



# The VT Redlands Portfolios

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## What are the VT Redlands Portfolios?

The VT Redlands Portfolio funds each invest in one of four defined “asset classes” namely the Equity, Multi-Asset, Property and Fixed Income categories. Each fund carries a prescribed Risk Profile on a scale of 1 to 7 – with for example Equity being the highest at a factor 5. Each one is used as a building block in the creation of bespoke risk rated investment portfolios for clients of David Williams IFA.

By combining the four VT Redlands funds with other asset classes such as With Profits/ Smoothed Managed and Structured Equity funds, our clients can enjoy the benefits of a very wide level of diversification within their portfolios. This reduces volatility and creates the potential for rewarding rates of return year after year.

Each Portfolio fund is constructed as a Fund of Funds providing access to the “best of the best” sector funds from a huge investment universe. The Portfolios are designed to meet their objectives as efficiently as possible whilst keeping costs to a minimum and are run according to a strict risk-control criteria.

Typically, 15 to 25 different funds are held in each portfolio, with each one in turn managed by leading investment houses such as Baillie Gifford, Fidelity and Invesco as well as specialist boutiques including Ruffer, Fulcrum and Amati. Underlying funds have exposure to a great many shares, bonds and other assets, Therefore, a single investment into one of the Redlands Portfolios gives a spread across a myriad of different holdings, countries and investment styles.

To manage each fund and essentially pick the best funds to hold on a day to day basis we have selected Hawksmoor Investment Management, an award-winning independent specialist fund management group. Hawksmoor are then accountable to us for fund conduct and most crucially fund performance. The Hawksmoor team managing the fund was previously known as Wellian Investment Solutions, prior to their merger with Hawksmoor in March 2022.

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## What do Hawksmoor Investment Management do?

Hawksmoor are specialist Multi-Manager investors. They are experts in choosing fund managers who are likely to perform well, allowing funds to blend together to create a cohesive portfolio. It is our belief that no single fund management group has the top fund manager in every sector and as Multi-Managers Hawksmoor can cherry pick the very best talent from across every fund management group.

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## Why did we choose Hawksmoor Investment Management?

Many professional fund selectors use the “5 P” test as the basis for assessing a fund and fund manager. This analyses Performance, Process, Philosophy, Prosperity and People.

### 1. Performance

Ultimately, performance is the most important factor for most clients. The return achieved net of charges for a given level of risk is what matters most. Hawksmoor has delivered not just strong performance, but strong risk adjusted performance over the long term.

### 2. Process

A robust, repeatable process is vital to any investment management business. SEMAFOUR is Hawksmoor’s manager selection tool that analyses over 20,000 funds every month. It assesses onshore, offshore, active, passive, open and closed ended collective funds in the same unemotional way. No other fund of fund business that we know of has a process as powerful. PORTCULLIS is their risk analysis tool which they built in-house as they couldn’t find anything robust enough in the market. PORTCULLIS allows Hawksmoor to assess the impact that any change in the portfolio will have on overall volatility to create the ideal blend. Having used technology to narrow the field individual fund manager meetings are then essential in final selection to understand the “5 Ps” of the individual sub-funds chosen. Hawksmoor conduct hundreds of manager meetings each year.

### 3. Philosophy

Hawksmoor have a simple, clear philosophy. They don't believe in over-committing to any single asset class or investment. They don't believe in investing into illiquid areas or into things they don't understand. They do believe in the power of genuine diversification and go further than most managers in understanding diversification. They also spend a huge amount of time understanding the hidden risks within funds, fund managers and fund management businesses. They are believers in both passive investing (index tracking) and active investing (stock picking). They regard passive as an active choice and not just as a way of keeping costs down. In some markets, passive is not just cheaper but also better.

### 4. Prosperity

It was important that the manager we selected was established and well resourced. Hawksmoor Investment Management is a discretionary fund management firm, which has been authorised since 2007 and with over £2.7 bn of Assets Under Management.

