13 July

Royal London Market update

Lorna Blyth provides an update on the impact of recent market events on the Governed Range.

We've had the big drop and the big bounce back. Now we are faced with very loose and supported Government policy, the beginnings of an economic recovery and the fact that the virus is still out there. The markets may look benign but there have been a lot of up and downs in the background. Better than expected economic data in the US has led some commentators to mention signs of a 'V' shaped recovery as the Nasdaq reached an all-time high and the S&P500 broke out its rut of only being able to rise 4 days out of 5. However equity markets quickly dipped again following profit taking and weaker economic data than forecast from the Eurozone.

Year to date returns across the portfolios range between -2.6% to -8.3% in the GPs while GRIPs range from 0.2% to -7%. Returns from commodities, equities and high yield continue to be negative year to date however this is balanced by strong, positive returns from both corporate bonds and UK government bonds. Longer term returns since launch vary from 5% to 8% per annum across the GPs and between 4% and 7% per annum across the GRIPs. All performance numbers quoted are net of a 1% charge and you can find returns for all the portfolios over the short and long term in the link at the end of this update.

There are many reasons to remain optimistic over the longer term. In the next year or so the virus will start to disappear, people will have immunity, or there will be a vaccine. At some point we will get a proper economic recovery which will be positive for markets. In the meantime uncertainty remains high. Investing in a well-diversified portfolio with a strong risk framework can help to smooth out some of the short term volatility that we are likely to experience.

Lorna Blyth

Head of Investment Solutions

Royal London Intermediary

Trevor Greetham

Head of Multi Asset RLAM

Piers Hillier

Chief Investment Officer

RLAM

Please note that this is a fast-moving environment and markets and impacts on portfolios are changing. Opinions contained in this document represent views of our fund managers at time of writing.

Governed Range investment activity

Markets have had positive momentum since the March lows, based on fiscal and monetary policy measures designed to mitigate damage to the global economy and, crucially, diminish virus risk. Recently, there has been some increasing uncertainty regarding the global containment of the virus, particularly in Brazil and the US.

We have moved to be broadly neutral in equities in the portfolios because of the still uncertain path back to normality for the global economy. On the plus side, lockdowns are being eased and a broad range of monetary and fiscal stimulus measures are in place. However, the level of economic activity post lockdowns could disappoint markets, with many sectors of the economy probably staying weak and unemployment possibly staying higher for longer than some expect. In emerging markets like Brazil and India, there is concern that the virus is still spreading; the USA is also among the countries which do not seem to have got the spread of the virus under control. There are local lockdowns in Melbourne Australia, Leicester in the UK and elsewhere globally.

We are not underweight equities as the balance of evidence points to the global economy recovering as lockdowns are eased (even if there are localised setbacks currently). We remain overweight high yield bonds, particularly short duration high yield, as we expect the asset class to be resilient over the medium term and the US Federal Reserve is directing its support towards US credit markets. We are underweight commodities, however, as demand is likely to remain weak and supply, for example of oil, is plentiful. We are also broadly neutral to slightly underweight UK commercial property across most funds as we expect rents could fall and capital values could see downward pressure, particularly in the retail and leisure sectors; exposure to property gives diversification benefits to the portfolios. Given the significant quantitative easing we are seeing from central banks, we are modestly overweight government bonds. We remain underweight cash owing to negative real returns in the asset class.

Within equities we remain overweight US equities (including the tech sector) given the relatively defensive nature of the market and the resilience of technology earnings in the pandemic. We are moderately overweight emerging markets, which are potentially a safer haven since the virus appears to be more under control in China than the US, for example. We are underweight UK equities, a long-term underperformer hampered by a heavy resource sector weighting and underweight financials. Our currency positioning is light.

We have moved to be moderately overweight the economically-exposed Australian dollar but remain underweight sterling given ongoing political and trade uncertainty; we have reduced our position in the more defensive US dollar as confidence in the global economy has improved and we are now slightly underweight..

Market outlook, Trevor Greetham, Head of Multi Asset Funds, RLAM

Sustained recovery in markets will probably have to wait until there is more confidence that the coronavirus pandemic is under control globally and a serious second wave of infections hasn’t happened. We expect our Investment Clock model to reflect the eventual re-opening of the world economy by moving from the disinflationary ‘Reflation’ zone, with weak growth and falling inflation, and into its equity-friendly ‘Recovery’ zone, as growth improves with lockdowns being eased, but the timing of this move is uncertain. We intend to make full use of our active tactical asset allocation risk budget to add to equity exposure when we judge the time is right. Our investment process has weathered difficult markets in the past and we added significant value over the 2007-9 Global Financial Crisis. We believe a disciplined and active approach to both risk control and tactical asset allocation will be crucial in portfolios, as markets respond to the current crisis and the economic recovery when it comes.

