

ROYAL LONDON SHORT TERM FIXED INCOME FUND

31.03.24



FUND OVERVIEW



| | |
|-------------------------------|--|
| Fund Manager(s) | Tony Cole, Craig Inches |
| Fund Size | £3,863.46m |
| Fund Type | OEIC |
| Domicile | United Kingdom |
| ISA | Eligible |
| Duration | 0.2 years |
| Benchmark Index | Bank Of England Sterling Overnight Index Average |
| Investment Association Sector | IA Unclassified |
| Currency | GBP |
| Initial Charge | 0.0% |
| Fund Management Fee (FMF): | X Inc: 0.11% X Acc: 0.11% Y Acc: 0.15% Y Inc: 0.15% Z Inc: 0.03% |

Share Class Y (Income)

| | |
|--------------------|----------|
| Unit Launch Date | 12.06.14 |
| SEDOL | BMNR1F3 |
| Mid Price | 101.13p |
| Distribution Yield | 5.66% |
| Underlying Yield | 5.66% |

Share Class Z (Income)

| | |
|--------------------|----------|
| Unit Launch Date | 21.05.12 |
| SEDOL | B4X2895 |
| Mid Price | 101.79p |
| Distribution Yield | 5.78% |
| Underlying Yield | 5.78% |

Share Class X (Income)

| | |
|--------------------|----------|
| Unit Launch Date | 12.10.16 |
| SEDOL | BYQQoM1 |
| Mid Price | 101.00p |
| Distribution Yield | 5.70% |
| Underlying Yield | 5.70% |

Share Class X (Accumulation)

| | |
|--------------------|----------|
| Unit Launch Date | 31.03.23 |
| SEDOL | BYQQoR6 |
| Mid Price | 105.52p |
| Distribution Yield | 5.70% |
| Underlying Yield | 5.70% |

Share Class Y (Accumulation)

| | |
|--------------------|----------|
| Unit Launch Date | 12.06.14 |
| SEDOL | BMNR1H5 |
| Mid Price | 112.52p |
| Distribution Yield | 5.66% |
| Underlying Yield | 5.66% |

Overview

The Fund's investment objective is to achieve a total return over rolling 12-month periods by primarily investing in short term fixed income securities. The Fund's performance target is to outperform, before the deduction of charges, the Bank of England Sterling Overnight Interbank Average (SONIA) by 0.50% per annum over rolling 12-month periods. This is the average overnight interest rate UK banks pay for unsecured transactions in sterling and is considered an appropriate benchmark for the Fund's performance.

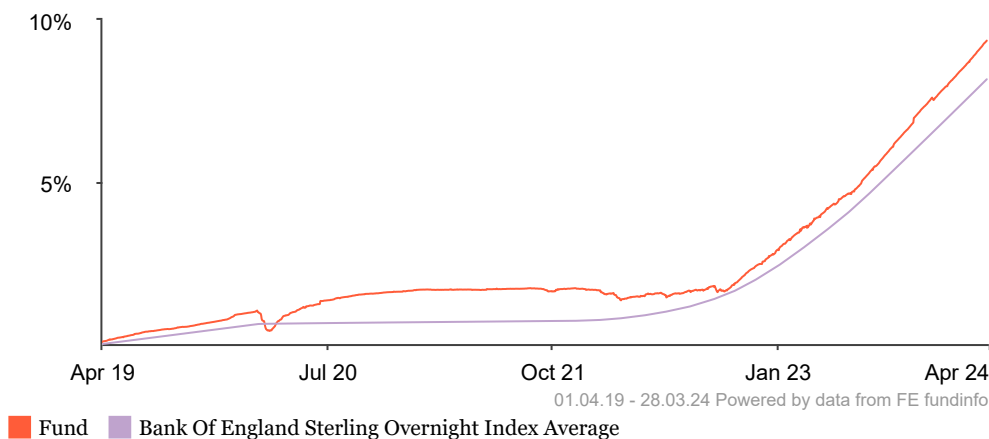
Year-on-year performance

| | 31.03.23 to 31.03.24 | 31.03.22 to 31.03.23 | 31.03.21 to 31.03.22 | 31.03.20 to 31.03.21 | 31.03.19 to 31.03.20 |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Share Class Y (Income) | 5.5% | 2.1% | -0.2% | 1.2% | 0.5% |
| Share Class Z (Income) | 5.7% | 2.3% | -0.1% | 1.4% | 0.6% |
| Share Class X (Income) | 5.5% | 2.2% | -0.2% | 1.3% | 0.5% |
| Share Class X (Accumulation) | 5.5% | - | - | - | - |
| Share Class Y (Accumulation) | 5.5% | 2.1% | -0.2% | 1.2% | 0.5% |

