

SHINING A LIGHT ON THE.....
Threadneedle Dynamic Real Return Fund

AT A GLANCE

Investment Objective	
The investment objective of the Fund is to achieve a positive real rate of return from capital appreciation and income over the medium to long term, at least above the rate of inflation (defined as the Consumer Price Index). Regardless of market conditions, it also aims to provide a positive return over a maximum period of 3 years. There is a risk to capital, and there is no guarantee that such a return will be achieved in 3 years or any other timescale.	

Inception Date	18 th June 2013
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000Q3C7

Management	
Manager Name	Start Date
Toby Nangle	18 th June 2013

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	53.26%
Large	25.40%
Medium	16.13%
Small	4.88%
Micro	0.33%

Top 10 Holdings		
Total number of holdings	-	
Assets in Top 10 Holdings	-	
Name	Sector	% of Assets
Threadneedle Stlg SD Corp Bd InsXGrIncl	-	16.27%
United Kingdom of Great Britain and N...	-	9.76%
United Kingdom of Great Britain and N...	-	9.38%
Threadneedle Japan Ins X Acc GBP	-	9.19%
Threadneedle Asia Ins X Acc GBP	-	4.19%
ILF GBP Liquidity 3	-	4.03%
Threadneedle (Lux) Enhanced Cmdts XU	-	3.33%

Volatility Measurements	
3-Yr Std Dev (volatility)	6.44%
3-Yr Mean Return (average)	-0.66%

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FUND PERFORMANCE

Performance from 1st January 2014 to 31st March 2020:

	2014	2015	2016	2017	2018	2019	2020
Threadneedle Dynamic Real Return Fund	6.20%	2.96%	8.07%	6.96%	-5.58%	10.40%	-9.97%
Vanguard Global Bond Index Fund	7.97%	1.25%	3.51%	2.00%	-0.11%	6.63%	1.12%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years (p.a.)	5 years (p.a.)	Since launch (p.a.)
Threadneedle Dynamic Real Return Fund	-5.75%	-0.66%	1.36%	2.93%
Vanguard Global Bond Index Fund	4.92%	3.10%	2.43%	3.25%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

This update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This was a brief update with the team and follows the recent market falls. The fund looks to achieve a positive return of inflation plus 4% over a three to five-year period. They have been able to achieve this in the past but with recent market falls it is now adrift of that target.

The team were keen to stress the process has been something that they have used for over 20 years and they will continue to use going forward. When volatility spiked, everything dropped, and there was no haven for any assets at that point. However, the markets have settled back which has opened opportunities for them.

In terms of what they have done, they have moved the fund more towards quality equities and investment grade assets. This reflects a tilt towards how monetary and fiscal action will impact markets moving forward.

The fund itself can invest in equities, bonds and cash, property commodities and alternatives. This is normally done via direct investments and in-house Threadneedle Funds.

The fund currently has about 38% in low volatility assets to provide some protection and this year has been difficult, however, they believe the shift in holdings should enable the fund to recover over medium to long term.

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The source of information in this note has been provided by Threadneedle and is correct as at April 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.