

# Royal London Global Index Linked Bond Fund

30 June 2014



## Overview

The fund seeks to achieve a combination of including income and capital growth over the medium (5 years) to long (7 years) term.

## Performance 12 Months Ending

	30/06/14	30/06/13	30/06/12	30/06/11	30/06/10
(Class A Inc)	3.91%	-2.30%	8.78%	5.81%	-
(Class M Inc)	4.21%	-2.22%	-	-	-
(Class Z Inc)	4.31%	-2.05%	9.45%	6.18%	-

## Cumulative Performance to 30/06/2014

	3 months	6 months	1 Year	3 Years	5 Years
(Class A Inc)	2.50%	5.14%	3.91%	10.43%	-
(Class M Inc)	2.59%	5.26%	4.21%	-	-
(Class Z Inc)	2.63%	5.33%	4.31%	11.84%	-
Sector Average	0.53%	2.17%	-0.69%	6.35%	31.90%
Quartile Ranking (Class A )	2	1	3	2	-

Mid to mid, net of fees and taxes, net income reinvested unless otherwise stated. Information about past performance is not a reliable indicator of future results. The investor may not get back part, or all, of the amount originally invested. The value of your investment and the income from it is not guaranteed and can fall as well as rise. Please refer to the Key Investor Information Document (KIID) for a list of the relevant risks. All yields are net of expenses and gross of taxes.

## Distribution History (Net)

	Jun-14	Dec-13	Jun-13	Dec-12
(Class A Inc)	0.08p	0.83p	0.45p	0.37p
(Class M Inc)	-	0.74p	0.42p	0.24p
(Class Z Inc)	0.08p	0.84p	0.46p	0.43p

## Fund Commentary

The fund began the month with a short duration position. This stance was initially decreased through purchases of UK inflation linked bonds over the month, before being partially reversed and a more aggressive short duration position re-established through a sale of Swedish inflation linked assets. At the end of the period the fund was 0.7 years below that of the benchmark index.

An off-benchmark position in conventional UK bonds was sold with the proceeds invested into inflation linked assets.

At the end of the period the fund was short duration with underweights in the UK, Europe and the US and an overweight exposure to New Zealand.

## Fund Overview

### General Information

Fund Manager:	George Henderson
Fund size (mid basis)	£34.53m
Fund Type	ICVC
Fund domicile	GBR
ISA	Y
Duration	10.7
Benchmark Duration	11.4
Benchmark:	Barclays World Government Inflation-Linked Bond Index

### Share Class A (Income)

Inception date	27/01/2010
Initial charge	4.00%
Annual mgmt charge	0.70%
Min investment	£1,000
Min monthly contribution	£100
OCF	0.79%
Sedol number	B530C83
Mid price	113.90

### Share Class M (Income)

Inception date	01/05/2012
Initial charge	0.0%
Annual mgmt charge	0.40%
Min investment	£100,000
Min monthly contribution	£1000
OCF	0.50%
Sedol number	B772RM8
Mid price	101.50

### Share Class Z (Income)

Inception date	27/01/2010
Annual mgmt charge	0.30%
Min investment	£1,000,000
Min monthly contribution	£50,000
OCF	0.40%
Sedol number	B53R4H7
Mid price	116.20

Credit Breakdown		
	Fund (%)	Index*(%)
AAA	10.7	10.0
AA	89.3	90.0
A	0.0	0.0
BBB	0.0	0.0
BB and below	0.0	0.0
Unrated	0.0	0.0

\*Barclays World Government Inflation-Linked Bond Index (RLAM as at 30/06/14)

Asset Split			Largest Geographic Allocations	
	Fund (%)	Index*(%)	Country	Weighting (%)
Index linked corp. bonds	0.0	0.0	United States	44.4
Sterling convt. gilts	1.1	0.0	United Kingdom	31.4
Sterling index linked gilts	30.3	29.9	France	8.4
Foreign convt. sovereign	1.1	0.0	Germany	6.3
Foreign index linked sov.	67.5	70.1	Canada	4.3
Derivatives	0.0	0.0	New Zealand	3.0
			Japan	2.1
			Australia	0.2

\*\*Conventional corporate bond allocation includes exposure to non-sterling credit bonds and certificates of deposits, where applicable.

Top Ten Holdings		Fund (%)
UK Treasury 1.25% Index Linked 22/11/2017		9.0
US Treasury 2.375% Index Linked 15/01/2027		7.8
US Treasury 2.375% Index Linked 15/01/2025		7.0
US Treasury 1.375% Index Linked 15/01/2020		6.6
US Treasury Index Linked 0.125% 15/01/2023		6.5
US TII 2 1/8 01/15/2019		6.5
Deutschland 1.5% Index Linked 15/04/2016		6.3
US TII 1 5/8 01/15/2018		4.0
UK Treasury 0.375% Index Linked 22/03/2062		3.2
UK Treasury 0.125% Indx Linked 22/03/2029		3.2
<b>Total</b>		<b>60.1</b>
<b>Total No. of Holdings</b>		<b>41</b>

(RLAM as at 30/06/2014)

## Risk Warnings

The issuers of certain bonds could become unable to make income or capital payments on their bonds. Investing in assets denominated in a currency other than the investors home currency means the value of the investment can be affected by changes in exchange rates.

## Yield Definitions

The **distribution yield** reflects the amounts that maybe expected to be distributed over the next 12 months. The **underlying yield** reflects the annualised income net expenses of the fund as a percentage (Calculated in accordance with the relevant accounting standards). Both these yields are calculated as a (%) of the mid-price of the fund and are month end snap shots and do not include any preliminary charges and investors may be subject to tax on distributions

## Contact Details

### For Private Investors

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### Intermediaries

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Source: rlam, Financial Express and HSBC as at 30/06/2014, unless otherwise stated. Yield definitions are shown above.