



## RLP ABSOLUTE RETURN GOVERNMENT BOND FUND FACTSHEET

January 2019

### **Objective**

**Aim:** The investment objective of the fund is to target absolute positive capital growth. The fund seeks to achieve its investment objective by outperforming its benchmark, the Sterling Overnight Index ("SONIA") by between 2.5% and 3% per annum over rolling three year periods and aims to provide positive performance over 12 month periods.

Positive returns are not guaranteed and you may not get back the full amount of capital originally invested.

**Investment process:** The investment strategy aims to exploit valuation differences amongst the government bond markets of the G10 economies (Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, UK and the United States). To achieve this, the fund simultaneously takes long positions in **cheap** securities and short positions in related **expensive** securities. Exposures will be gained through investment in physical G10 government bond assets and other highly-rated securities including Certificates of Deposit (CDs) and Floating Rate Notes (FRNs) issued by financials, as well as through relevant and appropriate derivative instruments associated with the government bond markets in the G10 countries. All foreign currency exposures arising from geographical positions are hedged back to Sterling in order not to express currency views.

**Management style:** Active

### **Fund details**

<b>Launch date:</b>	26th June 2015
<b>Fund size:</b>	£1453.69m
<b>ABI Sector:</b>	Specialist
<b>Benchmark:</b>	Overnight Cash Rate (SONIA)
<b>Manager:</b>	Paul Rayner
<b>Fund Management Charge:</b>	1.00%
<b>Investment Expenses:</b>	0.00%
<b>Total Expense Ratio:</b>	1.00%
<b>SEDOL:</b>	BYY0KS1

All data as at 31.12.2018.

## Performance

Past performance is not a guide to the future. Prices can fall as well as rise meaning you may not get back the full amount of capital originally invested. Investment returns may fluctuate and are not guaranteed.

	Percentage Change				
	31.12.2017 - 31.12.2018 % Chg	31.12.2016 - 31.12.2017 % Chg	31.12.2015 - 31.12.2016 % Chg	31.12.2014 - 31.12.2015 % Chg	31.12.2013 - 31.12.2014 % Chg
<b>RLP Absolute Return Government Bond</b>	<b>-0.96</b>	<b>-0.21</b>	<b>-0.74</b>		
Benchmark	-0.44	-0.74	-0.64		

	Compound Annual Growth Rate				
	Fund Volatility	3 Years	5 Years	10 Years	15 Years
<b>RLP Absolute Return Government Bond</b>	<b>0.87</b>	<b>-0.63</b>			
Benchmark		-0.61			

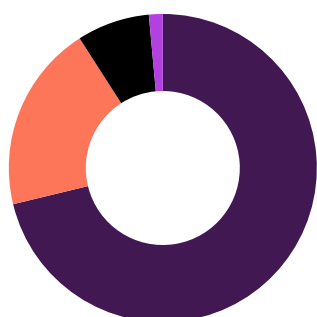
Source: Lipper, as at 31.12.2018. All performance figures have been calculated net of the Fund Management Charge applicable to the fund.

The fund volatility figure shown is the annualised standard deviation of the monthly returns on the fund over a 3 year time period to 31.12.2018. Standard deviation is a measure of the spread of monthly returns around the average (mean) return. A higher volatility figure indicates that the fund has produced a wider range of returns over the three year period while a fund with a lower volatility figure has been more stable.

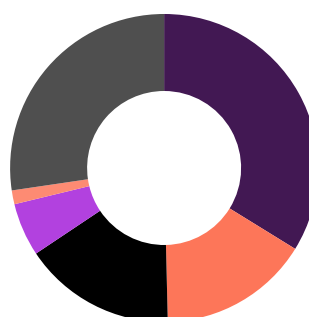
## Top ten holdings

	Holding	%		Holding	%
<b>1</b>	Japan (govt Of) 0.1% II 10/03/2027	8.22	<b>6</b>	0 1/8% Index-Linked Treasury Gilt 2056	3.14
<b>2</b>	Ustresury 0.375% II 15/07/2027	8.02	<b>7</b>	Japan(government Of) 0.10% 15/11/2019	2.96
<b>3</b>	UKTI 0 1/8 10/08/28	5.53	<b>8</b>	France (govt) 3.4% II 25/07/2029	2.63
<b>4</b>	1¼% Treasury Gilt 2037	4.15	<b>9</b>	US Treasury Bond 0.125% II 15/07/2026	2.46
<b>5</b>	Japan Govt Cpi 0.1% II 10/03/2026	3.45	<b>10</b>	ROYAL BANK OF CANADA 0 12/08/22	2.28

## Sector weighting



## Debt Quality



71.2% Bonds  
7.6% Alternative Trading Strategies  
19.7% Non-Classified  
1.4% Cash and Equivalents

33.8% AAA  
16.0% A  
1.4% Cash and Equivalents  
15.8% AA  
5.6% NR  
27.3% Other

All data as at 31.12.2018.

## **Risk factors**

It is important that you understand the potential risks associated with this fund. We have detailed below the specific risks we think you should be aware of. For further information on each of these risks please refer to our **Guide to Fund Risks**.

Exchange Rate	Yes	Property	No
Emerging Markets	No	Higher Risk Fund	No
Concentrated Portfolio	No	Derivatives	Yes
Smaller Companies	No	Equities	No
High Yield Bonds	No	Bonds	Yes
Sector Specific	No	Money Market	No
Geared Investments	Yes	Stock Lending	No

### **Royal London**

1 Thistle Street, Edinburgh EH2 1DG  
royallondon.com

All literature about products that carry the Royal London brand is available in large print format on request to the Marketing Department at Royal London, St Andrew House, 1 Thistle Street, Edinburgh, EH2 1DG

All of our printed products are produced on stock which is from FSC certified forests.

Source: FTSE International Limited ("FTSE") © FTSE 2018. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. It provides life assurance and pensions. Registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Marketing Limited is authorised and regulated by the Financial Conduct Authority and introduces Royal London's customers to other insurance companies. The firm is on the Financial Services Register, registration number 302391. Registered in England and Wales number 4414137. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Corporate Pension Services Limited is authorised and regulated by the Financial Conduct Authority and provides pension services. The firm is on the Financial Services Register, registration number 460304. Registered in England and Wales number 5817049. Registered office: 55 Gracechurch Street, London, EC3V 0RL.