



UK INDEX-LINKED BOND FUND

31 December 2021

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

FUND FACTS

Fund size: £71.9m

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 (%)	-2.02	-2.48
Duration (years)	23.0	23.5

SHARE CLASS PERFORMANCE (%)

	3 months	1 year	3 years (pa)	5 years (pa)	10 years (pa)	Since inception (pa)
Fund	5.28	4.13	8.32	5.42	7.48	8.45
Benchmark	5.41	4.22	7.74	5.02	7.03	7.77

	Calendar year returns					12-month rolling returns				
	2021	2020	2019	2018	2017	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Fund	4.13	13.26	7.78	-0.99	3.48	4.13	13.26	7.78	-0.99	3.48
Benchmark	4.22	12.38	6.79	-0.40	2.54	4.22	12.38	6.79	-0.40	2.54

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 review period. Country allocation, short UK real yields versus long US real yields, made a positive contribution to performance before being closed early in the quarter. A short position in UK breakeven inflation detracted from performance as inflation pricing continued to rise. Duration positioning, a short position in 10-year UK real yields, made a negative contribution to performance. UK yield-curve positioning detracted from performance. A 20s40s real yield curve flattener detracted from performance which was only partially offset by a positive contribution from a 40s50s steepening position. Stock selection decisions detracted from performance. An underweight position in IL68s was the principal contributor. The Fund had no exposure to investment grade credit, high yield or EMD. Currency exposure made a positive contribution to performance. The preference to be long USD was the main contributor.

DURATION EXPOSURE BY CURRENCY

(years)	Fund	Benchmark
Sterling	23.0	23.5
US dollar	0.0	0.0
Euro	0.0	0.0
Other	0.0	0.0
Total	23.0	23.5

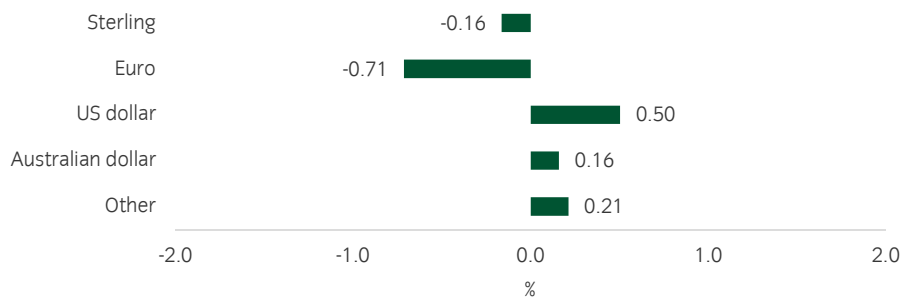
DURATION EXPOSURE BY MATURITY

(years)	Fund	Benchmark
0-10	1.0	1.0
10-20	2.0	4.1
20-30	7.3	6.5
30-40	5.3	5.3
40-50	7.1	6.4
50+	0.2	0.2
Total	23.0	23.5

FUND ALLOCATION

(%)	Fund	Benchmark		Fund	Benchmark
Government	4.6	0.0	Emerging Market Debt Fund	0.0	0.0
Government index-linked	87.1	100.0	Cash and other	8.4	0.0

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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