

## RLAM announces launch of Royal London International Government Bond Fund

Royal London Asset Management (RLAM) announces the launch of the Royal London International Government Bond Fund, targeted at the wholesale market.

The fund, which will focus on non-sterling denominated government bonds, will be managed by global government bond specialist George Henderson. George, a member of RLAM's award-winning fixed interest team, additionally manages the Royal London Global Bond Pooled Pension Fund and the Royal London Global Index Linked Fund, and will draw on the expertise of the wider fixed interest team.

The Royal London International Government Bond Fund, which will be in the IMA Global Bonds sector, will target 1.05% per annum outperformance (gross of fees) of its benchmark the JP Morgan Traded World ex UK Government Bond Index (hedged), over rolling three year periods. It will invest primarily in overseas government bonds, although it may also hold investment grade credit, with foreign currency exposure hedged back to sterling. Investment in UK bonds and cash instruments is also permitted, up to a maximum of 10%. Derivatives may be used for efficient portfolio management purposes and duration will typically be +/- 2 years relative to the benchmark.

Susan Spiller, Head of Marketing at RLAM, commented:

"We have launched the Royal London International Government Bond Fund in response to strong client demand. We remain committed to offering products that are aligned with our clients' investment objectives and this fund broadens access to our existing investment capabilities within international government bond markets."

Fund Manager George Henderson added,

"We expect that global economic growth will remain subdued, although we do not believe there will be a serious double dip recession. Against this backdrop, we are seeing opportunities within the protection offered by inflation-linked bonds and the attractive relative value of longer dated bonds, which offer a significant yield enhancement relative to short and medium dated bonds. Overall, increased volatility provides many opportunities for active management at the individual stock level.

"Looking ahead, we do not expect increases in base rates from major central banks over the next 12 months and when interest rates do rise, they are likely to plateau at a

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very low level compared with recent history, thanks to a combination of the pressure of fiscal restraint and continued fragility in the banking sector.”

#### Key fund information

Fund name	Royal London Global Government Bond Fund
Structure	ICVC
Domicile	UK
Launch date	4 November 2011
Benchmark	JP Morgan Traded World ex-UK Government Bond Index (hedged)
Performance target	1.05% p.a. over benchmark (gross of fees) over rolling three year periods
IMA sector	Global Bonds
Currency	GBP
Minimum initial investment	£100,000
Minimum additional investment	£50,000
Available share types	Income
Distribution frequency	Half-yearly
Payment dates	30 June, 31 December

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#### Editor's notes

**Royal London Asset Management (RLAM)** was established in 1988 and specialises in providing investment management solutions for both the Royal London Group and a range of external institutions. These include FTSE 250 companies, local authorities, universities, charities, wealth managers, financial advisers and private clients. RLAM manages over £40bn of assets and employs more than 50 experienced investment professionals in its London office.

**Royal London Group** is a specialist financial service provider. Its businesses focus on those sectors of the market which value quality propositions, operating through a number of brands:

- Scottish Life – UK pensions market
- Bright Grey – UK protection market
- Scottish Provident – UK protection market
- Caledonian Life – RoI protection market
- Royal London 360° – offshore investment markets
- RLAM – fund management
- Royal London Plus – life and pensions administration
- Ascentric/IFDL – wrap platform

Royal London is the largest mutual life and pensions company in the UK with Group funds under management of £44.2 billion. Group businesses serve around four million customers and employ 2,950 people. Figures quoted are as at 30 September 2011.

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Source: rlam as at 4 November 2011 unless otherwise stated.

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Our reference: 453-PRESS-11/2011-QS