Cumulative Performance (as at 31.03.24)

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years |
|--|----------|----------|--------|---------|---------|
| Share Class Y (Income) | 1.4% | 2.9% | 5.5% | 7.5% | 9.4% |
| Share Class Z (Income) | 1.4% | 2.9% | 5.7% | 7.9% | 10.0% |
| Share Class X (Income) | 1.4% | 2.9% | 5.5% | 7.6% | 9.6% |
| Share Class X (Accumulation) | 1.4% | 2.9% | 5.5% | - | - |
| Share Class Y (Accumulation) | 1.4% | 2.9% | 5.5% | 7.5% | 9.4% |
| Bank Of England Sterling Overnight Index Average | 1.3% | 2.5% | 4.9% | 7.4% | 8.2% |

Performance Chart



Past performance is not a guide to future performance. 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.

Source: RLAM and FE fundinfo as at 31.03.24. Fund performance is shown on a mid to mid price basis, net of fees and gross of taxes, with gross income reinvested unless otherwise stated. Benchmark performance is shown gross of fees and taxes.

Distribution History (Net)

| | 28/03/2024 | 29/12/2023 | 29/09/2023 | 30/06/2023 |
|------------------------|------------|------------|------------|------------|
| Share Class Y (Income) | 1.2932p | 1.6602p | 1.1096p | 0.9054p |
| Share Class Z (Income) | 1.3324p | 1.7017p | 1.1475p | 0.9409p |
| Share Class X (Income) | 1.3017p | 1.6681p | 1.1182p | 0.9146p |

Table above shows figures as at payment date.

Fund Manager(s)



Craig Inches

Co-manager
Fund Manager tenure:
22.06.11



Tony Cole

Co-manager
Fund Manager tenure:
18.05.15

Yield Definitions

The distribution yield reflects the amounts that may be expected to be distributed over the next 12 months. The underlying yield reflects the annualised income net of expenses of the Fund as a percentage (calculated in accordance with the relevant accounting standards). Both these yields are calculated as a percentage of the mid-price of the Fund as at the date shown and are month end snap shots of the portfolio on that day and do not include any preliminary charges. Investors may be subject to tax on distributions. Reported yields reflect RLAM's current perception of market conventions around timing of bond cash flows.

Important Information

This is a financial promotion and is not investment advice.

The Fund is a sub-fund of Royal London Bond Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC000797. The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037. 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.

Issued by Royal London Asset Management Limited, 80 Fenchurch Street, London EC3M 4BY. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

Please note that the impact of Futures is not considered as part of the overall fund Duration calculation; Fund level Duration is based on long only physical assets (incl cash).

Source: RLAM, FE fundinfo and HSBC as at 31.03.24, unless otherwise stated. Yield definitions are shown above.

Our ref: FS RLAM PD 0124

Breakdowns exclude cash and futures.

Fund Commentary

The Bank of England Monetary Policy Committee left interest rates unchanged in March – to little surprise. However, the split of voting at the MPC did take the market by surprise, moving from a 1-6-2 split in February to an 8-1 split – meaning that two members previously voting for another rate hike were happy to leave rates unchanged. As a result, market pricing of the first rate cut moved from August to June.

With interest rates unchanged, SONIA remained at 5.19% over the month. However, with expectations of UK rate cuts brought forward, yields on two-year gilts, often seen as a proxy for market expectations of BoE rates, fell from 4.59% to 4.19%, virtually back to where these started the year.

Aside from overnight deposits, activity was limited over the month. We added one-year paper from NatWest, which had an attractive yield and scores well on our ESG and governance criteria. We also participated in a new issue of a five-year bonds from Leeds Building Society.