### 5. People

People are the key to any successful investment solution. To measure the calibre of people at Hawksmoor we needed to look at their experience, knowledge, previous performance and how they all knitted together. Hawksmoor Investment Management is an award-winning team of Multi-Manager investors founded in 2007. The investment team has held the most senior investment roles in leading businesses such as Hargreaves Lansdown, Skandia, Foreign & Colonial and AXA Architas.



**Richard Philbin** is Chief Investment Officer of the Hawksmoor Investment Solutions division at Hawksmoor. He is one of the UK's best-known multi-manager investors and previously AA rated by OBSR, Citywire and S&P. He is also the inventor of the highly regarded and publicised 'Traffic Light Analysis' system of assessing funds. Prior to Hawksmoor and Wellian's merger, he was AXA Architas Multi Manager's Chief Investment Officer where he chaired the investment committee and helped the company go from a founding business to a top 5 player in the multi manager space in the UK with responsibility for assets of over £7 bn. Previously, Richard was Head of Multi Manager at F&C Investments. Whilst at F&C he launched the successful LifeStyle range of funds. Assets grew from £100m to over £1bn during his tenure.



**Alan Durrant** is Chief Investment Officer of the Hurst Point Group, owner of Hawksmoor. Previous roles for Alan were Group Chief Investment Officer at The National Bank of Abu Dhabi (NBAD) and prior to NBAD he was Head of Asset Management at Gulf Finance House. Before moving to the Middle East, Alan was Chief Investment Officer at Skandia Investment Management. During his tenure the firm won the Best Multi-Manager at the prestigious Money Marketing Awards in three consecutive years. Whilst at Skandia, Alan conceived and launched the popular Global Best Ideas and Asset Allocator ranges. Prior to Skandia, he was at Hargreaves Lansdown for 12 years, latterly as Investment Director.

### Important Investment Notes

This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. It is not a personal recommendation and it should not be regarded as a solicitation or an offer to buy or sell any securities or instruments mentioned in it. This document represents the views of David Williams IFA Ltd, Valu-Trac Investment Management Limited and Hawksmoor Investment Management Limited at the time of writing. It should not be construed as investment advice. Full details of the Redlands Funds, including risk warnings, are published in the Key Investor Information documents, the Supplementary Information document and Prospectus, available from [www.valu-trac.com](http://www.valu-trac.com). The proportion of assets held, and the typical asset mix will change over time as the Fund aims, over the medium to long term, for investment risk to be controlled in line with the agreed volatility range. The Investment Manager will use a wide range of assets and asset classes to provide a diversified investment approach and will actively alter the weights of the component parts where necessary to stay within agreed boundaries. The Redlands Funds are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money you invested. Investments in overseas markets may be affected by changes in exchange rates, which could cause the value of your investment to increase or diminish. You should regard your investment as medium-to-long term. Past performance is not a reliable indicator of future results. Every effort is taken to ensure the accuracy of the data used in this document, but no warranties are given. Fund holding percentage figures may not add up to 100 due to rounding. All sources Hawksmoor Investment Management Limited and Valu-Trac Investment Management Limited unless otherwise stated. The authorised corporate director of the Fund is Valu-Trac Investment Management Limited, authorised and regulated by the Financial Conduct Authority, registration number 145168. Hawksmoor Investment Management Limited is authorised and regulated by the Financial Conduct Authority, firm reference number 472929.



# VT Redlands Equity Portfolio

## December 2022

### Investment Objective

The objective of the VT Redlands Equity Portfolio is to provide capital growth. The Fund seeks to achieve its objective primarily by investing in collective investment vehicles (including for example collective investment schemes, exchange traded funds and investment trusts) which provide exposure to listed equity securities across developed and emerging markets. The Fund may also invest in other collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective for capital growth over the long term is achieved. There is no particular emphasis on any geographical area or industry sector.

### Fund Information

Inception Date	7 June 2017
Number of Holdings	27
Fund Size	£453.1m
Ongoing Charge Figure *	0.73%
Yield	1.28%
3 Year Annualised Volatility	11.8%

\* The ongoing charges figure is based on expenses and the net asset value as at 17 June 2022. This figure may vary from year to year. It excludes portfolio transaction costs. The Funds annual report for each financial year will include detail on the exact charges made.

