

# KW Enhanced Cash Fund Factsheet

July 2020



## Manager Commentary

Government bond yields were flat over the course of July but starting from exceedingly low levels. Corporate bond spreads have narrowed sharply over the same period. The recovery, since the low in market levels earlier this year, has been one of extraordinary proportions in bonds around the world.

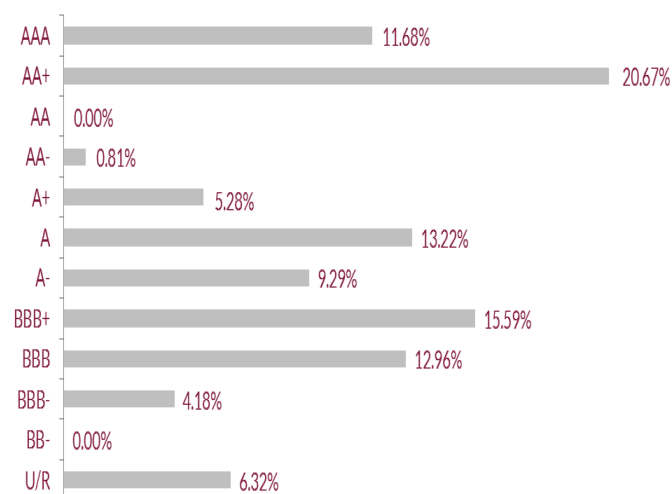
The economic releases over the last month have been fairly meaningless for calculating the future direction of markets. These have predominantly shown a large bounce back in the economy but there are signs that job losses are also rising. How sharp and prolonged this recovery will be will become more apparent over the coming months as the furloughing system begins to wind down.

Central Banks have pretty much been taking a watching view over the last month whilst continuing their many and large monetary easing schemes. The Bank of England has again led speculation that another interest rate cut is imminent as they have announced that they are still studying the impact on the economy if they set a negative rate. This has driven the front end of the gilt market into negative yield territory. In fact you have to go out as far as 2029 maturities before finding a positive yield. The Fed, on the other hand, have again said that this is a route that they would prefer not to go down. These low and negative interest rate levels are also having an effect on credit market yields as it is now estimated that as much as 25% of global investment grade bonds are now with a negative yield.

Going forward from here it is difficult to see where investment grade bonds can travel. Although it is difficult to see much harm will come to the market, barring another crisis, but the slim yields available may well drive buyers into other more attractive areas of investment.

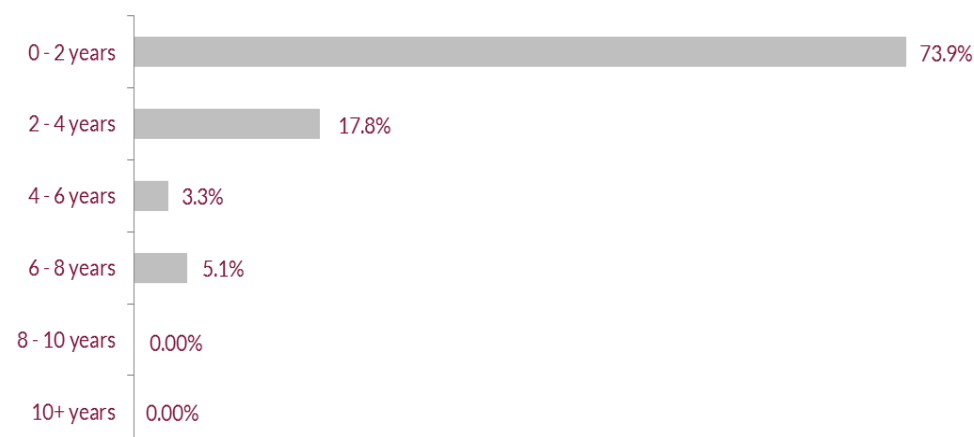
## Portfolio Analysis

### Ratings Breakdown<sup>1</sup>



Top 10 Holdings (%)*		
UKT 3.75% 09/21		6.8%
UKT 1.5% 01/21		5.2%
GS 5.5% 10/21		4.6%
UKT BILL 0% 09/20		5.1%
DAIMLER 1.5% 8/21		4.6%
BALN 4.125% 6/22		5.4%
FORD 2.727% 6/22		4.2%
COVENTRY 5.875% 09/22		4.4%
CKHH 5.625% 11/26		5.1%
IBRD 5.4% 06/21		4.5%
<b>Total</b>		<b>50.7%</b>