This is not a recommendation or solicitation to buy or sell any particular security.

The views and opinions expressed herein are those of the manager at the time and are subject to change without notice.

Unit Charges

| | Initial Charge | Minimum Investment |
|------------------------------|----------------|--------------------|
| Share Class Y (Income) | 0.00% | £1,000,000 |
| Share Class Z (Income) | 0.00% | £1,000,000 |
| Share Class X (Income) | 0.00% | £200,000,000 |
| Share Class X (Accumulation) | 0.00% | £200,000,000 |
| Share Class Y (Accumulation) | 0.00% | £1,000,000 |

Credit Breakdown

| | Fund | Index |
|-----|-------|-------|
| AAA | 43.7% | - |
| AA | 16.2% | - |
| A | 40.2% | - |

Sector Breakdown

| | Fund | | Fund | Index |
|---------------------------|-------|---------------|-------|--------|
| Corporate Bonds | 4.1% | 0 - 5 years | 99.0% | 100.0% |
| Covered Bonds | 43.0% | 5 - 10 years | 1.0% | 0.0% |
| Gilts | 1.6% | 10 - 15 years | 0.0% | 0.0% |
| Supranationals & Agencies | 1.9% | 15+ years | 0.0% | 0.0% |
| Money Market Instruments | 49.4% | | | |

Maturity classifications reflect issue maturity date, not market interpretation of redemptions. Totals may not equal 100% as they do not include the impact of cash and foreign exchange.

Top 10 Holdings as at 31.03.24

| | Fund |
|--|--------------|
| UNITED OVERSEAS BANK LTD 5.189% 21/09/2026 | 4.2% |
| TSB BANK PLC 5.1911% 14/02/2027 | 3.6% |
| DEUTSCHE PFANDBRIEFBANK AG 5.189% 26/04/2024 | 3.4% |
| AAREAL BANK AG 5.189% 29/04/2025 | 2.9% |
| TORONTO-DOMINION BANK/THE 5.189% 18/01/2027 | 2.9% |
| NATIONAL BANK OF CANADA 5.189% 05/05/2026 | 2.7% |
| BANK OF NOVA SCOTIA 5.189% 22/06/2026 | 2.7% |
| NATIXIS SA 5.32% 17/05/2024 | 2.7% |
| LLOYDS BANK CORPORATE MARKETS PLC 5.1949% 14/08/2024 | 2.7% |
| BNP PARIBAS SA 5.38% 15/07/2024 | 2.6% |
| Total | 30.4% |
| No of Holdings | 74 |

Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell shares.

CONTACT DETAILS

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Telephone calls may be recorded. For further information please see the privacy policy at <http://www.rlam.com>.

Key Concepts to Understand

Bonds: Securities that represent an obligation to repay a debt, with interest. Investment grade bonds are high quality bonds that are viewed as being highly likely to make all scheduled payments of interest and principal. Low quality bonds carry higher risk but also typically pay higher rates of interest.

Derivative: A financial instrument whose price is dependent upon or derived from one or more underlying asset.

Efficient Portfolio Management: An investment technique that allows the use of derivatives for at least one of the following purposes: to increase the value of the Fund; to protect the value of the Fund or to reduce the risks of certain investments.

Money market instruments: Investments that pay interest, have a short duration and are designed to maintain a stable value.

Floating rate notes: Bonds that pay a variable rate of interest. The interest rate is tied to a benchmark and adjusted periodically.

Covered bonds: Bonds or notes that are backed by cash flows from mortgages or other debt.

Fund Risks

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.

Credit Risk: Should the issuer of a fixed income security become unable to make income or capital payments, or their rating is downgraded, the value of that investment will fall. Fixed income securities that have a lower credit rating can pay a higher level of income and have an increased risk of default.

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.

Interest Rate Risk: Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

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.

Government and Public Securities Risk: The Fund can invest more than 35% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any EEA State, its local authorities, a third country or public international bodies of which one or more EEA States are members.

Inflation risk: Where the income yield is lower than the rate of inflation, the real value of your investment will reduce over time.