

# ROYAL LONDON INVESTMENT GRADE SHORT DATED CREDIT FUND

29.02.24

## FUND OVERVIEW



Fund Manager(s)	Paola Binns
Fund Size	£2,390.18m
Fund Type	OEIC
Domicile	United Kingdom
ISA	Eligible
Duration	3.1 years
Benchmark Duration	2.7 years
Benchmark Index	ICE BofA 1-5 Year Sterling Non-Gilt
Investment Association Sector	IA Sterling Corporate Bond
Currency	GBP
Initial Charge	0.0%
Fund Management Fee (FMF):	Z Inc: 0.24% N Acc: 0.03%

### Share Class Z (Income)

Unit Launch Date	07.12.15
Minimum Investment	£3,000,000
SEDOL	BYQTH29
Mid Price	91.55p
Distribution Yield	4.63%
Underlying Yield	4.39%

### Share Class N (Accumulation)

Unit Launch Date	01.12.16
Minimum Investment	£150,000,000
SEDOL	BDR6MS3
Mid Price	112.30p
Distribution Yield	4.63%
Underlying Yield	4.60%

## Overview

The Fund's investment objective is to achieve a total return over the medium term (3–5 years) by investing at least 80% in investment-grade bonds. Of these, at least 70% will be short-dated (bonds that will reach maturity within five years). Prior to investment, the Fund's holdings are subject to predefined ethical criteria. The Fund's performance target is to outperform, after the deduction of charges, the ICE Bank of America 1–5 Year Sterling Non-Gilt Index (the "Index") by 0.25% over rolling 3-year periods. The Index is regarded as a good measure of the performance of short-dated sterling-denominated bonds, not including those issued by the UK government (gilts). The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index. In addition to the benchmark for the Fund's performance as noted above (the "Index"), the IA Sterling Corporate Bond sector is considered an appropriate benchmark for performance comparison.

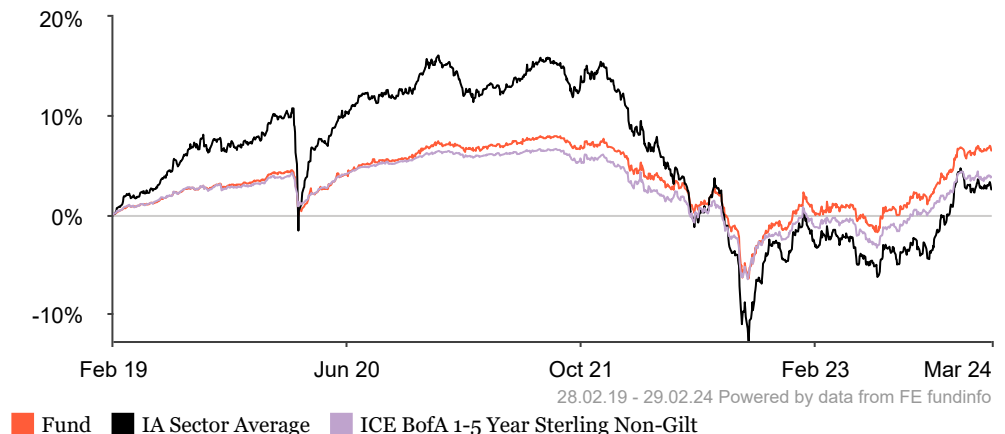
## Year-on-year performance

	31.12.22 to 31.12.23	31.12.21 to 31.12.22	31.12.20 to 31.12.21	31.12.19 to 31.12.20	31.12.18 to 31.12.19
Share Class Z (Income)	8.4%	-7.8%	-0.3%	3.5%	4.4%
Share Class N (Accumulation)	8.6%	-7.6%	-0.1%	3.8%	4.5%

## Cumulative Performance (as at 29.02.24)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class Z (Income)	2.2%	5.5%	6.5%	-0.1%	6.5%
Share Class N (Accumulation)	2.3%	5.6%	6.7%	0.5%	7.6%
IA Sector Average	2.5%	6.1%	6.0%	-8.4%	2.5%
ICE BofA 1-5 Year Sterling Non-Gilt	1.8%	4.5%	5.2%	-1.8%	3.8%
Quartile Ranking	3	3	1	1	1

## 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 29.02.24. 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 Z (Income)	1.0687p	1.0108p	0.9626p	0.8367p

Table above shows figures as at payment date.

Fund Manager(s)



**Paola Binns**  
Lead Manager  
Fund Manager tenure:  
18.06.21  
**CITYWIRE / AA**

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.

Unrated Bonds

Unrated bonds are not rated by a credit rating agency. RLAM ascribes internal ratings for these bonds which will vary for each asset.

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](http://www.rlam.com).

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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 29.02.24, unless otherwise stated. Yield definitions are shown above.

Our ref: FS RLAM PD 0121  
Breakdowns exclude cash and futures.

Credit Breakdown			Maturity Profile		
	Fund	Index		Fund	Index
AAA	2.1%	32.4%	0 - 5 years	84.8%	100.0%
AA	9.5%	12.0%	5 - 10 years	13.1%	0.0%
A	23.6%	23.3%	10 - 15 years	1.3%	0.0%
BBB	64.6%	31.9%	15+ years	0.9%	0.0%
BB and below	0.2%	0.3%	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.		
Unrated	0.0%	0.2%			

Top 10 Holdings as at 29.02.24	
	Fund
AXA SA 6.6862% 31/12/2079	1.2%
HSBC HOLDINGS PLC 8.201% 16/11/2034	1.2%
BNP PARIBAS SA 2% 24/05/2031	1.2%
BARCLAYS PLC 7.09% 06/11/2029	1.1%
AVIVA PLC 6.125% 14/11/2036	1.0%
WSTSTR_2 1.642% 04/08/2031	0.9%
THAMES WATER UTILITIES FINANCE PLC 4% 19/06/2025	0.9%
BP CAPITAL MARKETS PLC 4.25% 31/12/2079	0.9%
WESSEX WATER SERVICES FINANCE PLC 5.375% 10/03/2028	0.9%
HEATHROW FUNDING LTD 6.75% 03/12/2026	0.9%
<b>Total</b>	<b>10.2%</b>
<b>No of Holdings</b>	<b>309</b>

## CONTACT DETAILS

### Private Investors

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### Intermediaries

For enquiries: Tel: 0203 272 5950\*

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### Institutional Investors

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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:** Bonds are defined as fixed-income investments issued as debt by companies and public bodies to raise finance. Investors in bonds receive a previously agreed, non-variable interest payment until the investment matures. Corporate bonds are those issued by companies to raise finance.

**Total Return:** A total return is a combination of capital growth and income. Capital growth is defined as the rise in an investment's value over time and income as the payment an investment generates, such as dividends or bond coupons.

**Rolling 3 Year Period:** A rolling 3-year period is any period of three years, no matter which day you start on.

**Efficient Portfolio Management:** A list of approved investment techniques, including the use of derivatives, used to protect against excessive risk, reduce cost or generate extra income or growth.

**Duration:** Is an investment's sensitivity to interest-rate changes measured in years.

## 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.

**Liquidity Risk:** In difficult market conditions the value of certain fund investments may be difficult to value and harder to sell, or sell at a fair price, resulting in unpredictable falls in the value of your holding.

**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.

**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.