

The Absolute Return Government Bond Fund aims to provide positive investment returns on a rolling twelve months basis.

The fund is actively managed with low levels of volatility and with a target annualised standard deviation of between four to six percent. Returns are also intended to exhibit low correlation to bond and equity markets. The fund uses a combination of assets such as government bonds, sub-sovereign bonds, foreign currency instruments, money market instruments and derivatives. In particular the fund will utilise strategies to actively manage interest rate exposure. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.

Past performance is not a guide to future returns and future returns are not guaranteed. The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment. The fund may use derivatives to reduce risk or cost or to generate additional capital or income at low risk, or to meet its investment objective. Usage of derivatives is monitored to ensure that the fund is not exposed to excessive or unintended risks. The value of assets held within the fund may rise and fall as a result of exchange rate fluctuations.

SICAV Fund

Absolute Return Fund

Monthly

Fund Facts

Sector	Lipper Absolute Return
Launch Date	31 March 2011
Fund Size	£156.7m
Benchmark	Cash (SONIA)

Risk Analysis

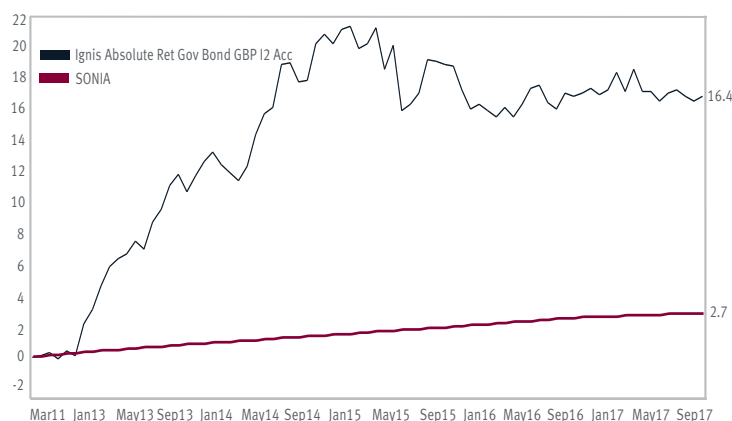
Annualised performance*	2.36
Cumulative performance since launch*	16.36
Information ratio**	0.59
Volatility**	3.25
Normal VaR-99% confidence**	-0.48

*Source: Lipper. Annualised compound return from inception 31/03/2011 to 30/09/2017. ** Since Inception to 30/09/2017. Standard deviation annualised. Realised 1 day VaR. All information based on GBP I2 Hdgd share class, (which is now closed to new investors)

Cumulative Performance

(£)	1 month	YTD	1 Year	3 Years	5 years
GBP A Class	0.21	-0.79	-0.85	-1.60	0.35
GBP I Class	0.25	-0.42	-0.35	-1.10	--
GBP I2 class	0.26	-0.27	-0.15	-0.90	1.07
SONIA	0.02	0.16	0.21	0.36	0.39

Fund vs Benchmark



Source: Lipper, NAV to NAV, gross income reinvested as at 30/09/2017.

The A and I2 share classes launched on the 31/03/11, the I class launched on 02/01/13. **The GBP I2 Acc share class is closed to new investors and is shown for illustrative purposes only, for existing investors.** The variance between the A, I and I2 share class performance is a result of the different charging structures of each share class.

The performance data does not take account of the commissions and costs incurred on the issue and redemption of shares (including the initial charge). The value of units and any income from them can fall as well as rise and is not guaranteed.

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Performance Commentary

The Fund returned 0.26%* in September.

The largest contributor to this return was our positioning at the front end of the US curve, which benefited when investors moved to price in three rather than one interest rate hike in 2018. In the middle of the month, US consumer inflation rose to 2.2% – above the Federal Reserve's 2% target. There was also a surprise deal on the debt ceiling between President Trump and the Democrats, and a move by Congress to implement tax reforms by the end of this year. Finally, it has been widely speculated that Janet Yellen's replacement as chair of the Federal Reserve will be of a more 'hawkish' disposition. There are currently four potential candidates, two of whom are significantly more hawkish than the present incumbent.

In the UK, following hawkish noises from the Bank of England at its last meeting, it is now widely considered that a rate hike is coming in November. This led to strong performance from our UK curve flattening trade. Brexit talks are at a virtual standstill, with no progress made in the last five meetings between the EU and the UK. The potential that no agreement being reached is rapidly increasing.

