

RLAM Absolute Return Government Bond Fund – April 2023

LWM FUND SPOTLIGHT RLAM ABSOLUTE RETURN GOVERNMENT BOND FUND

INVESTMENT OBJECTIVE

The investment objective of the Fund is to target absolute positive capital growth and the Fund will seek to achieve its objective on an active basis. The Fund invests in a portfolio comprising of fixed and/or floating rate investment grade global government bonds (both nominal and inflation linked); fixed rate investment grade global bonds issued by supranational entities; AAA fixed and/or floating rate securities (including floating rate notes and covered bonds, which are corporate bonds with recourse to a pool of assets that secures the bond); supranational and sovereign floating rate notes and financial derivative instruments.

| | |
|-----------------------|---|
| INCEPTION DATE | 17 th November 2014 |
| FUND FACTSHEET | https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000VDOR |

MANAGEMENT

| | |
|---------------------|--------------------------------|
| Manager Name | Start Date |
| Paul Raynor | 17 th November 2014 |

RATIO DATA (3-years)

| Alpha | Beta | Max Drawdown | Max Gain | Max Loss | Negative Periods | Positive Periods | Tracking Error |
|-------|------|--------------|----------|----------|------------------|------------------|----------------|
| 1.63 | 0.15 | -1.61 | 2.79 | -1.19 | 61 | 93 | 2.82 |

OTHER DATA

| | |
|------------------|----------|
| Benchmark | SONIA |
| Fund Size | £1619.31 |
| Fees | 0.30% |

| BULL POINTS (PRO) | BEAR POINTS (CONS) |
|---|---|
| <ul style="list-style-type: none">• Minimise downside risk.• Current yield of 4% p.a.• Aims to deliver positive capital growth (including income).• Actively managed across government bonds.• Lower levels of volatility | <ul style="list-style-type: none">• Limited upside potential so should be seen as a protector within a portfolio of assets. |

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FUND PERFORMANCE

Performance from 17th November 2014 – 31 March 2023 (using SONIA + 3%)

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling

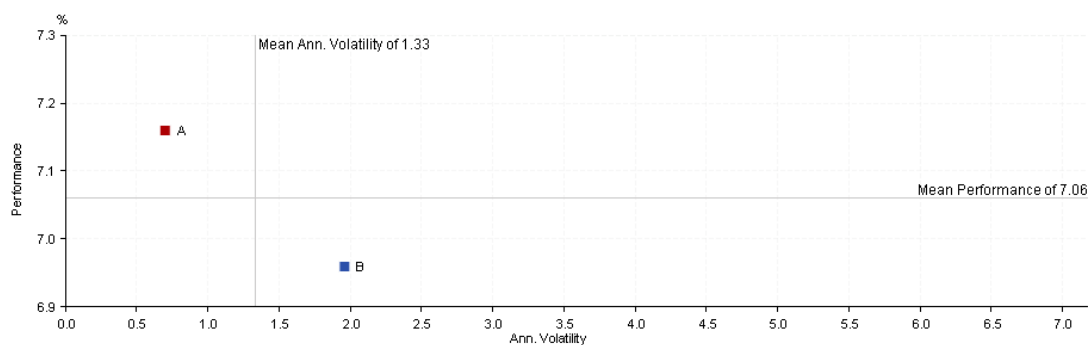


17/11/2014 - 31/03/2023 Data from FE fundinfo 2023

Please 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.

VOLATILITY / RISK SCORE

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



31/03/2020 - 31/03/2023 ©FE fundinfo 2023

| Key | Name | Performance | Annualised Volatility |
|-----|--|-------------|-----------------------|
| A | SL SONIA +3% TR in GB | 7.16 | 0.70 |
| B | Royal London - Absolute Return Government Bond M in GB** | 6.96 | 1.96 |

