLOCATION

(%)	Fund	Benchmark	Fund	Benchmark	
Government	51.9	50.0	CDS indices	-9.0	0.0
Government index-linked	2.2	0.0	Cash and other	15.1	0.1
Supranationals	2.1	12.7			
Corporate	37.9	37.2			

## 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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