### Holdings as at 30 December 2022

Augmentum Fintech PLC	2.3%	iShares Core MSCI World UCITS ETF USD (Acc)	13.5%
AXA Framlington Health Z Acc	4.5%	iShares Core S&P 500 UCITS ETF USD (Acc)	9.0%
BlackRock Continental European Income D Acc	2.9%	Legal & General UK Mid Cap Index C Acc	1.2%
Brown Advisory Global Leaders B Inc GBP	4.8%	LF Gresham House UK Multi Cap Inc F Sterling Acc	1.8%
Fidelity Asia Pacific Opportunities W-Acc	4.2%	LF Lightman European I Acc GBP	0.6%
Fidelity Asian Values PLC	1.9%	Liontrust Special Situations Fund (I)	1.2%
Fidelity China Special Situations PLC	0.7%	Man GLG Japan CoreAlpha Professional Acc C GBP	3.9%
Fidelity Emerging Markets W-Acc	2.1%	Oakley Capital Investments Ltd	2.4%
Fidelity Index Japan P Acc	2.8%	RIT Capital Partners PLC	3.9%
Fidelity Index World P Acc	14.1%	Rockwood Strategic plc	0.3%
Franklin UK Equity Income W Acc	4.7%	TB Amati UK Smaller Companies B Acc	1.0%
FTF Martin Currie European Unconstrained EB Acc	3.4%	TB Guinness Global Eq Inc Y Acc	0.9%
HgCapital Trust PLC	0.2%	WisdomTree Global Quality Div G UCITS ETF USD Acc	6.6%
Invesco Perpetual UK Smaller Cos Inv Tst PLC	0.9%	Cash	4.3%

### Performance Summary as at 30 December 2022

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017	Past performance is not a reliable guide to future performance
VT Redlands Equity Portfolio	-1.50%	2.00%	-11.91%	11.87%	25.80%	33.00%	Figures quoted are on a total return basis with income reinvested.
UK Consumer Price Index <sup>1</sup>	n/a	4.02%	10.08%	16.77%	20.78%	22.65%	
UM Equity – International <sup>2</sup>	-2.63%	3.75%	-8.41%	18.01%	32.07%	38.19%	

<sup>1</sup> Source: Office for National Statistics. Figures to most recently published data, being end of November 2022. All CPI statistics shown do not include the final month index figure for the period in question.

<sup>2</sup> Source: Financial Express Analytics.

### Commentary

Many stock markets of the world delivered negative returns in December, rounding off a poor year for equity investors. The US NASDAQ (an index with a bias towards technology stocks) was almost 10% lower for the month and almost 25% down on the year. The World Index was down circa 5%, although the UK and Japan fared a little better. But Hong Kong was 7% higher and Chinese stocks added circa. 4% as a number of tight Covid restrictions were eased towards the end of the month.

Two new holdings were introduced to the portfolio – Lightman European and Guinness Global Equity Income – taking the number up to twenty-seven. From an asset allocation perspective, the only major change was to increase the allocation to Asia by 1% which now accounts for 6%.



# VT Redlands Multi-Asset Portfolio

## December 2022

### Investment Objective

The objective of the VT Redlands Multi-Asset Portfolio is to provide capital growth. The Fund seeks to achieve its objective primarily by investing in collective investment vehicles (including for example collective investment schemes, exchange traded funds and investment trusts) which provide exposure to various different asset classes including equities, fixed income securities and assets having absolute return strategies. The Fund may also invest in other collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective for capital growth over the long term is achieved. There is no particular emphasis on any geographical area or industry or economic sector.

### Fund Information

Inception Date	7 June 2017
Number of Holdings	30
Fund Size	£126.2m
Ongoing Charge Figure *	1.33%
Yield	1.07%
3 Year Annualised Volatility	6.4%

\* The ongoing charges figure is based on expenses and the net asset value as at 17 June 2022. This figure may vary from year to year. It excludes portfolio transaction costs. The Funds annual report for each financial year will include detail on the exact charges made.

