

### MANAGER COMMENTARY

December proved to be a positive month for investors, ending the year optimistically on the basis that we have reached the peak of the current interest rate cycle. All the US, UK, Japanese, and European policymakers kept the rates the same, and the consensus is now firmly pointing to material interest rate cuts in 2024. This optimism was driven by inflation continuing to fall. The latest US inflation figures were in line with expectations, and the UK figure was sharply lower than the markets' estimates. An early Santa rally was further boosted by Jerome Powell's extremely dovish comments and the fact that the possibility of rate cuts was discussed at the last Fed meeting. In the US, the S&P 500 was up by 3.81%; in the UK, the all-companies index was up by 3.35%, while the top 100 companies index returned 2.70%. This is the second month in a row where small and medium-sized stocks have outperformed the large-cap. In the fixed income world, the 10-year US Treasury yields rallied by 8.6%, but this was dwarfed by the rally in the 10-year UK gilts yields rally of 14.5%. The value of Sterling against the Dollar was almost unchanged, with a gain of 0.22%, whilst the Dollar index, as measured by the DXY, ended the month at 101.33, down 1.87%. *Data source: Uptata Analytics Pro, 01/12/2023 to 29/12/2023*

December was a positive month for the Fund with a return of 2.97%\*. However, it marginally underperformed its benchmark of 3.69%\*. All the Fund's sub-sectors contributed positively to the Fund's performance, with UK corporate bonds as the best performer with a return of just under 4% and global corporate bonds with a return of just under 2% as the worst. The Artemis Corporate Bond Fund return of 4.75% at the holdings level was among the top performers, along with a 4% return by the Nomura Global Dynamic Bond Fund. However, the top-performing holding was the Amundi UK Government Bonds ETF, with a return of 5.3%. During the month, your managers increased the Fund's market exposure by reducing the iShares Ultra short-dated ETF and using the proceeds to top up the Fund's hold in the Amundi UK Government Bond ETF. The Lazard Convertible Recovery Fund was sold on the grounds of poor performance, and the proceeds were used to increase exposure to the Muzinich Dynamic Credit, Artemis Corporate Bond and Church House Investment Grade Bond Funds. *\*Source: FE Fundinfo, 30/11/2023 to 29/12/2023*

### HOLDINGS AS AT 29/12/2023

Artemis Corporate Bond	12.59%
Nomura Global Dynamic Bond Fund	10.30%
Premier Miton Financials Capital Securities	10.09%
iShares Treasuries 1-3Y ETF	8.86%
IFSL Church House Investment Grade Fixed Income	8.50%
Lyxor Core UK Government Bond ETF	8.02%
Muzinich Dynamic Credit Income Fund	7.00%
Wellington Global Impact Bond	6.99%
Lyxor US Treasury 7-10Y ETF	6.05%
Variety CKC Credit Opportunity	5.44%
MS Emerging Markets Debt Opportunities	4.41%
Sequoia Economic Infrastructure Income	3.37%
PGIM Emerging Market Total Return Bond Fund	2.51%
iShares £ Ultrashort Bond UCITS ETF	3.39%
<b>CASH</b>	<b>2.48%</b>

### OBJECTIVE

The objective of the fund is to provide income. The fund will be actively managed to provide a diversified portfolio of Sterling denominated (or hedged back to Sterling) bonds. The type of bonds held may include government, investment grade, sub-investment grade and asset backed bonds.

### PERFORMANCE

	3m	6m	1yr	3yr	Since inception
Fund (B Acc)	5.52%	5.94%	6.50%		-0.53%
Comparator benchmark	6.73%	7.28%	7.83%	-3.30%	-3.32%
	2022	2021	2020	2019	2018
Fund (B Acc)	-7.21%				
Comparator benchmark	-11.01%				

Source: FE Fundinfo, to 29 December 2023. All figures are in GBP terms.

### KEY FACTS

**Authorised Corporate Director (ACD):** Margetts Fund Management Ltd

**Investment Adviser:** Beckett Asset Management Ltd

**Managers:** Samantha Owen, Tony Yousefian, Elliot Basford CFA

**Comparator benchmark:** IA Sterling Strategic Bond

**Valuation point:** 8.30am

**Launch date:** 11 January 2021

**ISIN B Acc:** GB00BNDQ8V21

**Yield B Acc:** 3.36%

**Prospective Yield†:** 6.05%

**Distribution payment dates:** 30 April, 31 July, 31 October, 31 January

**Ongoing Charges Figure B Acc:** 0.63%

**Fund size as at 31/12/2023:** £118.3m

### RISK WARNINGS AND IMPORTANT INFORMATION

Risk factors should be taken into account and understood, including (but not limited to) currency movements, market risk, liquidity risk, concentration risk, lack of certainty risk, inflation risk, performance risk, local market risk and credit risk. Past performance is no guarantee of future performance. The value of an investment and the income from it can fall as well as rise and investors may get back less than they invested. The information on this factsheet is intended to provide information only and should not be interpreted as advice. Current fund prices and the latest copy of the prospectus and Key Investor Information Documents can be found at [Margetts.com](http://Margetts.com). Margetts Fund Management Ltd is the operator of the fund. This document is issued and approved by Beckett Asset Management Ltd. The opinions stated are those of Beckett Asset Management Ltd, which is authorised and regulated by the Financial Conduct Authority. Please note some figures shown above have been rounded for ease of illustration and understanding. Therefore, figures may not total 100%.

†Prospective yield is not guaranteed and does not include deductions for expenses and tax. It is calculated using the holdings' expected distributions over the next 12 months (data as at 29 December 2023). Any variation in the actual amounts paid will impact the total yield. This impact could be positive or negative.