

INVESTMENT OBJECTIVE

The Fund is suitable for investors who are seeking income with some prospect of investment growth in the long term and whom are seeking low cost exposure to companies that demonstrate high environmental, social and governance scores. The fund will not invest into companies that operate in the following areas: gambling, tobacco, weapons, thermal coal or oil sands.

ESG MISSION

Our objective is to not only generate financial returns, but to also generate a positive impact on the environment and society.

We believe strong governance is imperative to achieve this objective.



ENVIRONMENT

How does the company operate in relation to its natural environment?



SOCIAL

How does the company treat its people and the communities in which they operate?



GOVERNANCE

Is the company transparent in relation to their governance?

MANAGER COMMENTARY



The Bank of England have turned up their interest rate rhetoric to red hot and money markets have dutifully priced in some very aggressive tightening over the next year. This is a big change from earlier in the summer when the first rate rise was forecast to be in November next year. Currently the market is now pricing in a move as early as the November 2021 MPC meeting and then a further 4 over the next 13 months taking the rate to 1.25% by the end of 2022. This, seems to us, is far too bearish and extreme.

The recent economic statistic releases have shown that the economy is experiencing a slowdown, due to supply and manpower shortages, although admittedly from very high levels. At the same time taxes will be rising over the next few months countering some of what was given away in the recent budget. By their next meeting in early November the MPC will not have seen the outcome to employment figures since furloughing was ended in September.

Andrew Bailey as head of the MPC has had plenty of opportunity to try and redirect the market from this hawkish stance but has failed to do so. Despite this two of the nine members have publicly announced that they will not be voting for a rise at the November meeting. Markets will be watching very closely for this decision on the 4th and even more so to the press conference that will take place afterwards.

Meantime in the US the Fed seem to be rather more relaxed as to how high inflation will rise and currently money markets in the US are only pricing in 2 moves for next year. The ECB are even more dovish suggesting that although inflation will be higher for longer again there is not enough pressure for them to raise rates.

The UK gilt market has come into line with the money markets and the yield on 2 year bonds have risen by an impressive 65bp since the end of July and have now reached their highest level since May 2019. The government yield curve has flattened considerably at the same time suggesting that there would be a further slowing of the economy at this speed of rate hikes. Credit bonds have retained their very tight levels and are moving more in line with the still very strong equity markets.

PERFORMANCE (%)

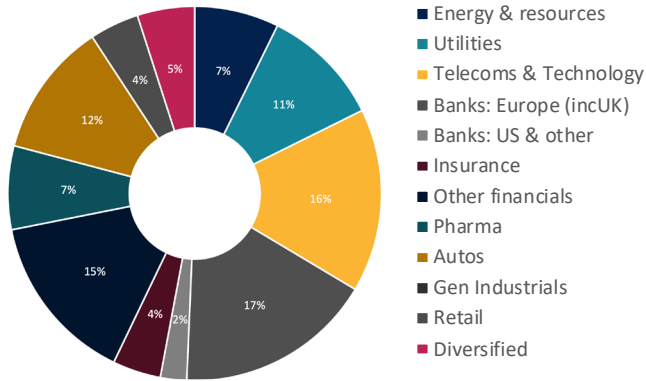
As has been reflected above we think that too many rate rises have now been priced into the market so do feel that yield levels currently look much more attractive. Therefore as yields have increased we have switched longer in duration to take advantage of the higher returns available.

	YTD	1 mo	3 mo	6 mo	1 yr	3 yr	5 yr	Since Launch
Portfolio:	-	-0.2%	-1.8%	-0.3%	-	-	-	-2.5% since 01/02/2021
Barclays MSCI Sterling ESG Corporate Bond Index %:	-3.3%	0.5%	-2.1%	0.6%	0.7%	17.3%	22.6%	-2.1% since 01/02/2021

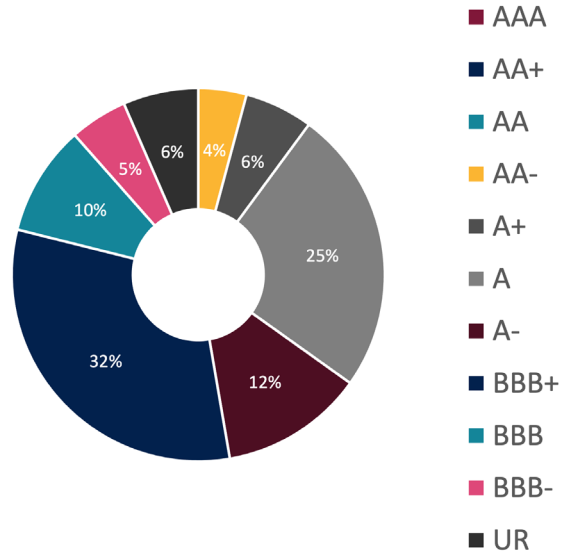
Notes on Performance Source: Bloomberg

- Please note that performance data is net of the annual managements.
- Performance data is based on C Acc class, higher charges for the other share classes would negatively impact Fund performance.
- 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.

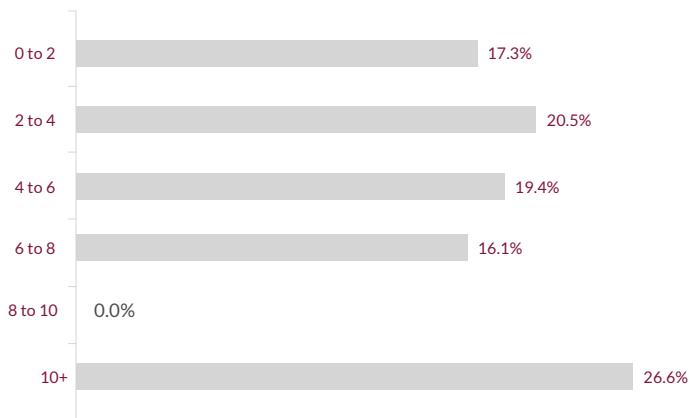
SECTOR BREAKDOWN



RATINGS BREAKDOWN



MATURITY BREAKDOWN



TOP 10 HOLDINGS (%)

KPN 5.75% 09/29	4.9%
T 4.875% 6/44	4.6%
BMW 0.75 % 5/25	4.3%
HTHROW 6.75 % 03/26	4.3%
TESCO 2.5 % 05/25	4.2%
BARCLAYS 3.125% 1/24	4.2%
COVENTRY 5.875 % 09/22	4.2%
THAMES 5.125% 9/37	4.1%
DAIGR 1.62% 11/24	4.1%
SKIPTN 2% 10/26	4.0%

FUND FACTS

Investment currency: Sterling only
Rating: Investment grade
Duration: circa 5 years
Sector limits: Maximum 20%
Current average weighted rating: A-
Current average weighted yield: 1.45%
Structure: UCITS, open ended fund
Regulated: Central Bank of Ireland and FCA
Administrators: Link Group, Dublin
Pricing: Daily at midday with a T+3 settlement period
Units: Income and accumulation available
Class: Retail and institutional classes
Income: Semi-annual basis
Fund size: £15.0m
Number of holdings: 31*10% of the NAV can be invested into unrated bonds

YIELD

GRY: 1.72%
Income yield: 3.02%
Frequency: Semi-Annual

FUND PRICE

A Acc GBP 1.0498
 A Inc GBP 0.789
 B Acc GBP 1.0608
 B Inc GBP 0.8621
 C Acc GBP 1.013

FUND CHARGES (CLASS B)

Maximum initial charge: 0.0%
Annual management charge: 0.25%

The Kingswood ESG Bond 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. 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 KVV 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 KVV 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).