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Key facts

Inflation protection

Inflation-linked bonds offer investors **protection** against the **erosive effects of inflation**

Stable and consistent returns

We target consistent, incremental returns with **low volatility**

Dedicated team

A **dedicated and experienced** inflation-linked bond team manages the portfolio

Track record

Strong performance track record since launch in 2005

> Why invest in the Global Inflation-Linked Bond Fund?



We aim to capture the most **compelling investment opportunities** in the large and diverse global inflation-linked bond market.



We target stable, incremental returns with low volatility. Since launch, the Fund has experienced four times as many quarters of positive returns than quarters of negative returns.



Inflation erodes the value of an investment over time. **Inflation-linked bonds provide protection** against this effect given the principal and coupon are linked to an inflation reference.



Inflation-linked bonds exhibit low correlation versus other asset classes, which provides **diversification benefits** when used in a broader portfolio.



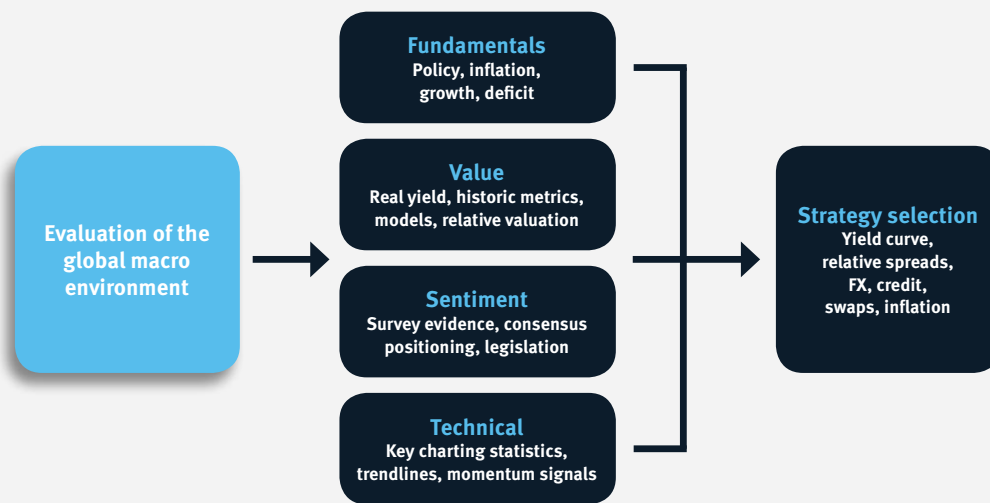
The Fund is managed by an experienced team with a **successful track record** of managing a wide variety of inflation-linked funds.

> How do we manage the Fund?

To discover the most compelling opportunities within global inflation, we have developed a hybrid investment process. This combines quantitative research with broader qualitative and market insights.

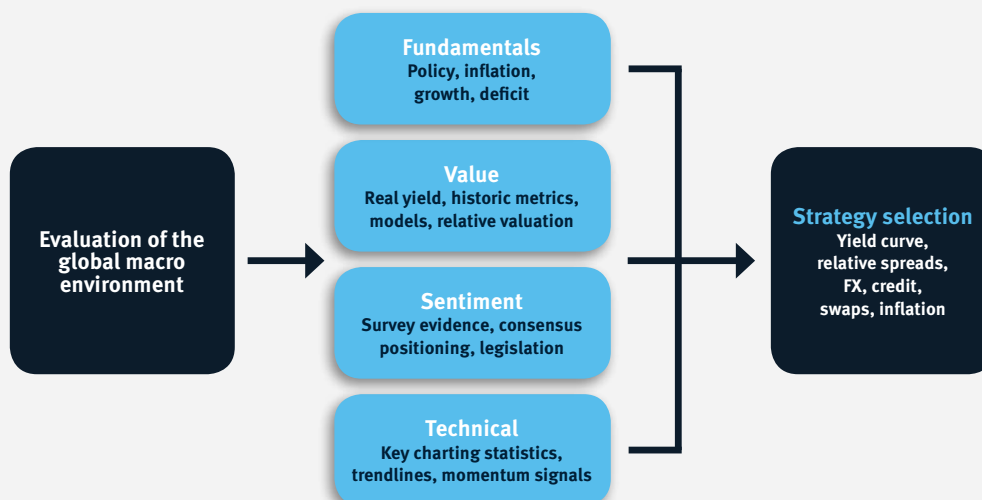
We begin our investment process by taking a global view of what is happening in bond markets. Specialists from across all asset classes contribute to this view by sharing their insights on what is changing and what is driving this change. We apply a consistent research agenda across multiple timeframes that allows us to generate key themes, evaluate developments and review strategies in order to build optimal portfolios.