RLAM Economic Viewpoint

We're at an interesting point in the recovery. Incoming data releases continue to suggest the early stages of recovery have been strong (i.e. May and June in Europe and the US), but a couple of weeks ago, at least some of the US high frequency data started to wobble a bit. If recovery momentum falters somewhat, it wouldn't be much of a surprise considering the US Covid-19 case numbers which continue to worsen.

The US hasn't been the only reminder that this virus (and its consequences for the economy) very much remains a threat. Australia, which had got case numbers down to very low levels, saw Melbourne go back into lockdown this week as the outbreak in Victoria has progressed. Even in the UK, we've had a localised lockdown in Leicester.

Against lingering fear of the virus and more generalised worries around 'second waves' in the autumn/winter, at least two things are worth noting as far as the global economy goes:

First, fear matters for economic activity. New lockdowns have generally been localised (as in Australia) or partial (as in some US states which have partially re-imposed social distancing measures). This likely lessens the economic impact. However, some recent research supports the view that there is much more to economic damage than government-ordered lockdowns. Household consumption in Sweden was still down 10.7% year on year in April and South Korea's unemployment rate hit a 10-year high in May in the absence of UK-style lockdowns in both cases.

Second, a second wave of government and central bank policy stimulus may be less impressive than the first wave. Central banks have already cut rates dramatically the world over (where there was room to do so) and rates are at, or close to, lower bounds in developed economies (the Bank of England (BoE) continues to review the case for negative rates). Asset purchase programmes are already widespread. As for fiscal policy, it is will likely be hard to agree to new support packages when government deficits are already at, or heading rapidly towards, double digits as a percentage of GDP. In the UK, the £30bn package of time-limited measures announced by Chancellor Sunak this week was welcome, but the bigger heart of the first wave of fiscal support – the coronavirus job retention (or furlough) scheme – is still set to wind down over the period between August and October.

Despite all this, it is worth recognising that much of the data relating to activity in May and June in the US and Europe surprised to the upside. Over the last two weeks, that has included significantly stronger-than-expected ISM business surveys in the US. Non-farm payrolls and the unemployment rate surprised positively again too. China's recovery also appears to have remained solid, judging by the strong PMI business surveys for June.

More policymakers have also been highlighting the better-than-feared early stage recovery, from BoE Chief Economist Haldane ("so far, so V") to the ECB's Schauble and De Guindos just in the past few days. That does not mean that central banks are anywhere close to reversing course. However, just as fear will likely hold back the recovery, so growing confidence in the early stage of recovery can bolster that recovery through its effects on markets and consumer and business behaviour.

However, until any of the following conditions are true: Covid-19 numbers are low and staying low; authorities have proved they can quash any new outbreaks quickly; or a vaccine is ready – and in most of the world, we simply aren't there yet on any of these fronts – the recovery will remain vulnerable to a resurgence of fear. This recovery is set to take some time yet.

Market view from Piers Hillier, CIO, RLAM

The past fortnight has unfortunately seen a significant increase in coronavirus cases in the US. The seven-day moving average of new cases is now in the region of 55k, compared to around 21k this time last month. The death count has not markedly surged at the national level, although there have been week-on-week increases over the past few days. The seven-day moving average is currently around 600; lower than the average of 800 a month ago.

There have also been recent upticks in case numbers for Japan and Australia, causing Melbourne to go into lockdown, though from significantly lower levels. The worst affected country at the moment is Brazil, which is seeing rising cases and a steady death count. The country's president, Jair Bolsonaro, notably tested positive for the coronavirus, and now also faces a criminal complaint after removing his mask during the televised interview in which he addressed his condition.

The rising case numbers have caused a number of authorities to re-impose lockdown measures. With regard to the US, there is a clear geographical divergence in the trajectories of lockdown measures. The stricter conditions are in large Southern and Western States such as Florida, Texas and California. By contrast, the Northeastern States are easing their lockdowns and the Midwestern States have generally already reopened.