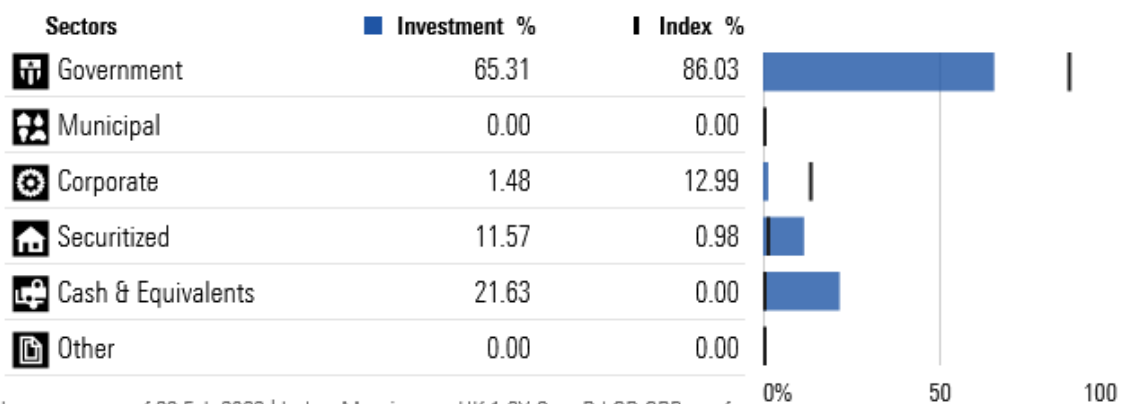
** The history of this unit/share class has been extended, at FE fundinfo's discretion, to give a sense of a longer track record of the fund as a whole.

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EXPOSURE

Exposure

vs. Index ▾



Investment as of 28 Feb 2023 | Index: Morningstar UK 1-3Y Core Bd GR GBP as of 31 Mar 2023 | Sector data is based on the rescaled long position of the equity holdings. | Source: Holdings-based calculations.

BOND BREAKDOWN

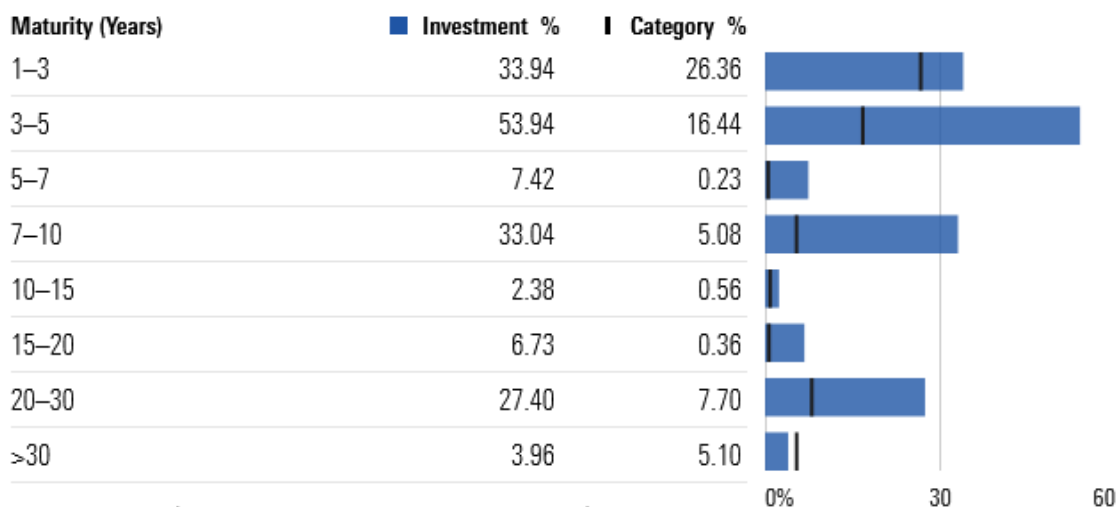
Bond Breakdown

Credit Quality

Coupon Range

Maturity Schedule

vs. Category ▾



As of 28 Feb 2023 | Category: GBP Diversified Bond - Short Term | Source: Holdings-based calculations.

