



UK INDEX-LINKED BOND FUND

30 June 2023

FUND OBJECTIVE

The objective of the Fund is to generate a return, comprising both income and capital growth, that exceeds the return of the FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index (the Fund's Benchmark) by 0.75% per year over a rolling five-year period before the deduction of tax, management charges and expenses (the Target Return).

FUND SUMMARY

- Seeks to deliver attractive total returns in excess of a UK index-linked government bond benchmark
- Aims to add value principally through duration, yield curve, country allocation and currency management
- Invests primarily in fixed income and currencies, either directly or via derivatives
- Rigorous, disciplined investment process drawing on a large team of fixed income and currency specialists

SHARE CLASS PERFORMANCE (%)

	3 months	1 year	3 years (pa)	5 years (pa)	10 years (pa)	Since inception (pa)
Fund	-8.03	-19.27	-14.49	-5.19	1.99	4.88
Benchmark	-7.78	-19.98	-14.79	-5.45	1.55	4.23

	Calendar year returns					12-month rolling returns				
	2022	2021	2020	2019	2018	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Fund	-37.48	4.13	13.26	7.78	-0.99	-19.27	-19.41	-3.90	13.11	8.33
Benchmark	-37.98	4.22	12.38	6.79	-0.40	-19.98	-19.10	-4.44	11.95	9.09

Source: Insight Investment and Rimes. Fund performance is shown for share class S £ Acc and is calculated as total return, including reinvested income, gross of fees and expenses. Gross of fees performance results do not reflect the deduction of charges, which will reduce investors' returns. Performance for periods over one year is annualised. Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may be partly due to exchange rate fluctuations). Investors may not get back the full amount invested. Investors must read all performance information alongside the full performance information in the KIID.

FUND MANAGER COMMENTS

Long 30 year US breakeven inflation versus a short position in 30 year EU inflation. Strong hedging demand in long dated real yields offset the negative impact of lower headline inflation and further falls in natural gas prices kept long dated European inflation expectations elevated and above the ECBs implied inflation target. US inflation expectations traded in a narrow range, supported by concerns about the persistence of core inflation, but capped by firm language from the Fed about needing to bear down on inflation. The ECBs inflation target is 2% as measured by the HICP, the index European inflation linked bonds are indexed to. TIPs are indexed to US CPI. If the Fed were to meet its inflation target of 2% PCE, it would suggest CPI would average 2.4%. This would suggest that US inflation pricing should trade at a premium to Europe if both central banks are expected to meet their inflation objectives, rather than the current discount.

FUND FACTS

Fund size: £33.2m

Inception date: 17 November 2004

Benchmark: FTSE Actuaries UK Gilts Index-Linked Over 5 Years Index

Fund manager: David Hooker

Target return: Outperform benchmark by 0.75% per year over a rolling five-year period before the deduction of tax, management charges and expenses. However, a positive return is not guaranteed and a capital loss may occur.

FUND CHARACTERISTICS

	Fund	Benchmark
Yield (%)	0.97	0.82
Duration (years)	18.6	18.8

DURATION EXPOSURE BY CURRENCY

(years)	Fund	Benchmark
Sterling	18.6	18.8
US dollar	0.0	0.0
Euro	0.0	0.0
Total	18.6	18.8

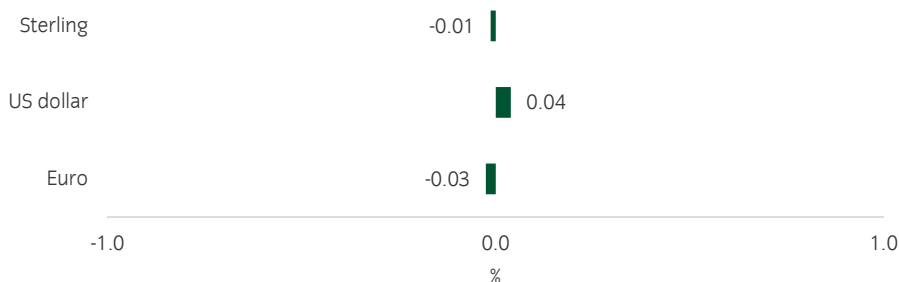
DURATION EXPOSURE BY MATURITY

(years)	Fund	Benchmark
0-10	1.2	1.5
10-20	3.7	4.8
20-30	9.7	5.9
30-40	2.8	4.0
40-50	1.3	2.7
Total	18.6	18.8

FUND ALLOCATION

(%)	Fund	Benchmark	Fund	Benchmark
Government	0.8	0.0	Cash and other	0.3
Government index-linked	99.0	99.6		

RELATIVE CURRENCY EXPOSURES



TECHNICAL DETAILS

Legal structure: Open Ended Investment Company (UCITS)

Domicile: United Kingdom

Share class currencies: Sterling

Dealing frequency: Daily, Midday

Settlement period: T+3

Pricing method: Swinging single price

Scheme: Insight Investment Discretionary Funds ICVC

Depository: NatWest Trustee and Depository Services Limited

Administrator: The Bank of New York Mellon (International) Limited

Ongoing charges: 0.39% (represented by share class Gross P Acc, other share classes are available)



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