

# HIGH INCOME FUND



31 March 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

## PERFORMANCE (Net of fees - (%))

	1 month	3 months	1 year	Since 9 December 2022
Fund	1.12	0.90	9.13	6.94
Benchmark	1.20	1.37	10.89	9.07

	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	-	-	-	-	9.13	-	-	-	-
Benchmark	11.49	-	-	-	-	10.89	-	-	-	-

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 MANAGER COMMENTS

The fund returned 1.12% while the FA Index returned 1.20% for a relative performance of -0.07%. Model driven components were slightly positive in March. Positive contribution from the credit model's Value factor and new fallen angels were partially offset by weaker performance from Quality. Security selection / sampling detracted modestly, most notably in communications and consumer cyclicals. ESG exclusions were neutral. Transaction costs and other fund fees detracted modestly.

## FUND FACTS

**Fund size:** AUD110m

**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

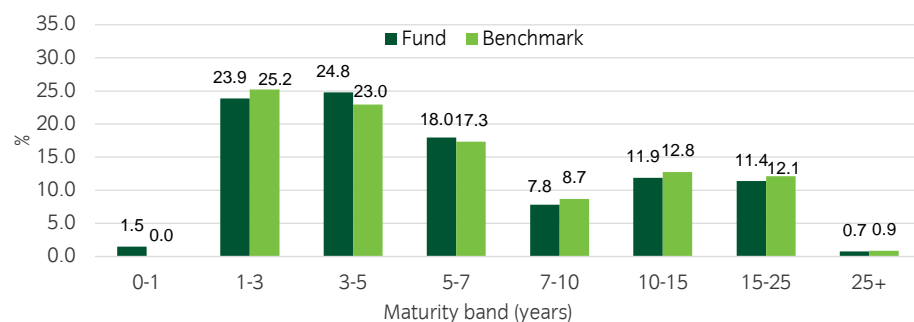
## FUND CHARACTERISTICS

	Fund	Benchmark
Yield to maturity (%)	6.0	5.9
Duration (years)	4.9	4.9
Maturity (years)	7.1	7.3

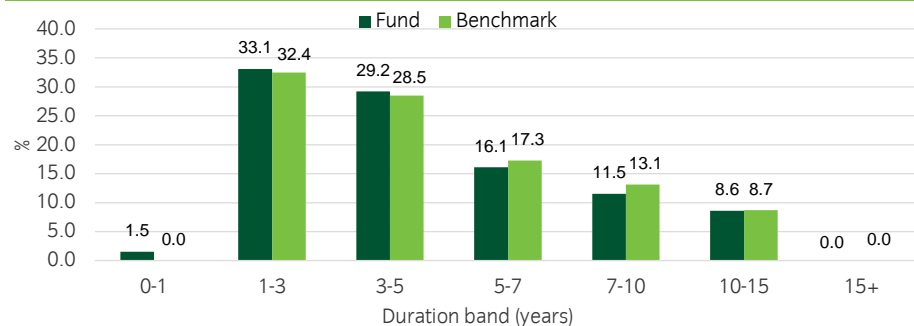
## CREDIT RATING

(%)	Fund	Benchmark
IG	4.2	3.0
BB	73.8	77.2
B	15.6	13.2
CCC	5.6	6.0
CC	0.7	0.6
C and below	0.0	0.0
Cash	0.1	0.0
NR	0.0	0.0

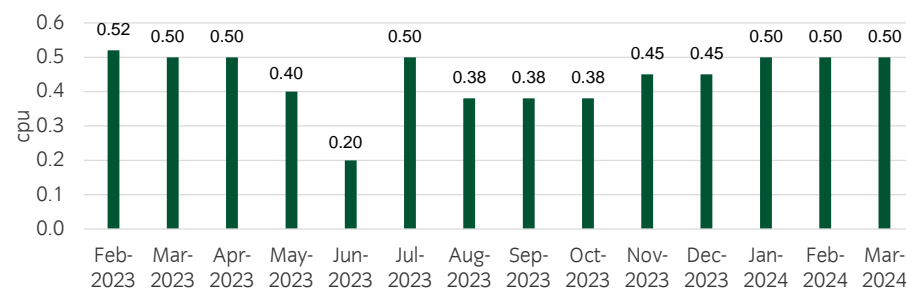
## MATURITY PROFILE



## 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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