Equity markets have broadly tracked sideways despite the negative implications of further lockdown measures, with the Nasdaq Composite index even rising to record highs. This reflects the offsetting influences of myriad factors. These include hopes that the stricter measures will be targeted rather than blanket, positive developments towards developing a future vaccine, continued stimulus from central banks and upward surprises in economic data. Indeed, the global composite PMI business survey jumped from 36.3 for May to 47.4 for June.

In the UK, Chancellor Sunak delivered his summer statement on Wednesday, detailing the government's plans to help revitalise the economy. He announced a further £30bn of spending, which will bring the total cost of the government's response to the Covid-19 pandemic to £188.7bn; equivalent to nearly £3,000 per person. Sunak disclosed that the government has spent an additional £48.5bn on public services in its immediate response to the pandemic. That's close to treble the £17bn forecast made by the Office for Budget Responsibility at the end of June. Although Sunak said that much of that spending is temporary in nature, he admitted that major elements will be a "fact of life" over the next couple of years.

One fact of life for us as investors is that the coronavirus is going to distort markets for some years to come. Government support measures here and abroad have been vital, but have impacted markets and will continue to do so. We've seen this with the Bank of England's bond purchases of corporate bonds, where the market quickly moved to favour the sectors and companies that had a new large buyer. Those effects will probably wash through relatively quickly. Others, notably government debt markets, can expect this to take many years to work through.

Sustainable Funds – Mike Fox, Head of UK Sustainable Investments

Despite the resurgence of Covid-19 in countries such as the United States, and its ongoing spread in countries such as Brazil and India, equity markets have remained resilient and have actually risen in the last two weeks. Rightly or wrongly, Covid-19 is no longer the primary driver of asset markets. Our view is this does make sense: it is apparent there will be no further shutting down of economies and that we are learning to live with this virus, disruptive as that may be. The debate has moved on to the shape of economic recovery and the influence of central bank and government stimulus measures. On both of these issues there is something for everyone, bull or bear. There are regions, such as Europe (ex UK) and Asia (ex India) which have seen a rapid rebound in economic activity, while others such as the UK and USA have struggled. Equally there are those who believe recent central bank actions have been the most effective and timely intervention ever, and those who believe they have warped investment markets beyond all recognition. Our past experience of economic cycles is that at this point in them, after the initial hit and as the recovery starts, having a singular view, bullish or bearish, about how events are likely to unfold in the future is particularly dangerous. Uncertainty is at its highest and opinions at their strongest; this is never a good combination.

One of the more interesting things in the last two weeks has been the acceleration of the performance of technology shares. For someone who started his career investment career in 1999, there has been a faint echo of what happened back then in the technology bubble. It is the question we get asked the most in client meetings: is this a new technology bubble? ‘Bubble’ is one of the most overused words in investing. The number of perceived bubbles versus actual is very low. In my 21-year career we have had two: technology in 1999 and housing in 2008. They are actually quite rare despite regular use of the term by the financial media. We do not consider this to be a new technology bubble, but we do acknowledge that there are strong arguments on both sides of the debate. Our main point is that the proportion of major indices relating to the technology sector is broadly in line with their earnings contribution to those same indexes. Share price increases have been supported by the increasing profits of technology companies. This was not the case in 1999. We also think that technology is a clear Covid-19 winner, within digitisation and cloud computing adoption clearly accelerating. The main challenge to our positive view is more generic: all bubbles start with excess liquidity chasing too few returns. This is arguably what we are seeing now given central bank actions, and technology shares have become something of a one-way bet. Certainly we struggle with the valuations ascribed to some of the more nascent business models in the sector, such as Tesla, and this could be a sign of froth appearing. So while we are minded to think the rally in the technology shares we own is supported by fundamentals, this is a view we are frequently challenging ourselves on.

What will happen next?

Ultimately the level of stock markets will be determined by two things. First, the overall levels of economic activity post the recently-started recovery, as this will have a major bearing on the level of corporate profitability. Second, the discount rate (itself a function of the cost of equity and the cost of debt) applied to those corporate profits. The two are, of course, interconnected: the lower the level of economic activity, the longer interest rates and the cost of debt (and therefore the discount rate) will be kept low. It is only in the interaction of these two variables that a view on what happens next can be formed. We, like most, are cautious about the ultimate level of economic activity until a vaccine and/or more effective treatments are found. Ultimately, we think economic activity will surpass previous highs, but this may take some time (2022 maybe?) and the shape of it (which companies are winners and losers) could be very different than in the past.

