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# UK INDEX-LINKED BOND FUND

30 September 2019

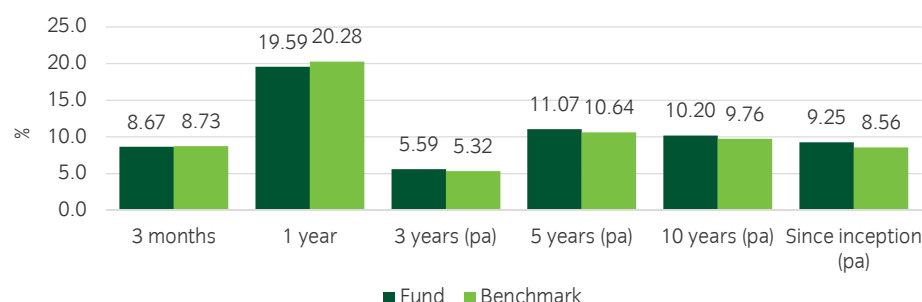
## FUND OBJECTIVE

The Fund aims to generate a return by investing principally in sterling denominated index-linked securities

## FUND SUMMARY

- Actively managed to aim 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 securities 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



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.

## FUND MANAGER COMMENTS

The Fund generated a positive return during the quarter but modestly underperformed the benchmark. Our duration positions were tactical (both long and short positions) in nature and were a small negative for returns. We maintained our long 30-year US real yield position versus 30-year UK, but this was not a material contributor to returns. Yield curve positioning was a drag on performance as we maintained a 30's50's 'steepener' position in the UK, and the curve continued to flatten during the quarter. We also maintained our 30-year US 'breakeven' position, which was negative. The fall in nominal government bond yields saw inflation-linked bonds underperform. However, we continue to hold this position as we believe longer dated inflation pricing is attractively valued and below the Federal Reserve's long-term average. Security selection in UK inflation-linked gilts was positive for returns.

## FUND FACTS

**Fund size:** £128.3m

**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% pa (before tax, fees and expenses) over rolling five year periods. However, a positive return is not guaranteed and a capital loss may occur.

## FUND CHARACTERISTICS

	Fund	Benchmark
Yield (%)	-2.21	-2.37
Duration (years)	25.1	25.1

## DURATION EXPOSURE BY CURRENCY

(years)	Fund	Benchmark
Sterling	24.4	25.1
US dollar	0.7	0.0
Euro	0.0	0.0
Other	0.0	0.0
Total	25.1	25.1

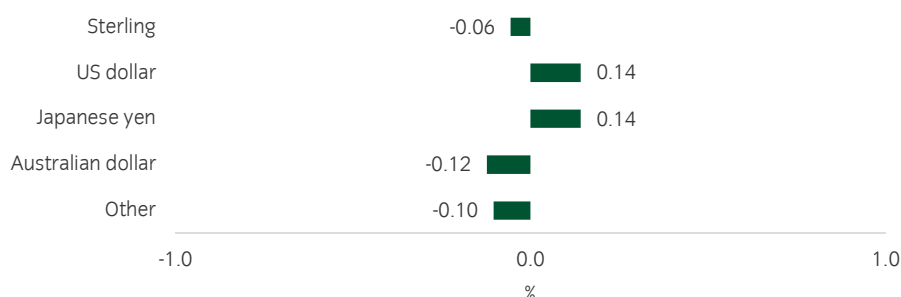
## DURATION EXPOSURE BY MATURITY

(years)	Fund	Benchmark
0-10	1.2	1.0
10-20	0.6	3.3
20-30	10.7	6.9
30-40	5.0	7.3
40-50	7.5	6.6
Total	25.1	25.1

## FUND ALLOCATION

(%)	Fund	Benchmark	Fund	Benchmark	
Government	0.0	0.0	Cash and other	0.2	0.0
Government index-linked	99.8	100.0			

## 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:** 0.36% (represented by share class Gross P Acc, other share classes are available)



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