Finally, our curve steepening position in New Zealand performed well in September. This is largely due to continued strong growth in the region, and the Reserve Bank of New Zealand reiterating that it was not looking to increase interest rates.

Key themes and positioning

US recovery

- ▶ Duration: long Canada 2-year 3-years forward
- ▶ Duration: short 3-month 2-years forward US rates
- ▶ Duration: short 1-year 4-years forward US payer
- ▶ Duration: short US 5-year Real
- ▶ Curve: US 5-year 5-years forward versus 10-year 10-years forward steepener
- ▶ Inflation: US 10-year versus 30-year steepener
- ▶ Volatility: 6-month 2-year US payer

China stability

- ▶ Duration: long 1-year 4-year Australian receiver spread
- ▶ Curve: long New Zealand 5-year 5-years forward versus 1-year 2-years forward steepener
- ▶ FX: long New Zealand dollar short Canadian dollar

Europe: End of QE

- ▶ Duration: receive Europe 10-year 5-years forward
- ▶ Duration: short 5-year German bonds
- ▶ FX: long euro versus Japanese yen put spread
- ▶ Cross market: long Germany 10-year versus France
- ▶ Cross market: long US versus Germany 10-year
- ▶ Curve: 5-year versus 30-year German curve flattener
- ▶ Curve: long 5-year 5-years and short 5-year European swaps
- ▶ Volatility: long 1-year 5-year 10-year European volatility flattener
- ▶ Volatility: European calendar spread

Bank of Japan yield curve control

- ▶ Duration: long 3-year 20-years forward payer spread
- ▶ Duration: short 5-year Japanese rates
- ▶ Volatility: long Japanese 5-year 5-years forward straddle
- ▶ Curve: 5-year 5-years forward versus 10-year 10-years forward steepener
- ▶ Inflation: long 10-year breakeven Japanese inflation

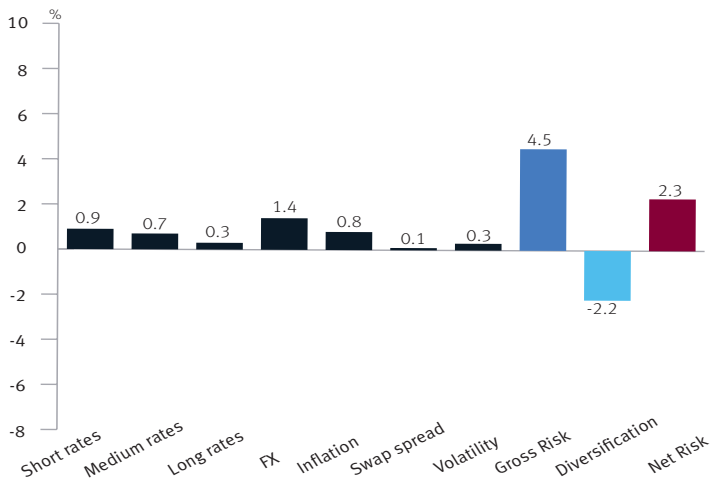
Brexit

- ▶ Curve: UK 10-year 30-year flattener
- ▶ Inflation: short UK RPI 10-years
- ▶ FX: short sterling versus US dollar via puts

*Source: Lipper, NAV to NAV, gross income reinvested as at 30/09/17.

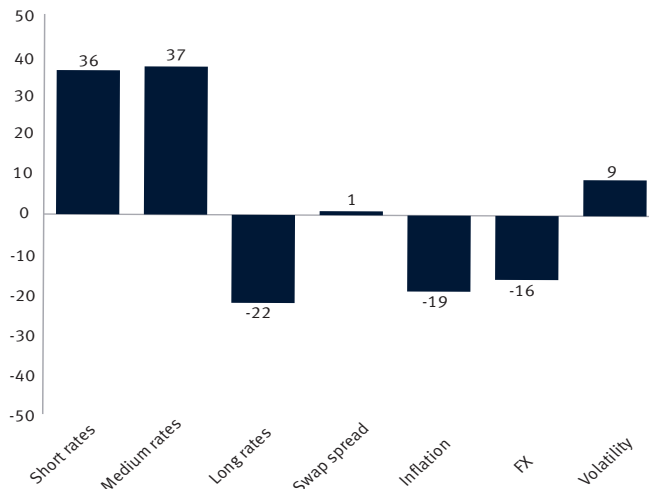
The GBP I2 Acc share class is closed to new investors and is shown for illustrative purposes only, as it has the longest performance track record having launched on 31/03/11.