We also consider it highly likely that interest rates, and therefore the cost of debt, will remain exceptionally low for an equally long time. This increases the value of future corporate profits. Our own read on the situation, which is more of a subjective judgement, is that at current levels these two variables are essentially in balance, i.e. equity markets are fairly valued. A material fall from here would, we think, be another buying opportunity, but a material rise could well be liquidity driven and make valuation more of concern than it is currently. A sideways market for the rest of 2020, while the economy and vaccine progress catch up, would be no bad thing.

What are we doing?

In summary, not a huge amount. For all the uncertainty at the macro level, we do think what is going on at the micro level is much clearer. Those companies which will come out of the crisis stronger and more valuable, such as healthcare and technology, are a core component of our funds. While we are always on the lookout for new ideas, we think the funds do not need much change from where they are today. We have been reducing one position in the funds however, Descartes. This is a Canadian software company working to make supply chains more efficient and environmentally friendly. It is the one technology stock we own where we think its small size, lower liquidity of shares and strong thematic investment story has pushed its valuation to a level that no longer compensates us for some of the risks inherent in its business model.

Price and valuation will always be one element of our investment decision making, and being compensated for the risks we take in all investments we own is essential. While we continue to believe Descartes is well placed, it is an acquisition-orientated business operating in a world where global trade may turn out to be lower growth in the future. These are the risks we are less compensated for after the strong appreciation of the shares.

How are we performing?

Performance has been good in the last two weeks. Our mixed asset funds continue to benefit from a pro-equity stance, and within that a bias towards more innovative and socially-useful companies. Our single-asset equity funds are benefiting from good stock selection. This week, Thermo Fisher, a US scientific laboratory equipment company, upgraded guidance based on its role in Covid-19 testing, and the shares responded positively. We have also seen continued strong performance from Rentokil, the pest control and hygiene company, as its peers have noted strong demand for Covid-19 related hygiene services, such as office and washroom cleaning. Finally, Microsoft continues to perform extremely well as the pace of transition to a digital, cloud computing, based world accelerates. These three companies are good examples of businesses becoming more valuable as a result of the current crisis.

Anything else?

One of the more interesting debates we observe at the moment is the one of investment style. This is often framed as value versus growth investing, especially as the valuation ascribed to both of these styles is so far apart. Choosing an investment style as a fund manager seems to have become the same as choosing a sports team to support: once you have chosen you join a band of like-minded individuals and it becomes heresy to support anyone else. This is a strange idea on a number of levels. In any decision-making process where there any many potential outcomes, surrounding yourself with like-minded individuals is absolutely the wrong thing to do. It could be argued that some of the societal disruptions we are seeing at the moment have their origins in groups of people with self-reinforcing views. Investors are better at growth investing if they understand value investing, and vice versa. Equally is it reasonable to expect over a 30-year investment horizon that the same approach will always work? We would argue not.

The first decade of the 2000s was dominated by reversion-to-the-mean investing (another way of thinking about value investing), but this stopped working in the second decade of the 2000s when technological and societal disruption meant that mean reversion stopped happening: the strong have got stronger and the weak have got weaker. Could this change again in the future? Most likely it will. Should fund managers adapt, or remain supporting the same team? My answer to that comes from the art world. Those artists, take U2 or Picasso as examples, that have lasted for many decades did not do so because they kept remaking the same album or painting the same picture, but by evolving and understanding changing times. It will be no different for fund managers.

Property

The extra £30bn worth of fiscal measures announced by Chancellor Rishi Sunak provides much needed support to the economic recovery. Data so far has signalled a solid start to the recovery phase but also a weak underlying labour market and an economy still in need of policy support.

The range of measures included a "Job Retention Bonus" of £1,000 for employers for each employee they bring back from the furlough scheme, a cut in VAT from 20% to 5% for the hospitality and tourism sector until the 12th January 2021 and the "Eat Out to Help Out" scheme that provides a 50% discount at participating restaurants during August this year. These elements, in particular, should offer some relief to the hospitality sector, as it faces up to the challenge of reopening. Trading conditions will be extremely difficult in the near term, as lockdown restrictions are eased, but not removed entirely.

Footfall in UK shopping centres bounced last week, up nearly 10% on the previous week. Overall, retail footfall to all UK destinations rose by almost 5%. Footfall in London's West End remains subdued however. It was circa 25% of the level seen in the same period in 2019 in the first full week of opening and by the end of week three is still at this level. Overall however, UK retail footfall is still down approximately 48% year on year.