### Maturity Breakdown



<sup>1</sup>Bonds rated by S&P, Moody's and Fitch

<sup>2</sup>Top ten holdings based on a total number of holdings of 3

\*Minimum 30% of NAV has to be invested in government guaranteed bonds

### Investment Aim

The aim of the Fund is to provide investors with a considerably higher return than the yield available on cash deposits, combined with a cautious approach to volatility of returns.

The investment objective is achieved through a conservatively managed portfolio of government, supra-national and corporate bonds together with liquid money market instruments.

No investments are made in sub investment grade bonds.

### Fund Facts

Structure:	UCITS, OEIC
Dealing:	Daily, 12 noon Dublin
Launch date:	12 July 2010
Benchmark:	3 month £ LIBOR
Fund Size:	£15.5m as at 31 May 2020

### Fund Price

A Acc GBP	1.0856
A Inc GBP	0.844
B Acc GBP	1.0871
B Inc GBP	0.9114
C Acc GBP	1.0364

### Yield

GRY:	0.9
Income Yield:	3.3
Frequency:	Semi-annual
XD Date:	Jan, Jul
Dist. Date:	Jan, Jul

### Fund Charges

	Class A
Maximum Initial Charge:	1.00%
Annual Management Charge:	1.00%
Ongoing charge Acc Class:	1.97%
Ongoing charge Inc Class:	1.97%

	Class B
Maximum Initial Charge:	1.00%
Annual Management Charge:	0.25%
Ongoing charge Acc Class:	1.22%
Ongoing charge Inc Class:	1.22%

	Class C
Maximum Initial Charge:	0.25%
Annual Management Charge:	0.15%
Ongoing charge Acc Class:	1.12%

### Minimum Investment

	Initial	Additional
Class A	£1,000	£100
Class B	£250,000	£1,000
Class C	£500,000	£50,000

### Nigel Marsh, Fund Manager



Before joining European Wealth in May 2012, Nigel worked at EPIC Asset Management and before that, New Star Asset Management, where he was responsible for managing Institutional fixed interest and liquidity funds. Nigel has gained a wide range of experience and a strong track record for over 10 years in managing both sterling and multi-currency bond mandates from short term cash through to government, index-linked and corporate bonds. Previous to Nigel's experience in fund management he spent over 20 years working with various investment banks specialising in sterling fixed interest and cash products.

### Performance

The Fund, due to a number of bond maturities was positioned a little longer in July. We are happy for this to be the case in the short term, for the reasons given above, and then allow time to erode this longer duration.

The Fund returned 0.1% over the month against the benchmark of 0.0%.

### Cumulative Performance (%)

	YTD	1m	3m	6m	1y	3y	5y	Since Launch
Fund – C Acc	0.2	0.1	0.8	0.1	0.2	0.2	2.0	3.6% since 26/3/2014
3m GBP LIBOR	0.5	0.0	0.2	0.4	0.8	2.1	3.1	3.9% since 26/3/2014

### Discrete 12 month Performance (%)

	30.06.19 to 30.06.20	30.06.18 to 30.06.19	30.06.17 to 30.06.18	30.06.16 to 30.06.17	30.06.15 to 30.06.16	30.06.14 to 30.06.15	28.06.13 to 30.06.14	29.06.12 to 28.06.13	30.06.11 to 29.06.12	30.06.10 to 30.06.11
Enhanced Cash Fund A Acc Class (launched 12 July 2010) and C Class	0.2	0.3	-0.6	0.7	0.8	1.2	1.7	3.9	3.0	N/A
3m GBP LIBOR	0.8	0.8	0.4	0.4	0.6	0.6	0.5	0.6	1.0	N/A

Performance data is based on the C class from 30th June 2014.