Volatility: contribution of risk buckets



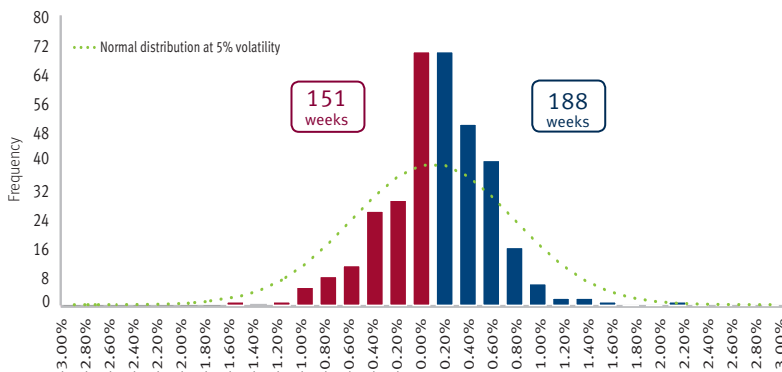
Source: SLI / Barclays POINT, data as at 30/09/2017. The fund takes risk by implementing different strategies. If each strategy was well correlated, the total risk of the fund would be a sum of the parts. The strategies are lowly correlated. This creates a diversification benefit, reducing the fund's total volatility.

Performance Attribution



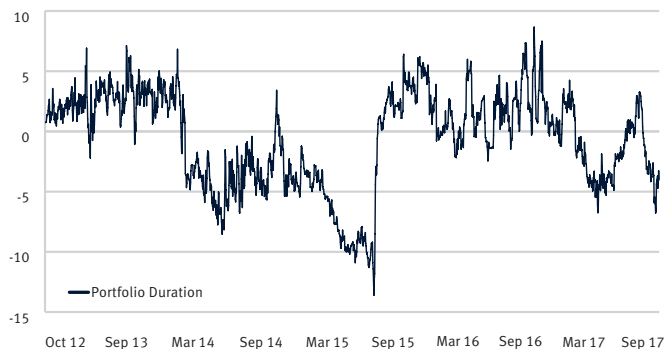
Source: SLI, internal trading systems, since launch 31/03/2011 to 30/09/2017. Figures are for illustrative purposes and show estimated attribution of total return based on GBP I2 Hdgd share class (which is closed to new investors). **The absolute return nature of the strategy means it is targeting positive returns, but this is not a guarantee and investors may not get back the original capital invested.**

Histogram showing distribution of weekly returns



Source: Lipper, based on weekly data from 01/04/2011 to 29/09/2017 based on GBP I2 Hdgd Acc share class.

Fund Duration



Source: SLI. Data as at 30/09/2017. For illustrative purposes only. Please note that SLI do not manage the fund based on duration.

Correlation

	Ignis Absolute Return Government Bond	MSCI World	Citigroup WGBI	IBoxx GBP Non Gilts	Barclays Global Aggregate Corporate	Barclays Global High Yield	JP Morgan EMBI Global	ETFS Physical Gold
Ignis Absolute Return Government Bond	1.00							
MSCI World	-0.04	1.00						
Citigroup WGBI	-0.07	-0.28	1.00					
IBoxx GBP Non Gilts	-0.11	-0.20	0.77	1.00				
Barclays Global Aggregate Corporate	-0.24	0.00	0.58	0.60	1.00			
Barclays Global High Yield	-0.15	0.58	-0.05	0.10	0.54	1.00		
JP Morgan EMBI Global	-0.16	0.41	0.29	0.30	0.51	0.71	1.00	
ETFS Physical Gold	-0.17	-0.05	0.25	0.25	0.48	0.22	0.23	1.00

Source: Morningstar Direct at 30/09/2017, correlation of weekly returns in local currency based on GBP I2 Hdgd share class (which is now closed to new investors), since fund launch on 03/04/2011.