### Holdings as at 30 December 2022

Aegon Diversified Monthly Inc B Acc	1.5%	North Atlantic Smaller Companies Investment Trust PLC	4.0%
AQR Global Risk Parity UCITS C1 GBP	4.2%	Oakley Capital Investments Ltd	4.4%
AXA Global Distribution Z Acc	4.2%	Pershing Square Holdings Ltd	2.6%
BH Macro Limited GBP	3.3%	RIT Capital Partners PLC	6.0%
Chrysalis Investments Ltd	0.5%	Round Hill Music Royalty Fund Limited	0.4%
Fulcrum Asset Management Income F GBP Acc	3.1%	Royal London Sustainable Diversified Trust D Acc	4.2%
Gore Street Energy Storage Fund PLC	1.8%	Ruffer Investment Company Ltd	2.1%
Hermes Absolute Return Credit F GBP Acc Hdg	3.0%	Schroder British Opportunities Trust PLC	1.6%
Hipgnosis Songs Fund Ltd	4.4%	SEI Liquid Alternt Hdg GBP Wealth A Dist	6.3%
IFSL Brooks Macdonald Defensive Capital C Acc	1.8%	Third Point Offshore Investors Limited USD	5.3%
iShares Physical Gold ETC	2.3%	ThomasLloyd Energy Impact Trust PLC	1.4%
JPM Global Macro Opportunities C Net Acc	3.5%	TM Neuberger Berman Absolute Alpha F Acc	1.5%
Latitude Horizon Fund GBP Acc	3.8%	Troy Trojan O Acc	2.7%
LF Brook Absolute Return GBP Inst Acc	1.6%	Tufton Oceanic Assets Ltd	4.1%
LF Ruffer Diversified Return I Acc	5.6%		
Liontrust Sustainable Future Managed 6 Acc	3.4%	Cash	5.4%

### Performance Summary as at 30 December 2022

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017	Past performance is not a reliable guide to future performance
VT Redlands Multi-Asset Portfolio	-0.49%	-2.22%	-10.21%	10.08%	14.05%	15.51%	Figures quoted are on a total return basis with income reinvested
UK Consumer Price Index <sup>3</sup>	n/a	4.02%	10.08%	16.77%	20.78%	22.65%	
Multi Asset Composite Benchmark <sup>4</sup>	-0.46%	0.91%	-6.03%	3.74%	7.78%	9.60%	

<sup>3</sup> Source: Office for National Statistics. Figures to most recently published data, being end of November 2022. All CPI statistics shown do not include the final month index figure for the period in question.

<sup>4</sup> Source: Financial Express Analytics. The Multi Asset Composite Benchmark is a composite benchmark of sectors that includes 60% Financial Express UM Mixed Asset - Balanced and 40% Investment Association UT Targeted Absolute Return.

### Commentary

There was very little to report regarding changes to the Multi Asset fund over the month of December. Most of the changes to asset share can be attributed to market movements rather than change in portfolio strategy. The portfolio contains thirty broadly diversified funds across various asset classes, investment strategies and manager styles.

Towards the end of the month the long-held Hipgnosis Songs Fund (which earns revenues and profits from song royalties) saw its share price boosted by results of a court case. ThomasLloyd Energy Impact plc also saw its share price rise as the market recognised the company – although in the renewable energy space – was not going to be harmed by the recent windfall tax levies.



# VT Redlands Property Portfolio

December 2022

## Investment Objective

The investment objective of VT Redlands Property Portfolio is to generate capital growth over the long term. The Fund seeks to achieve its objective primarily by investing in collective investment vehicles which have exposure to physical property and property related assets. The Fund may also invest in other collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective for capital growth over the long term is achieved. There is no particular emphasis on any geographical area or industry or economic sector, other than to hold a minimum of 70% in UK real property assets to maintain qualification for the UK Direct Property sector.

VT Redlands Property Fund invests in assets that may at times be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks, see the prospectus and key investor information document.