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HOLDINGS

Holdings

Bond ▾

| Current Portfolio Date | Equity Holdings | Bond Holdings | Other Holdings | % Assets in Top 10 Holdings | Reported Turnover % |
|------------------------|-----------------|---------------|----------------|-----------------------------|---------------------|
| 28 Feb 2023 | 0 | 137 | 86 | 18 | — |

| Holdings | % Portfolio Weight | Market Value GBP as of 28 Feb 2023 | Share Change % |
|--|--------------------|------------------------------------|----------------|
| Japan (Government Of) 0.1% | 5.17 | 85,404,801 | ↑ 0.31 |
| United Kingdom of Great Britain and Northern Ireland 1.25% | 3.01 | 49,737,667 | ↑ 100.00 |
| Bank of Nova Scotia 4.58169% | 2.81 | 46,430,685 | 0.00 |
| Japan (Government Of) 0.1% | 2.67 | 44,116,349 | ↑ 0.31 |
| Japan (Government Of) 0.2% | 2.65 | 43,837,624 | ↑ 0.31 |
| Spain (Kingdom of) 3.15% | 2.38 | 39,349,069 | 0.00 |

Holdings as of 28 Feb 2023 | The top 10 largest holdings are available for display across Equity, Bond and Other.

Holdings

Others ▾

| Current Portfolio Date | Equity Holdings | Bond Holdings | Other Holdings | % Assets in Top 10 Holdings | Reported Turnover % |
|------------------------|-----------------|---------------|----------------|-----------------------------|---------------------|
| 28 Feb 2023 | 0 | 137 | 86 | 18 | — |

| Holdings | % Portfolio Weight | Market Value | Prospectus Net Expense Ratio |
|---|--------------------|--------------|------------------------------|
| T1s432648 Trs Gbp R F .00000 Trs Buy Bond Hsbc 20230203 | 6.03 | 99,648,962 | — |
| T1s439919 Trs Gbp R F .00000 Trs Buy Bond Citi 20230527 | 3.69 | 60,993,804 | — |
| T1s439919 Trs Gbp P F 4.23000 Trs Buy Bond Citi 20230527 | -3.73 | -61,632,982 | — |
| T1s432648 Trs Gbp P F 3.93000 Trs Buy Bond Hsbc 20230203 | -6.53 | -107,986,387 | — |

Holdings as of 28 Feb 2023 | The top 10 largest holdings are available for display across Equity, Bond and Other.

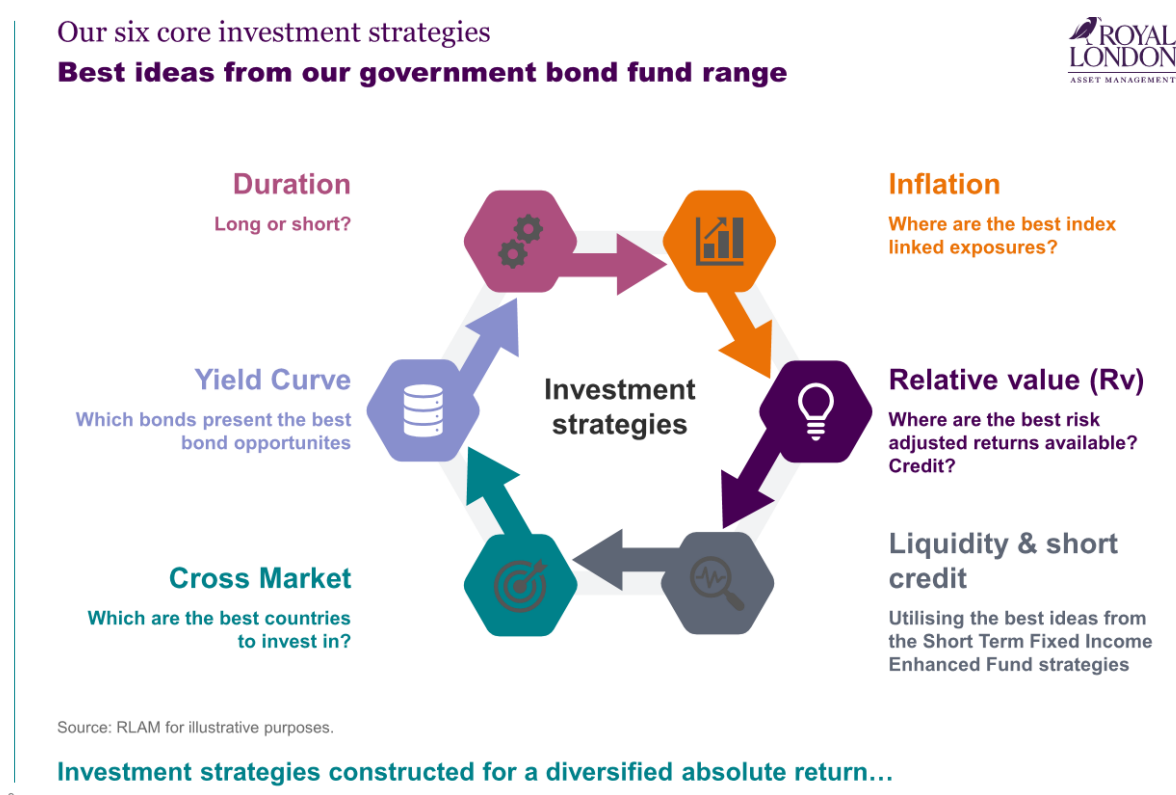
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LWM FUND ANALYSIS

