

CT Dynamic Real Return Fund

AT A GLANCE

A long-only, actively managed multi-asset fund that targets a real return of 4% above UK inflation (CPI) when measured over 3 to 5 years, in line with the long-run real return of equities.¹

REASONS TO INVEST

- 1. Proven capabilities in asset allocation:** The fund benefits from a collaborative approach bringing together some of the most experienced investors and harnessing the best ideas from across our investment platform.
- 2. Follows a dynamic investment approach:** The fund is dynamically managed, with no neutral allocation and no index constraints, so it reflects our best asset allocation ideas. Importantly, the portfolio can also be zero-weighted in any asset class, so each position must earn its way into the portfolio based on both its standalone risk and return characteristics and how it interacts with other positions in the portfolio.
- 3. Focus on volatility control:** Diversification is embedded into the portfolio construction process, with a focus on providing strong risk-adjusted returns, whilst controlling overall volatility. The ability to 'look through' to every underlying position in the fund facilitates best-in-class portfolio risk management.

“With the Dynamic Real Return fund, our goal is to deliver consistent performance, even in times of market volatility. Rather than constrain our opportunity set, each position needs to earn its way into the portfolio from a return and risk perspective. Having the ability to restructure our portfolio is key to navigating the current environment and ultimately meeting the aim of delivering a smoother overall investment ride.”

– Alex Lyle



CHRISTOPHER MAHON

Portfolio Manager (since November 2022)

KEY FACTS

Fund inception date

18 June 2013

Fund objective

Please refer to the Fund KIID for the objective and policy of this fund

Asset class weightings

Equities: 0-75%
Fixed income & cash: 0-100%
Property: 0-20%
Commodities: 0-20%
Alternatives: 0-10%

Holdings

The portfolio invests in direct investments, in-house funds and passive strategies

Fund size (as at 31.12.2022)

£2.3 billion



RSM, as at
31.12.2022



FE, as at 31.12.2022

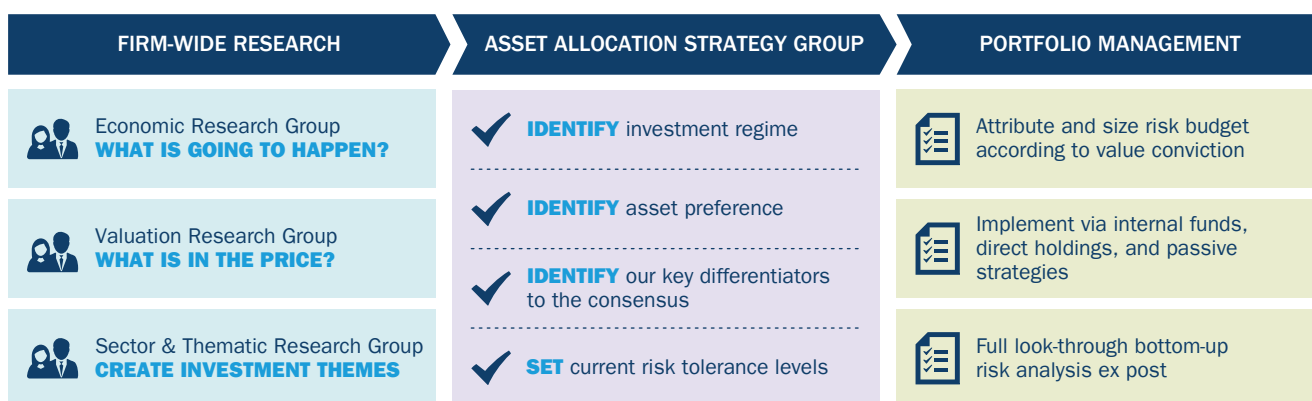
¹Please note that the performance target may not be attained. The performance target is gross of fees.

INVESTMENT APPROACH

The Fund seeks to deliver a real return in line with UK inflation (CPI) +4% per annum over a 3-5 year period. We aim to achieve this by dynamically changing the portfolio risk budget using a long-only unleveraged approach – investing in passive products or internal strategies to gain exposure to idiosyncratic corporate level risk (e.g. equities, corporate bonds, property), but directly managing the government bond and currency allocations.

The asset allocation is managed across the risk spectrum, from times where we want to protect investors' capital to those when we want to participate in risk markets, in the belief that taking risk will be well rewarded. We can be zero-weighted in any asset, and there is no 'neutral' allocation, therefore every investment position needs to earn its way into the portfolio from a risk and return perspective. We manage this strategy using a three-stage investment process, which is outlined in the table:

PROVEN AND REPEATABLE INVESTMENT PROCESS



KEY RISKS

Past performance is not a guide to future returns and the fund may not achieve its investment objective. Your capital is at risk. The value of investments can fall as well as rise and investors might not get back the sum originally invested.

The Investment Policy allows the fund to invest principally in units of other collective investment schemes. Investors should consider the investment policy and asset composition in the underlying funds when assessing their portfolio exposure.

Where investments are in assets that are denominated in multiple currencies, or currencies other than your own, changes in exchange rates may affect the value of the investments. Positive returns are not guaranteed and no form of capital protection applies. The Fund invests in securities whose value would be significantly affected if the issuer refused, was unable to or was perceived to be unable to pay. Changes in interest rates are likely to affect the Fund's value.

Most bond and cash funds offer limited capital growth potential and an income that is not linked to inflation. Inflation is likely to affect the value of capital and income over time.

In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa. The Fund's assets may sometimes be difficult to value objectively and the actual value may not be recognised until assets are sold.

The Investment Policy of the fund allows it to invest materially in derivatives.

The fund may exhibit significant price volatility.

All the risks currently identified as being applicable to the Fund are set out in the "Risk Factors" section of the Prospectus.

Please read the Key Investor Information Document and the Fund Prospectus if considering investing.



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