

# HIGH INCOME FUND



28 February 2025

## 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	0.44	0.89	5.49	6.02
Benchmark	0.44	0.85	7.30	8.05

	Calendar year returns					12-month rolling returns				
	2024	2023	2022	2021	2020	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Fund	3.30	9.63	-	-	-	5.49	7.55	-	-	-
Benchmark	5.63	11.49	-	-	-	7.30	9.69	-	-	-

Source: Insight Investment and Rimes. Fund performance is calculated in Australian \$ as total return, including reinvested income, net of fees and expenses. 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 0.44% to keep pace with the benchmark, which also returned 0.44% (hedged to AUD). Model components and sampling were positive contributors, offset by t-costs, fees, accruals. Value, Quality and new fallen angel exposure all were slightly better than benchmark and cumulatively led to a few basis points of alpha. Value oriented positioning (underweight Transocean and over Prospect Capital) were among the positive drivers. From a sampling / security selection view, overweight in Walgreens Boots (which among the largest positions in the benchmark), Lumen Technologies were positive. Overweight to Embarq and Tegna, to a lesser extent, proved more difficult.

## FUND FACTS

**Fund size:** AUD136m

**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

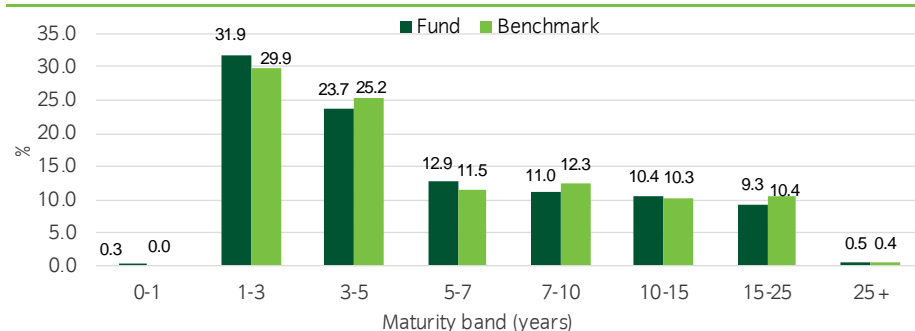
## FUND CHARACTERISTICS

	Fund	Benchmark
Yield to maturity (%)	5.9	6.0
Duration (years)	4.6	4.6
Maturity (years)	6.7	6.7

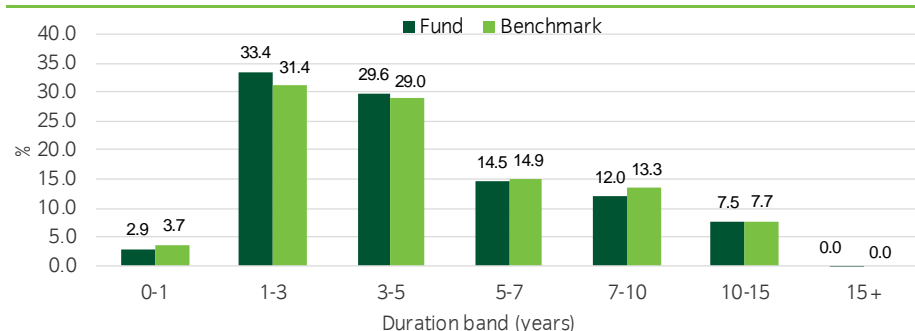
## CREDIT RATING

(%)	Fund	Benchmark
IG	0.0	0.0
BB	83.0	82.4
B	6.9	7.5
CCC	7.6	8.4
CC	2.1	1.8
C and below	0.0	0.0
Cash	0.3	0.0
NR	0.0	0.0

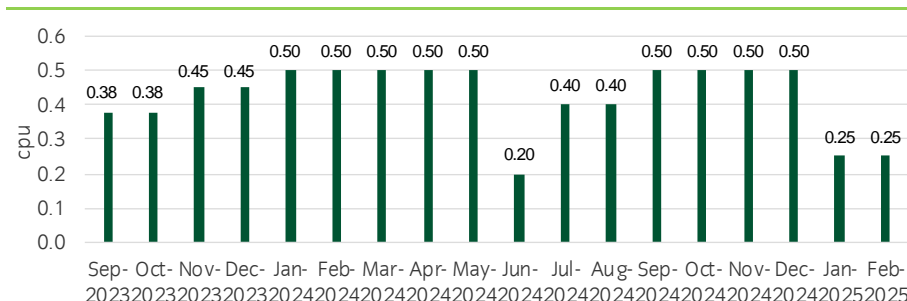
## MATURITY PROFILE



## DURATION PROFILE



## MONTHLY DISTRIBUTION



## TECHNICAL DETAILS

<b>Legal structure:</b> Trust (Registered Managed Investment Scheme)
<b>Domicile:</b> Australia
<b>Dealing frequency:</b> Daily, 2pm Australian EST
<b>Settlement period:</b> Purchases: T, Redemptions: T+5
<b>Scheme:</b> Insight High Income Fund
<b>Responsible entity:</b> Equity Trustees Limited
<b>Administrator:</b> State Street Australia Limited
<b>Annual management fee:</b> 0.525%
<b>Buy and sell spread:</b> 0.45%
<b>Income distribution frequency:</b> Monthly



www.insightinvestment.com

Equity Trustees Limited ('Equity Trustees') (ABN 46 004 031 298) AFSL 240975 is the Responsible Entity for the Insight High Income Fund ("the fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). The Investment Manager for the Fund is Insight Investment Management (Global) Limited ('Insight'), which is exempt from the requirement to hold an Australian financial services license under the Australian Securities and Investments Commission Corporations Act 2001 in respect of the financial services it provides to wholesale investors. Insight Investment Management (Global) Limited is authorised and regulated by the Financial Conduct Authority under UK laws, which differ from Australian laws. This document is issued and distributed by Insight Investment Australia Pty Ltd (ABN 69 076 812 381, AFSL 230541). This document has been prepared by Insight to provide you with general information only and is not intended to imply any recommendation or opinion about this product. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Insight, Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the product disclosure statement before making a decision about whether to invest in this product. Unless otherwise stated, all data is as at the date of this factsheet. The Insight High Income Fund's Target Market Determination (TMD) is available:

<https://swift.zeidlerlegalservices.com/tmds/ETL2332AU>. A TMD describes who this financial product is likely to be appropriate for (i.e. the target market), any conditions around how the product can be distributed to investors, and the circumstances where this TMD may need to be reviewed.