This is a relatively simple strategy which targets an absolute return of 2.5% p.a. above the Sterling Overnight Index (“SONIA”), by investing in Government Bonds. Downside protection is a key element of the strategy and therefore volatility is significantly lower than other bond funds.

The current yield is 4% p.a. The returns are the total returns and therefore where a yield is being taken there is the potential for negative returns on the capital. This is because the overall target returns takes into account both income and growth.

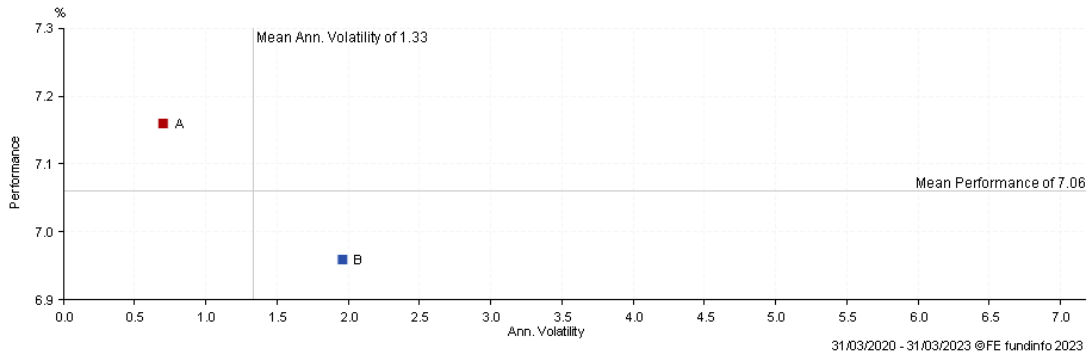
The strategy looks to take the best ideas from across their government bond fund range to deliver the returns:



The investment approach looks to deliver returns from across multiples sources with the focus on keeping volatility low. This is demonstrated below:

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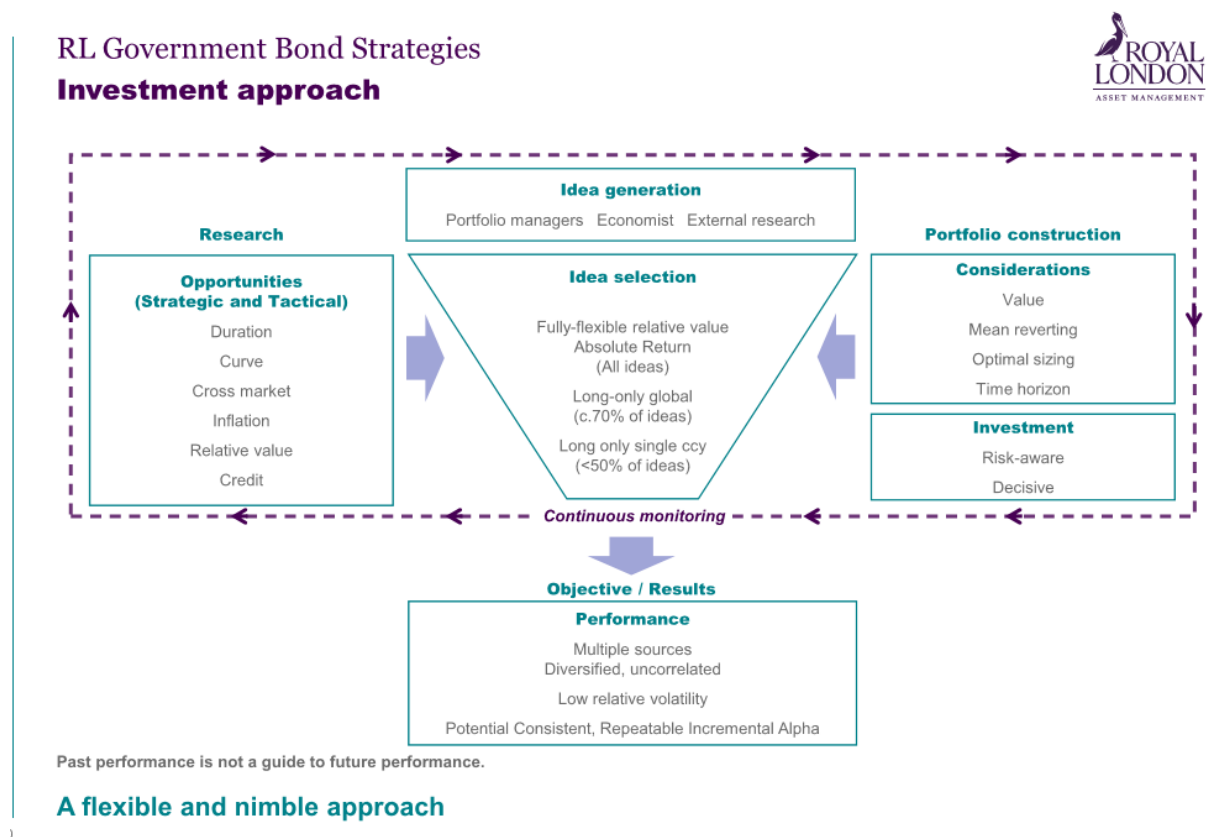
Pricing Spread: Bid-Bid • Currency: Pounds Sterling



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The investment approach is shown below:



Where we see this sitting is less as an income strategy but more as a diversifier within a balanced portfolio of assets. This effectively could be used as an anchor, particularly in a period of greater volatility.

If we look across the performance, this has delivered steady returns since launch, being slightly negative in 2018 and 2016.

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Pricing Spread: Bid-Bid • Currency: Pounds Sterling

| Customise Columns | 2023 ↑↓ | 2022 ↑↓ | 2021 ↑↓ | 2020 ↑↓ | 2019 ↑↓ | 2018 ↑↓ | 2017 ↑↓ | 2016 ↑↓ | 2015 ↑↓ | 2014 ↑↓ | 2013 ↑↓ |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Royal London Absolute Return Government Bond M in GB** | 1.33 | 2.32 | 0.20 | 1.15 | 2.09 | -0.60 | 0.15 | -0.44 | 1.15 | | |

This will never “shoot the lights out” and investors need to be able to be accepting of where this sits and what it is trying to do.

In summary, this is effectively a best ideas fund using the resources at Royal London to deliver a diversifier for portfolios. Although the yield at 4.0% is good, we feel this shouldn't be seen as an income producer as any income taken would effectively deliver negative returns on capital. This is more about having an anchor within portfolios to protect during more volatile periods.

The source of information in this note has been provided by Royal London and is correct as of April 2023. 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.

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