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# UK INDEX-LINKED BOND FUND

31 March 2021

## 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

## FUND FACTS

**Fund size:** £102.5m

**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 (%)        | -1.99 | -2.16     |
| Duration (years) | 23.5  | 23.7      |

## SHARE CLASS PERFORMANCE

|           | 3 months | 1 year | 3 years (pa) | 5 years (pa) | 10 years (pa) | Since inception (pa) |
|-----------|----------|--------|--------------|--------------|---------------|----------------------|
| Fund      | -7.00    | 3.31   | 3.88         | 6.93         | 8.55          | 8.11                 |
| Benchmark | -6.98    | 2.60   | 3.55         | 6.40         | 8.08          | 7.39                 |

|           | Calendar year returns |      |       |      |       | 12-month rolling returns |           |           |           |           |
|-----------|-----------------------|------|-------|------|-------|--------------------------|-----------|-----------|-----------|-----------|
|           | 2020                  | 2019 | 2018  | 2017 | 2016  | 2020-2021                | 2019-2020 | 2018-2019 | 2017-2018 | 2016-2017 |
| Fund      | 13.26                 | 7.78 | -0.99 | 3.48 | 28.21 | 3.31                     | 3.06      | 5.27      | 1.42      | 22.99     |
| Benchmark | 12.38                 | 6.79 | -0.40 | 2.54 | 27.39 | 2.60                     | 2.39      | 5.68      | 0.69      | 22.01     |

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 underperformed over the quarter. Country allocation; short UK real yields versus long US real yields, was a negative contributor. The Fund closed its long position in US inflation early in the quarter and this made a small contribution to performance. This was partially offset by a short UK breakeven position entered late in the quarter. Duration positioning was light during the quarter and did not make any contribution to performance. UK yield curve positioning made a positive contribution. A 15s30s real yield curve flattener was the main factor. Stock selection decisions made a negative contribution. A short position in the 2068 bond was the key detractor from returns, only partially offset by a long position in the 2055 bond. The Fund had no exposure to investment grade credit, high yield or EMD. Currency exposure made no contribution to performance.

## DURATION EXPOSURE BY CURRENCY

| (years)   | Fund | Benchmark |
|-----------|------|-----------|
| Sterling  | 22.9 | 23.7      |
| US dollar | 0.6  | 0.0       |
| Euro      | 0.0  | 0.0       |
| Other     | 0.0  | 0.0       |
| Total     | 23.5 | 23.7      |

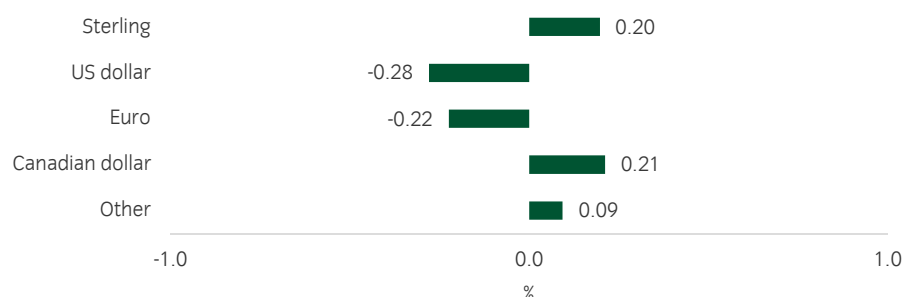
## DURATION EXPOSURE BY MATURITY

| (years) | Fund | Benchmark |
|---------|------|-----------|
| 0-10    | 1.5  | 1.0       |
| 10-20   | 1.3  | 3.7       |
| 20-30   | 10.2 | 7.3       |
| 30-40   | 4.2  | 5.4       |
| 40-50   | 6.3  | 6.3       |
| Total   | 23.5 | 23.7      |

## FUND ALLOCATION

| (%)                     | Fund | Benchmark | Fund           | Benchmark |     |
|-------------------------|------|-----------|----------------|-----------|-----|
| Government              | 1.1  | 0.0       | Cash and other | 2.7       | 0.0 |
| Government index-linked | 96.1 | 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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