- ▶ **Quarterly scene setting** – quarterly strategy notes from all asset classes generates the key themes over the coming quarter
- ▶ **Monthly review** – we evaluate developments against our expectations
- ▶ **Weekly investment meeting** – review current and proposed strategies
- ▶ **Daily market briefing** – share market information and assess their implications for portfolios



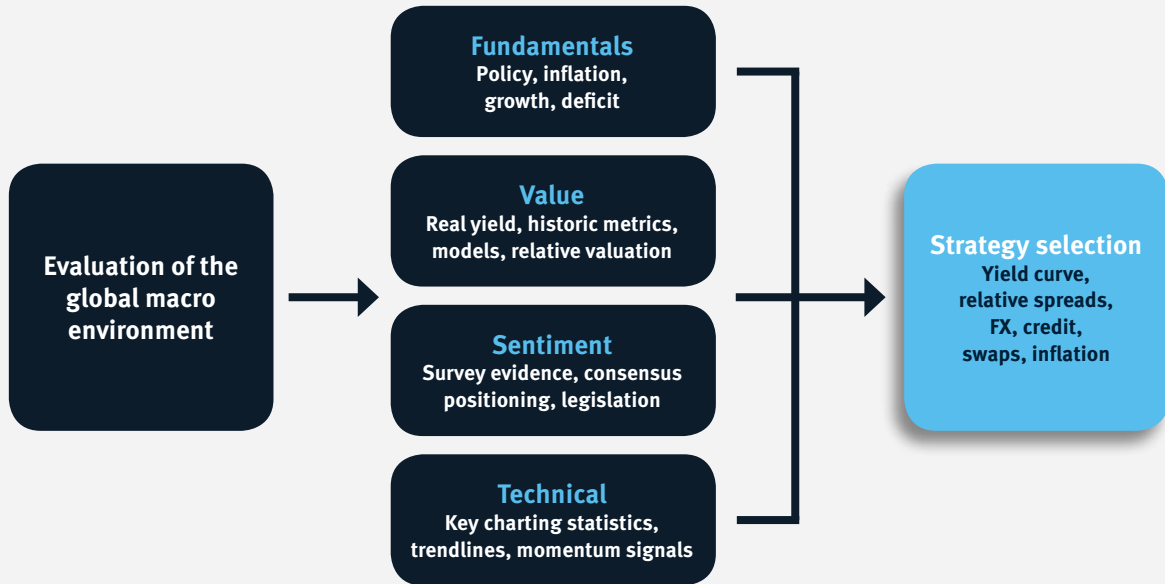
We believe there are four key drivers of the inflation-linked market: economic fundamentals, valuations, sentiment and technical factors.

- ▶ We appraise the likely outcome for interest rates and inflation, the key bond market variables.
- ▶ From our fundamental analysis, we then consider the relative value of the world's inflation linked bond markets.
- ▶ Investor sentiment is an important driver of markets; market psychology and investor positioning can often lead to overreactions, and therefore opportunities.
- ▶ We analyse a wide variety of technical factors, such as regulatory change or yield charts. These can help to identify key price levels and establish rational entry and exit points for portfolio positions.



Once we analyse these factors, we then formulate our views on portfolio construction: regional allocation, duration, yield curve positioning and security selection.

We subsequently express these views through a range of diversified strategies, including duration, curve, inflation and cross market. We aim to construct a portfolio of our highest-conviction ideas that is agnostic of the benchmark, targeting consistent, incremental returns with low volatility. This disciplined process has allowed us to build a long track record of outperformance in both up and down markets.



> Who is the Fund suitable for?

Investing in the Global Inflation-Linked Bond Fund can provide a number of benefits. The Fund might be suitable for investors who are:

- ▶ concerned about inflation eroding the value of their investment
- ▶ interested in global inflation opportunities where the currency risk is hedged
- ▶ willing to accept some fluctuation in the value of their investment.

> Who manages the Fund?



Katy Forbes

Katy began her career at Standard Life Investments in November 2001. She joined the inflation-linked bonds team in 2008, having previously held roles as an asset & liability manager and derivatives manager.



Adam Skerry

Adam joined Standard Life Investments in 2012, having previously worked as a fixed income manager at Baring Asset Management. He has 18 years' industry experience and has responsibility for the management of nominal and index-linked gilt portfolios, as well as acting as a manager on our Absolute Return Global Bond Strategies Fund.

> About Standard Life Investments

Our global operations



manages
£275.2
billion*
on behalf of clients
worldwide

a global presence
with operations across
**Europe, Asia &
North America**

employs over
1,700
talented
individuals

*Source: Standard Life Investments, as at 30 June 2017

> Contact

If you would like to find out more about the **Global Inflation-Linked Bond Fund**, please get in touch with your Standard Life Investments contact or visit us at standardlifeinvestments.com

Visit us online



standardlifeinvestments.com

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