FOR WHOLESALE INVESTORS ONLY

HIGH INCOME FUND

Insight INVESTMENT

31 August 2024

FUND OBJECTIVE

The Fund aims to generate a return in excess of the Bloomberg Barclays US HY Fallen Angel 3% Cap Total Return Index Value hedged to the AUD with similar levels of volatility over the medium to long-term before fees and expenses.

FUND SUMMARY

- Potential to deliver a consistent monthly income together with capital appreciation over the medium to long term
- Exposure to sub-investment grade bonds previously rated as investment grade ("Fallen Angels")
- Aims to take advantage of structural inefficiencies to capture the potential upside from forced selling when bonds are downgraded to high yield
- Managed by a stable and focused team deploying a transparent and robust investment process and a proven track record

FUND FACTS

Fund size: AUD116m

Inception date: 9 December 2022

Benchmark: Bloomberg Barclays US HY Fallen Angel 3% Cap Total Return Index Value hedged to the AUD

Fund managers: Paul Benson, Stephanie Shu

APIR code: ETL2332AU

ARSN code: 661144109

PERFORMANCE (Net of fees - (%))

	1 month	3 months	1 year	Since 9 December 2022
Fund	1.17	3.10	8.00	6.17
Benchmark	1.65	4.16	10.86	8.84

	Calendar year returns					12-month rolling returns				
	2023	2022	2021	2020	2019	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Fund	9.63	-	-	-	-	8.00	-	-	-	-
Benchmark	11.49	-	-	-	-	10.86	-	-	-	-

Source: Insight Investment and Rimes. Fund performance is unit price performance and is calculated in Australian $ as total return, including reinvested income, net of fees and expenses. Gross of fees performance results do not reflect the deduction of charges, which will reduce investors' returns. Inception date is 9 December 2023. Benchmark performance shown is for Bloomberg Barclays US HY Fallen Angel 3% Cap Total Return Index Value hedged to the AUD. 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 CHARACTERISTICS

	Fund	Benchmark
Yield to maturity (%)	5.9	6.0
Duration (years)	4.7	4.7
Maturity (years)	7.0	7.0

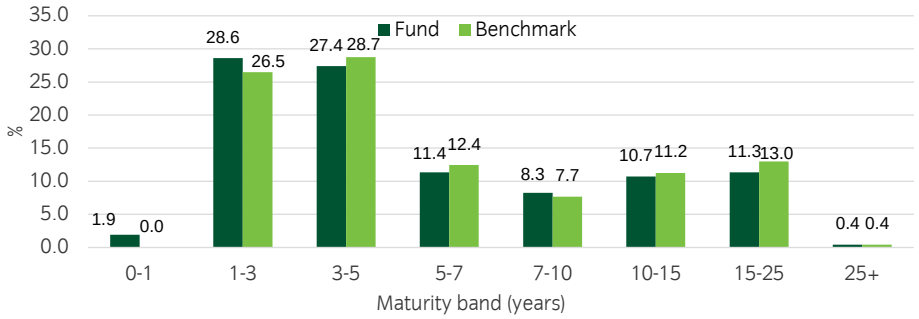
FUND MANAGER COMMENTS

The fund returned 1.17% while the FA Index returned 1.65% for a relative performance of -0.48% vs. the FA Index. Similar to last month, underweight to falling knives proved most difficult and accounted for much of the performance drag during the month. An underweight in EMBARQ Corp (ticker: EMBARQ), a CC- rated distressed bond, was again most difficult as it continued to rally from deeply distressed prices on news of a potential debt restructuring. Underweight to Lumen Technologies, another CCC- bonds, also detracted. The company's bond prices rallied following a spike in its stock price on news of new sales. While the new deals, gives the company some breathing room, the company is not expected to turn a profit this year. The credit model's value and quality factors were mildly positive while other components were neutral during the month.

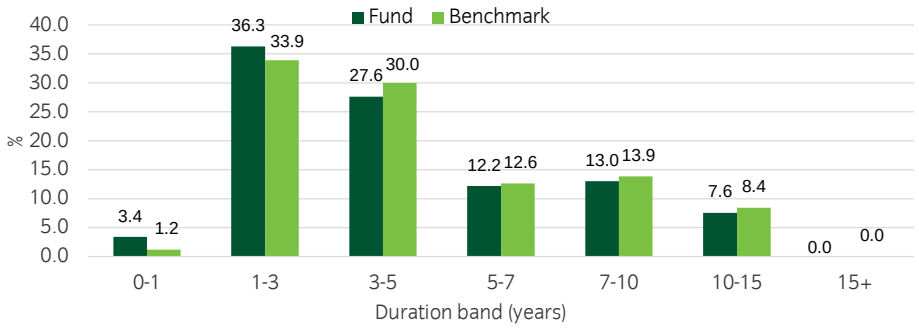
CREDIT RATING

(%)	Fund	Benchmark
IG	1.0	0.0
BB	75.5	79.9
B	15.6	13.5
CCC	4.4	4.8
CC	1.6	1.8
C and below	0.0	0.0
Cash	1.9	0.0
NR	0.0	0.0

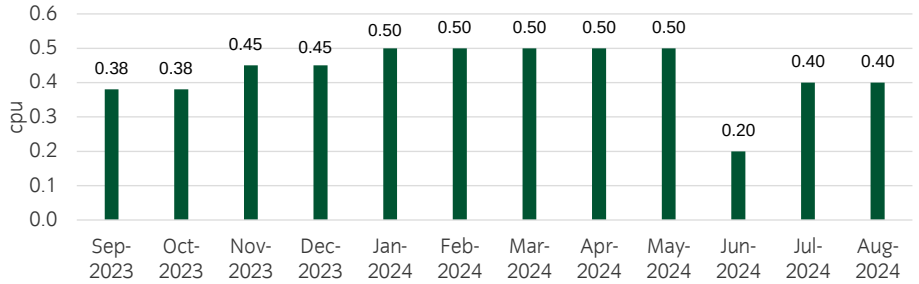
MATURITY PROFILE



DURATION PROFILE



MONTHLY DISTRIBUTION



TECHNICAL DETAILS

Legal structure: Trust (Registered Managed Investment Scheme)

Domicile: Australia

Dealing frequency: Daily, 2pm Australian EST

Settlement period: Purchases: T, Redemptions: T+5

Scheme: Insight High Income Fund

Responsible entity: Equity Trustees Limited

Administrator: State Street Australia Limited

Annual management fee: 0.525%

Buy and sell spread: 0.45%

Income distribution frequency: Monthly

www.insightinvestment.com

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