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Other Fund Information		
Share Classes	A Class, C Class, I Class, I2 Class*, SI Class	
Share classes available in	EUR, CHF, GBP, JPY, USD & SEK	
Share Class	ISIN	Sedol
Class I EUR	LU0866993628	B8BVM78
Class A GBP	LU0579398933	B5303G8
Class C GBP	LU0866993461	B8N9GY5
Class I GBP	LU0866993545	B97GG83
Class I2 GBP	LU0579399238	B416YL3
Class SI GBP	LU0866994352	B88J673
Class I USD	LU0866994196	B84GQV2
Initial Charge	Up to 5%	
Annual management charge	A Class: 1%	
	C Class: 0.65%	
	I Class: 0.50%	
	I2 Class: 0.30%*	
	SI Class: 0.40%	

Ongoing charges figure	A Class: 1.31%
	C Class: 0.96%
	I Class: 0.81%
	I2 Class: 0.61%*
	SI Class: 0.71%
Performance fee	10% of performance generated above cash rate **
Minimum investment	GBP A Class: £1,000
	GBP C Class: £1,000
	GBP I Class: £1,000,000
	GBP SI Class: £50,000,000
Base currency	Sterling
Dealing time	12 noon Luxembourg time
Registered for sale in	Luxembourg, UK, Spain, Germany, Austria, France, Netherlands, Belgium, Sweden, Switzerland, Finland, Italy, Denmark, Ireland and Norway

All information as at 30/09/17 unless otherwise stated. * **The GBP I2 Class is now closed to new investors.** The GBP I share class was launched on 02/01/2013 and therefore has limited past performance.** The cash rate is based on the overnight rate. This is the rate that large banks use to borrow from, and lend to, one another on the overnight market. In the UK this is SONIA (the Sterling Over Night Index Average).

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Subscriptions in the Fund are only valid if made on the basis of the current Prospectus, the Supplement to the Prospectus, the most recent financial reports and the Key Investor Information Document (KIID) which are available on our website www.standardlifeinvestments.com. UK based investors should read the KIID in conjunction with the Supplementary Information Document (SID) before investing with us.

Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. Potential investors must consult their financial & tax advisers before purchasing or selling shares in the Fund.

Past performance is not a guide to future performance. The absolute return nature of the fund means it is targeting positive returns, but this is not a guarantee and investors may not get back the original capital invested.

The fund takes long and short positions based on the fund manager's views of the market direction. This means the fund's performance is unlikely to track the performance of broader bond and equity markets. While this creates the opportunity for a fund to deliver positive returns in falling markets, it also means that a fund could deliver negative returns in rising markets. The value of investments and any income from them can fall as well as rise and is not guaranteed. Exchange rate movements may cause the value of investments to fluctuate.

The fund is a sub fund of Ignis Global Funds SICAV, an investment company organised under the laws of the Grand Duchy of Luxembourg as a Self Managed SICAV. The investment company has its registered office at Vertigo-Polaris, 2-4 Eugene Ruppert, L-2453 Luxembourg, and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.

The sub fund is currently registered for public distribution in the following countries: Luxembourg, UK, Spain, Germany, Austria, France, Netherlands, Belgium, Sweden, Switzerland, Finland, Italy, Denmark, Ireland & Norway. Copies of all relevant scheme documentation can be obtained free of charge from the locally appointed paying agents. Austrian Paying Agent: Unicredit Bank Austria, 8398 Global Securities Sales & Services, P.O. Box 35, A-1011 Vienna; French Paying Agent: Société Générale SA, 29 Boulevard Haussmann, F-75009 Paris; German Information Agent: Société Générale SA, Neue Mainzer Straße 46-50, D-60311 Frankfurt / Main; Italian Paying Agent: RBC Dexia, Via Vittor Pisani 26, 20124 Milan; Luxembourg Paying Agent: Société Générale, 11 Avenue Emile Reuter, L-2420 Luxembourg; Netherlands Paying Agent: ING Bank NV, Van Heenvlietlaan 220, Location Code BV.06.01, NL-1083 CN Amsterdam; Belgium Paying Agent: Fastnet Belgium SA, B-1000 Brussels, Avenue de Port 86C, b320; Spanish Paying Agent: RBC Dexia Investor Services España SA, calle Fernando El Santo no20, Madrid 28010; Swedish Paying Agent: SEB Merchant Banking, Sergels Torg 2, SE-106 40 Stockholm. Swiss Representative: First Independent Fund Services Ltd., Klausstrasse 33, CH-8008 Zurich. Paying Agent in Switzerland is NPB Neue Privat Bank AG, Limmatquai 1, P.O. Box, CH-8022 Zurich. Irish Paying Agent: Bridge Consulting Limited, 33 Sir John Rogerson's Quay, Dublin 2; Danish Paying Agent: Skandinaviska Enskilda Banken AB (publ), Bernstorffsgade 50, 1577 Copenhagen V, Denmark.

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