If fears of the virus persist, then people won't want to go out and spend whatever the price, but the latest announcements have been welcomed by the hospitality industry and are designed to encourage a pick-up in spending and prevent widespread business failures. Whether the measures are successful remains to be seen. These are incredibly uncertain times but it is clear the government is prepared to borrow more and suggested that the next phase of spending, which will be laid out in the Budget and Spending Review late this year, would involve more investment in public services, national infrastructure and the regions.

Market sentiment in the property sector remains cautious, although there are signs that conditions are stabilising and confidence is beginning to turn a corner. The most recent investment performance indicator available is the CBRE UK Monthly Index which saw values decline on average by only -0.7% in June. This decline is the gentlest since the onset of the crisis, and largely confined to retail assets. When compared to historic levels the investment market is subdued, but there are a few green shoots. In the retail sector, we have received offers on a number of the high street assets that we have in the market, which is encouraging. In the central London office market, Savills note that the lack of openly available stock is the main reason for the low levels of transactional activity to date in 2020. With very little outward sign of distress (as yet) there are no forced sellers unlike in previous downturns. They anticipate investment activity to remain comparatively subdued in the short term and over the summer but note that signs of increased market activity are emerging. Material Uncertainty Clauses inserted into valuations at the onset of the crisis have now been removed from the industrial sector and from central London offices, reflecting the increase in recent transaction activity.

The RLP Property fund remains in deferral and you can find out more about how we are managing the Property fund [here.](#)

Global High Yield Update

The policy support from the US Federal Reserve has had the effect of anchoring the high yield market and removing tail risks which has resulted in credit spreads tightening back to around 500bps from a high of 1000bps in March. This has created opportunities for the team to take advantage of wider spreads in high quality liquid credit. We think about spreads in terms of compensation for defaults and 'excess spread'. Higher spreads, such as those we have seen, are effectively paying you to expect a 5 year 40% cumulative default rate. This equates to 8% every year for 5 years, with 60% loss given default. Currently the market is implying a cumulative default rate of 23%, when including historic excess spread levels beyond defaults alone, whilst some models are predicting 33% based off prior experience of defaults during the 2008 GFC. Our view is that the five year cumulative default rate is likely to be lower, at around 17%. There are a few reasons for this, the high yield market is quite different to what it was in 2008, many of the companies are bigger and the unique nature of this crisis and the policy support shown means we don't consider these models as a good proxy for defaults going forward and we struggle to see meaningful defaults outside of the energy sector. The distressed ratio is falling and default expectations are trending lower as companies continue to garner liquidity and can refinance at similar levels to prior to the crisis.

While the current oil price is challenging for many Energy companies, we focus on the names that have a combination of certain attributes. Features such as robust liquidity, the potential for asset sales, or a cost of production that will leave them as the long term survivors of another correction in commodity prices.

We have been reinvesting into new issues in non Covid areas (e.g. cable, telecom infrastructure) at similar spread levels to the broader market. The aim is to run the fund at a higher yield than the market and benefit from lower defaults through credit selection and higher recoveries through careful covenant analysis. We estimate the cumulative fund default loss rate will be less than 5% compared to the market estimation of 17%. Given current positioning, we see greater value in Europe over the US, while we remain cautious of the Rest of the World region given idiosyncratic concerns.

Performance year to date

Governed Portfolios

	Percentage Growth	Percentage Growth
Portfolio Name	31.12.19 10.07.20 % Chg	10.07.19 10.07.20 % Chg
Governed Portfolio 1	**-6.13**	**-4.12**
Composite Benchmark	-4.57	-3.51
Difference	-1.56	-0.61
Governed Portfolio 2	**-4.61**	**-2.93**
Composite Benchmark	-3.36	-2.57
Difference	-1.25	-0.36
Governed Portfolio 3	**-2.58**	**-1.70**
Composite Benchmark	-1.46	-1.30
Difference	-1.12	-0.40
Governed Portfolio 4	**-7.85**	**-5.65**
Composite Benchmark	-6.63	-5.32
Difference	-1.22	-0.33
Governed Portfolio 5	**-6.60**	**-4.58**
Composite Benchmark	-5.18	-4.10
Difference	-1.42	-0.48
Governed Portfolio 6	**-4.48**	**-3.25**
Composite Benchmark	-3.17	-2.77
Difference	-1.31	-0.48
Governed Portfolio 7	**-8.27**	**-5.91**
Composite Benchmark	-8.11	-6.50
Difference	-0.16	0.59
Governed Portfolio 8	**-8.16**	**-5.92**
Composite Benchmark	-6.92	-5.54
Difference	-1.24	-0.38
Governed Portfolio 9	**-5.38**	**-3.79**
Composite Benchmark	-4.26	-3.46
Difference	-1.12	-0.33

