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Henderson's Pattullo views new IMA Strategic Bond Sector as good news for investors seeking active bond returns

"Anything that offers investors greater clarification on asset classes, and clearer definitions on fund sectors, is good news to us. Therefore we welcome the Investment Management Association's decision to re-categorise fixed income sectors.

The creation of a Strategic Bond sector will help demonstrate to investors the benefits of a fully unconstrained investment approach, and will also allow for a more meaningful comparison between the new breed of active bond funds that share the 'Strategic' name. However, we strongly believe that an equity cap of 5% within the non-core portion of the portfolio (rather than the official figure of 20%) would have been more in keeping with a fixed income mandate.

"We have been running the Henderson Strategic Bond Fund for over four and a half years, and this decision reflects what we have known for some time; that rather than persisting with legacy styles of management, the market wants modern, flexible and innovative asset allocation within bond portfolios that can make better use of UCITS III powers.

"Active bond funds such as the Henderson Strategic Bond fund have seen significant inflows this year, not only due to the more cautious economic environment, but also from the disappointing returns coming from single sector bond funds - particularly within the investment grade corner of the market. The ability to actively target returns in the better performing sectors, while moving out of underperforming areas, makes a strategic bond fund the complete fixed income solution for investors. "

John Pattullo is fund manager of the Henderson Strategic Bond and Henderson Preference and Bond Funds

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