

RL UK Dividend Growth Fund



Key points

- An investment process built around the drivers of long-term cash generation
- Market cap agnostic
- A contrarian approach when entering and exiting positions
- Focused on constructing style agnostic, well balanced portfolios to enable stock picking, rather than style or macro factors, to drive long-term outperformance

Investment philosophy

We believe that the ability of companies to generate long-term cashflows is a key driver of share price performance and sustainable dividend payments.

Companies with undervalued cash-generating capabilities can be found throughout the investment universe. By taking a long-term perspective, the fund can exploit the inefficiencies caused by pervasive market short-termism, taking advantage of price volatility when entering and exiting positions.



Rather than making style bets or macroeconomic calls, we aim to keep the fund well diversified with returns driven by stockpicking.

Richard Marwood,
Lead Fund Manager



Fund objective

The Fund's aim is to achieve a growing income with some capital growth over the medium term (3-5 years) by investing at least 65% in the shares of listed UK companies, which are those domiciled in the UK, or which have significant UK business operations. The Fund's performance target is to outperform, after the deduction of charges, the FTSE All-Share Total Return GBP Index (the "Index") over rolling 5-year periods.

Investment process

Our investment process consists of three distinct stages: idea generation, research & stock selection, and portfolio construction. The investment process is built around identifying the key drivers of long-term cash generation, namely: the business model, industry dynamics and capital allocation strategy.

We employ qualitative and quantitative screening to determine which companies warrant in-depth research, reducing the investable universe to around 250 companies. When we assess companies we evaluate core principal drivers of cash generation: internal factors specific to the company, external factors in their industry and management's capital allocation, integrating relevant risk management factors in each. Once we've assessed the principal drivers, we then focus on valuation of cash flow.

Fund facts

Lead Fund Manager	Richard Marwood
Deputy Fund Manager	Max Newman
Fund Launch date	1 June 1981
IA Sector	IA UK All Companies
Benchmark	FTSE All-Share (Total return)
Fund management fee (FMF)	GBP M Acc Class: 0.71% GBP M Inc Class: 0.71% GBP A Acc Class: 1.05%



Active stock picking

Our team adopts a fundamental approach to stock selection focusing on key attributes.



Excellent company access

Our size enables significant corporate access for our fund managers to engage with senior management, which is an essential part of our fundamental research.



Experienced

Our fund managers have years of investment experience and their collective working knowledge of the UK stock market is part of our competitive edge. Our managers are empowered to run high-conviction strategies with minimal investment bureaucracy, enabling nimble decision making and high conviction portfolios.

Risk warnings

Investment risk: The value of investments and any income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

Charges from Capital risk: Charges are taken from the capital of the fund. Whilst this increases the yield, it also has the effect of reducing the potential for capital growth.

Efficient Portfolio Management (EPM) techniques: The fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the fund to increased price volatility.

Counterparty risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

Contact us

For more information about our range of products and services, please contact us.

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Important information

This is a financial promotion and is not investment advice.

Telephone calls may be recorded. For further information please see the Privacy policy at www.rlam.com.

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For more information on the fund or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on www.rlam.com.

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