## Fund Information

Inception Date	7 June 2017
Number of Holdings	29
Fund Size	£95.7m
Ongoing Charge Figure *	1.23%
Yield	3.10%
3 Year Annualised Volatility	7.5%

\* The ongoing charges figure is based on expenses and the net asset value as at 17 June 2022. This figure may vary from year to year. It excludes portfolio transaction costs. The Funds annual report for each financial year will include detail on the exact charges made.

## Holdings as at 30 December 2022

Aberdeen Standard European Logistics Income PLC	3.4%	iShares Developed Mkts Prop Yield UCITS ETF USD (Dist)	2.7%
AEW UK REIT PLC	2.5%	Legal & General Global Infrastructure Index C Acc	2.0%
Alternative Income REIT PLC	2.3%	Legal & General UK Property I Acc (PAIF)	8.0%
Amundi Luxembourg AM FTSE EPRA Europe Real Estate	2.4%	Life Science REIT plc	2.7%
Aviva Investors UK Property Fund 2 Acc	1.2%	M&G Feeder of Property Portfolio Sterling I Acc	1.1%
Balanced Commercial Property Trust Limited	3.0%	Premier Miton Gbl Infrastructure Inc F Acc	4.5%
BNY Mellon Global Infrastructure F Acc	2.6%	Schroder Real Estate Investment Trust Ltd	2.5%
Cordiant Digital Infrastructure Ltd	4.2%	SLI UK Real Estate Acc Feeder Inst Acc	6.3%
CT UK Property Feeder 2 Acc	5.5%	SPDR Dow Jones Global Real Estate UCITS ETF	3.9%
db x-track FTSE EPR NRT Dev Eur RE UCITS ETF 1C DR	3.1%	Supermarket Income REIT PLC	1.5%
Digital 9 Infrastructure	1.4%	ThomasLloyd Energy Impact Trust PLC	2.2%
Downing Renewables & Infrastructure Trust PLC	2.5%	Time Investments Commercial Long Income PAIF	9.6%
Empiric Student Property PLC	1.9%	TR Property Investment Trust PLC	2.2%
Home REIT plc	0.8%	Urban Logistics REIT PLC	3.5%
iShares UK Property UCITS ETF GBP (Dist)	2.3%	Cash	8.2%

## Performance Summary as at 30 December 2022

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017	Past performance is not a reliable guide to future performance
VT Redlands Property Portfolio	-2.00%	-13.67%	-15.35%	-9.40%	-1.84%	1.09%	Figures quoted are on a total return basis with income reinvested
UK Consumer Price Index <sup>5</sup>	n/a	4.02%	10.08%	16.77%	20.78%	22.65%	
Property Composite Benchmark <sup>6</sup>	-1.41%	-10.75%	-7.37%	0.26%	5.07%	8.80%	

<sup>5</sup> Source: Office for National Statistics. Figures to most recently published data, being end of November 2022. All CPI statistics shown do not include the final month index figure for the period in question.

<sup>6</sup> Source: Financial Express Analytics. The Property Composite Benchmark is a composite benchmark of sectors that includes 75% Investment Association UT Direct Property, 20% AIC IT Commercial Property and 5% Financial Express UM Property International.

## Commentary

Legal & General Global Infrastructure Index fund is a new holding this month. This low-cost passive fund invests in the shares of infrastructure companies and we believe the global nature of the fund will provide diversification benefits. It now accounts for 2.02% as the position was built up over the month. This was funded by reducing the cash account and the allocation to TR Property plc. A strong set of numbers from AEW UK REIT during the month saw its share price respond favourably.

Home REIT – a fund which owns residential properties leased through charities to homeless and vulnerable residents – was under the spotlight after a short-selling attack drove down its share price. The company, less than 1% of the portfolio, is undergoing a detailed audit with the results due by the end of January.