### Notes on performance

Source: Bloomberg.

Please note that all performance data is net of the annual management charges with income reinvested gross of UK tax, in GBP. The benchmark of 3m GBP LIBOR is used for illustrative purposes only.

Where performance data is based on A Acc GBP it is provided for indicative purposes. Significantly lower charges for the other share classes would positively impact Fund performance.

Where performance data is based on C Acc GBP it is provided for indicative purposes. Significantly higher charges for the other share classes would negatively impact Fund performance.

All performance shown is total return, mid to mid, excluding the effect of initial charge, income invested gross of UK tax, in GBP. The benchmark is used for illustrative purposes only. Past performance is not a reliable indicator of future performance.

On the 'Discrete 12 month Performance chart' we have used both the A & C Class performance figures. This is because there is insufficient data to report 5 years performance on the C Class. Where this information is unavailable the A Acc has been used instead.

### Important Information

The KW Enhanced Cash Fund is a sub-fund of Elevation UCITS Fund (Ireland) ICAV an umbrella fund with segregated liability between sub-funds incorporated under the laws of Ireland and regulated by the Central Bank of Ireland. The Fund's shares are listed on the Irish Stock Exchange, the latest available Net Asset Value per Share prices are published on their website [www.ise.ie](http://www.ise.ie). Past performance is not a reliable indicator to future performance. The value of investments and income from them, may go down as well as up as a result of market and currency fluctuations so you may get back less than the amount originally invested. Opinions expressed herein represent the views of KW Investment Management Limited at the time of preparation and are subject to change without notice. Any information obtained from external sources is believed to be reliable although we cannot guarantee accuracy or completeness. All data is as at the 31st October 2019 and has been sourced from KW Investment Management Limited and Bloomberg. The on-going charge is based on the last year's expenses for the year ending 2018 and may vary from year to year. It excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).

### Investment Manager

KW Investment Management Ltd

Nigel Davies	020 7293 0736
Nigel Marsh	020 7293 0737
Emma Butler	020 7293 0750
Philip Clifford	020 3875 4372
Jamie Jessop	020 7293 0745

### Link Fund Administrators (Ireland) Limited

00 353 (0) 1 553 0050

### ISIN

A Acc Class	IE00BH488F99
A Inc Class	IE00BH488D75
B Acc Class	IE00B6492H14
B Inc Class	IE00BH488G07
C Acc Class	IE00BH488J38

### Literature

The Company's constitutional documentation, prospectus, fund supplement and key investor information documents are available in English from the Kingswood Group website or from the administrator.

### Issued by

KW Investment Management Ltd  
13 Austin Friars  
London  
EC2N 2HE

[www.kingswood-group.com](http://www.kingswood-group.com)

### Tax Reports

The tax reports for the KW Enhanced Cash Fund, published in line with the UK offshore funds reporting regime, can be found [www.kpmgreportingfunds.co.uk](http://www.kpmgreportingfunds.co.uk)

You will need to register to view this information, however this service is free to all investors.



Kingswood, Kingswood Group and KW Institutional are trading names of KW Wealth Planning Limited (Companies House Number: 01265376) regulated by the Financial Conduct Authority (Firm Reference Number: 114694) and KW Investment Management Limited (Companies House Number: 06931664) regulated by the Financial Conduct Authority (Firm Reference Number: 506600) with a registered office at 13 Austin Friars London EC2N 2HE. KW Investment Management Limited is also regulated in South Africa by the Financial Sector Conduct Authority (Firm Reference Number: 46775). Both companies are wholly owned subsidiaries of Kingswood Holdings Limited which is incorporated in Guernsey (registered number: 42316) and has its registered office at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 1WW.