

BLENNHEIM

DIVERSIFIED FIXED INCOME FUND

NOVEMBER 2021

MANAGER COMMENTARY

October proved to be a positive month for risk assets. In the UK, the largest 100 stocks outperformed medium and smaller companies. This is somewhat a surprise bearing in mind that these companies tend to be negatively correlated to sterling which strengthened throughout October.

The topic at the forefront of all investors during this period continued to be Inflation. Interestingly, the consensus has now changed and market participants expect inflation to be more persistent than transitory. However, much bigger forces such as Technology and demographics will, ultimately, keep the lid on inflation in the long run. US equities had a very good month too with the S&P 500 rising six consecutive days without a break. The same inflationary observations were also prevalent in the US markets but did not upset the strong upside momentum for the stocks.

The US 10 year Treasury's yield had a roller coaster ride in October, starting the month at around 1.46% and, after reaching the dizzy heights of 1.7%, ending the month at 1.56%. This was a reflection of the changing perceptions of inflation coupled with the prospects of the Fed having to start its tapering programme a lot earlier than anticipated, effectively signalling the end of QE and the easy money era.

During the month, the fund managed a small outperformance of its benchmark with a return of minus 0.28% versus IA Sterling Strategic sector return of minus 0.33%. Your managers continue to remain extremely cautious and have accordingly positioned the fund very defensively to protect the downside as much as possible, whilst benefiting from any inflation surprises to the upside.

HOLDINGS AS AT 29/10/2021

iShares \$Treasury 1-3 yr Hedged	12.9%
GAM Credit Opps	9.9%
Aegon European ABS	10.0%
Nomura Global Dynamic Bond Fund	10.0%
Artemis Corporate Bond	5.0%
American Century EMD TR	7.5%
HSBC GIF RMB Fixed Income	6.8%
Wellington Global Impact Bond	5.0%
Lazard Global Convertible Recovery	5.0%
Eaton Vance EMD Opps	4.9%
iShares £ Index-Linked Gilts UCITS ETF GBP	6.0%
Fair Oaks Income	3.2%
SPDR Bloomberg \$ TIPS	4.0%
Real Estate Credit Investments Ord	2.9%
Honeycomb Investment Trust Plc	2.1%
CASH	4.8%

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

The fund has less than a 1 year track record so no past performance is provided.

The IA (Investment Association) Sterling Strategic Bond Sector is used as the comparator. This is considered appropriate for investors to use when comparing performance as the sector is made up of funds with a similar strategy as defined by the IA.

KEY FACTS

Authorised Corporate Director (ACD): Margetts Fund Management Ltd

Investment Adviser: Beckett Asset Management Ltd

Managers: Samantha Owen, Tony Yousefian, Elliot Basford

IA sector: IA Sterling Strategic Bond

Valuation point: 8.30am

Fund launch date: 11 January 2021

Yield: TBC

Distribution frequency: Quarterly

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

Ongoing Charges Figure (OCF) B ACC: 0.51%

Fund size as at 29/10/2021: £83.79m

RISK WARNINGS AND IMPORTANT INFORMATION

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. 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. 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. 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.

BECKETT ASSET MANAGEMENT LIMITED

DETTINGEN HOUSE, DETTINGEN WAY, BURY ST EDMUNDS, SUFFOLK, IP33 3TU

T: 01284 754500 E: INFO@BECKETTINVEST.COM WWW.BECKETTINVEST.COM