# VT Redlands Fixed Income Portfolio

## December 2022

### Investment Objective

The objective of the VT Redlands Fixed Income Portfolio is to provide capital growth. The Fund seeks to achieve its objective primarily by investing in collective investment vehicles (including for example collective investment schemes, exchange traded funds and investment trusts) which provide exposure to fixed income strategies and assets. The Fund may also invest in other collective investment schemes, transferable securities, bonds, money market instruments, deposits, cash and near cash. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed by considering whether the objective for capital growth over the long term is achieved. There is no particular emphasis on any geographical area or industry sector.

### Fund Information

Inception Date	7 June 2017
Number of Holdings	23
Fund Size	£41.1m
Ongoing Charge Figure *	0.76%
Yield	2.16%
3 Year Annualised Volatility	4.0%

\* The ongoing charges figure is based on expenses and the net asset value as at 17 June 2022. This figure may vary from year to year. It excludes portfolio transaction costs. The Funds annual report for each financial year will include detail on the exact charges made.

### Holdings as at 30 December 2022

Allianz Strategic Bond I Acc GBP	3.0%	Lyxor Core FTSE Acturs UK Gilts(DR)UCITS ETF-Dist	4.9%
Artemis Corporate Bond F GBP Dis	8.3%	Man GLG Sterling Corporate Bd Inst Acc F	8.0%
Baillie Gifford Strategic Bond B Acc	2.0%	Nomura Funds Ireland-Global Dynamic Bond I GBPH	3.6%
Blackstone / GSO Loan Financing Ltd	1.3%	Rathbone Ethical Bond Inst Acc	4.5%
db x-track. II Barclays GIAGgBd UCITS ETF 2C USD Hgd	4.6%	Real Estate Credit Investments Ltd	3.9%
Hermes Unconstrained Credit F GBP Acc Hgd	4.1%	RM Infrastructure Income PLC	3.0%
HSBC Sterling Corporate Bond Index C Acc	5.2%	Royal London Short Duration Global High Yield Bond Z Acc	5.5%
iShares Global Corp Bond UCITS ETF USD (Dist)	3.5%	SPDR Barclays Cap Sterling Corporate Bond ETF	1.7%
Janus Henderson Strategic Bond I Acc	4.7%	Starwood European Real Estate Finance Limited	2.7%
JPM GBP Ultra-Short Income UCITS ETF Acc GBP	2.6%	TwentyFour Corporate Bond GBP Acc	3.3%
L&G ESG GBP Corporate Bond UCITS ETF	7.4%	Vanguard Total International Bond Index Fund	7.4%
Legal & General Global Inflation Lnkd Bd Idx C Acc	4.1%	Cash	0.8%

### Performance Summary as at 30 December 2022

	1 MONTH	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION DATE 7 JUNE 2017	Past performance is not a reliable guide to future performance
VT Redlands Fixed Income Portfolio	-1.20%	-2.47%	-11.60%	-9.03%	-3.23%	-3.81%	Figures quoted are on a total return basis with income reinvested.
UK Consumer Price Index <sup>7</sup>	n/a	4.02%	10.08%	16.77%	20.78%	22.65%	
UM Fixed Interest – Global <sup>8</sup>	-0.56%	-0.96%	-11.28%	-4.48%	1.44%	2.46%	
UT Global Bonds <sup>8</sup>	-0.68%	-1.95%	-10.26%	-5.85%	-1.28%	-1.07%	

<sup>7</sup> Source: Office for National Statistics. Figures to most recently published data, being end of November 2022. All CPI statistics shown do not include the final month index figure for the period in question.

<sup>8</sup> Source: Financial Express Analytics.

### Commentary

The number of holdings in the portfolio rose by one to twenty three with the recent addition of the HSBC Sterling Corporate Bond Index fund. This change also increased the exposure to Investment Grade Bond funds to almost 44% - up by more than 3% over the last three months. The allocation to high yield debt funds also rose as the weight applied to the long-held Royal London Short Duration Global High Yield Bond increased to roughly 5.5%, although the key driving factor behind the decision was the short-dated nature of the investment strategy

The fund increased exposure to UK based bonds in the month, with the relatively recently introduced Man GLG Sterling Corporate Bond fund now accounting for 8% of the portfolio.