Governed Retirement Income Portfolios

	Percentage Growth	Percentage Growth
Portfolio Name	31.12.19 10.07.20 % Chg	10.07.19 10.07.20 % Chg
Governed Retirement Income Portfolio 1	**0.16**	**0.90**
Composite Benchmark	1.27	1.26
Difference	-1.11	-0.36
Governed Retirement Income Portfolio 2	**-1.69**	**-0.57**
Composite Benchmark	-0.44	-0.11
Difference	-1.25	-0.46
Governed Retirement Income Portfolio 3	**-3.59**	**-2.06**
Composite Benchmark	-2.12	-1.36
Difference	-1.47	-0.70
Governed Retirement Income Portfolio 4	**-5.71**	**-3.82**
Composite Benchmark	-3.88	-2.83
Difference	-1.83	-0.99
Governed Retirement Income Portfolio 5	**-7.04**	**-4.85**
Composite Benchmark	-5.18	-3.81
Difference	-1.86	-1.04

Underlying Funds

	Percentage Growth	Percentage Growth
Portfolio Name	31.12.19 10.07.20 % Chg	10.07.19 10.07.20 % Chg
RLP Absolute Return Government Bond-Pen	**0.00**	**1.06**
Benchmark	**-0.36**	**-0.50**
Difference	0.36	1.56
RLP Commodity-Pen	**-15.92**	**-18.39**
Benchmark	**-13.96**	**-18.18**
Difference	-1.96	-0.21
RLP Deposit-Pen	**-0.24**	**-0.35**
Benchmark	**-0.36**	**-0.51**
Difference	0.12	0.16
RLP Global High Yield Bond-Pen	**-4.06**	**-0.81**
Benchmark	**-4.41**	**-1.99**
Difference	0.35	1.18
RLP Global Managed-Pen	**-8.55**	**-5.58**
Benchmark	**-8.81**	**-6.31**
Difference	0.26	0.73
RLP Long (15yr) Corporate Bond-Pen	**8.13**	**11.51**
Benchmark	**8.48**	**11.63**
Difference	-0.35	-0.12
RLP Long (15yr) Gilt-Pen	**11.92**	**12.10**
Benchmark	**10.90**	**11.51**
Difference	1.02	0.59
RLP Long (15yr) Index Linked-Pen	**7.70**	**5.18**
Benchmark	**6.68**	**3.91**
Difference	1.02	1.27
RLP Medium (10yr) Corporate Bond-Pen	**5.14**	**7.62**
Benchmark	**4.94**	**6.89**
Difference	0.20	0.73
RLP Medium (10yr) Gilt-Pen	**7.57**	**7.78**
Benchmark	**6.90**	**6.81**
Difference	0.67	0.97
RLP Medium (10yr) Index Linked-Pen	**4.50**	**2.30**
Benchmark	**3.68**	**1.29**
Difference	0.82	1.01
RLP Short (5yr) Corporate Bond-Pen	**1.58**	**2.83**
Benchmark	**1.96**	**2.89**
Difference	-0.38	-0.06
RLP Short (5yr) Gilt-Pen	**3.33**	**3.20**
Benchmark	**3.09**	**2.71**
Difference	0.24	0.49
RLP Short (5yr) Index Linked-Pen	**1.37**	**-0.37**
Benchmark	**1.13**	**-0.62**
Difference	0.24	0.25
RLP Property-Pen	**-4.33**	**-4.04**
Benchmark	**-4.48**	**-5.93**
Difference	0.15	1.89
RLP Sterling Extra Yield Bond-Pen	**-6.70**	**-4.87**
Benchmark	**0.39**	**2.85**
Difference	-7.09	-7.72
RLP Short Duration Global High Yield-Pen	**-3.18**	**-2.17**
Benchmark	**-0.26**	**-0.37**
Difference	-2.92	-1.80

Longer term performance

Please see **our latest performance**.

Past performance is not a reliable indicator of future results. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested.

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