

## FUND OVERVIEW

Fund Manager(s)	Tony Cole, Craig Inches
Fund Size	£6,897.65m
Fund Type	OEIC
Domicile	United Kingdom
ISA	Eligible
Duration	0.3 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):	M Inc: 0.25% X Inc: 0.11% Y Acc: 0.15% Y Inc: 0.15% Z Acc: 0.03% Z Inc: 0.03%

### Share Class M (Income)

Unit Launch Date	13.12.12
SEDOL	B545JR5
Mid Price	101.83p
Distribution Yield	0.89%
Underlying Yield	0.89%

### Share Class X (Income)

Unit Launch Date	12.10.16
SEDOL	BYQQ0M1
Mid Price	100.04p
Distribution Yield	1.03%
Underlying Yield	1.03%

### Share Class Y (Accumulation)

Unit Launch Date	12.06.14
SEDOL	BMNR1H5
Mid Price	104.53p
Distribution Yield	0.99%
Underlying Yield	0.99%

### Share Class Y (Income)

Unit Launch Date	12.06.14
SEDOL	BMNR1F3
Mid Price	100.13p
Distribution Yield	0.99%
Underlying Yield	0.99%

### Share Class Z (Accumulation)

Unit Launch Date	20.06.11
SEDOL	B4VPT26
Mid Price	108.43p
Distribution Yield	1.11%
Underlying Yield	1.11%

### Share Class Z (Income)

Unit Launch Date	21.05.12
SEDOL	B4X2895
Mid Price	100.79p
Distribution Yield	1.11%
Underlying Yield	1.11%

## 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.

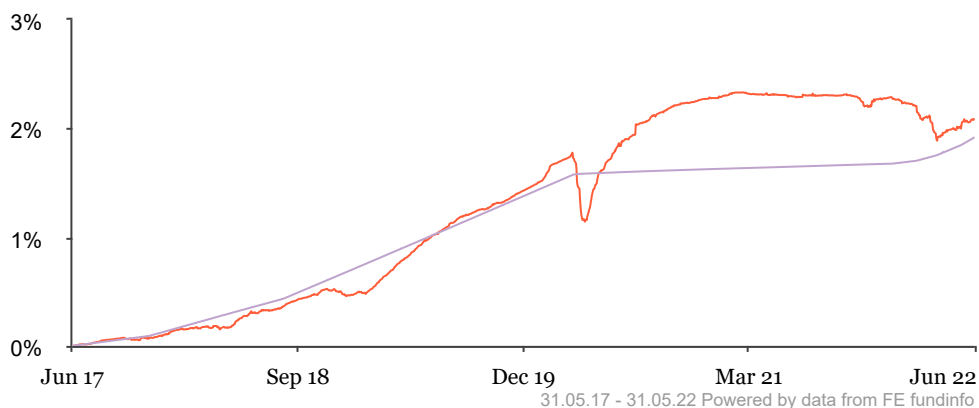
## Year-on-year performance

	31.03.21 to 31.03.22	31.03.20 to 31.03.21	31.03.19 to 31.03.20	31.03.18 to 31.03.19	31.03.17 to 31.03.18
Share Class M (Income)	-0.3%	1.1%	0.4%	0.6%	0.2%
Share Class X (Income)	-0.2%	1.3%	0.5%	0.8%	0.4%
Share Class Y (Accumulation)	-0.2%	1.2%	0.5%	0.7%	0.4%
Share Class Y (Income)	-0.2%	1.2%	0.5%	0.7%	0.4%
Share Class Z (Accumulation)	-0.1%	1.4%	0.6%	0.9%	0.5%
Share Class Z (Income)	-0.1%	1.4%	0.6%	0.9%	0.5%

## Cumulative Performance (as at 31.05.22)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Income)	0.0%	-0.2%	-0.2%	1.1%	2.1%
Share Class X (Income)	0.0%	-0.1%	-0.1%	1.5%	2.8%
Share Class Y (Accumulation)	0.0%	-0.1%	-0.1%	1.4%	2.6%
Share Class Y (Income)	0.0%	-0.1%	-0.1%	1.4%	2.6%
Share Class Z (Accumulation)	0.0%	-0.1%	0.0%	1.7%	3.3%
Share Class Z (Income)	0.0%	-0.1%	0.0%	1.7%	3.3%
Bank Of England Sterling Overnight Index Average	0.2%	0.2%	0.3%	0.9%	1.9%

## Performance Chart



■ Fund ■ Bank Of England Sterling Overnight Index Average

**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 31.05.22. 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)

	31/03/2022	31/12/2021	30/09/2021
Share Class M (Income)	0.0335p	0.0093p	0.0096p
Share Class X (Income)	0.0682p	0.0445p	0.0447p
Share Class Y (Income)	0.0582p	0.0344p	0.0347p
Share Class Z (Income)	0.0892p	0.0652p	0.0655p

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.

Issued by Royal London Asset Management Limited, 55 Gracechurch Street, London, EC3V 0RL. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

Source: RLAM, FE fundinfo and HSBC as at 31.05.22, unless otherwise stated. Yield definitions are shown above.

Our ref: FS RLAM PD 0041

For more information concerning the risks of investing, please refer to the Prospectus and Key Investor Information Document (KIID).

Breakdowns exclude cash and futures.

## Fund Commentary

The Bank of England (BoE) increased the UK base rate to 1% at the start of May – the highest level since 2009 and the third rate rise seen in 2022 and its fourth consecutive increase since December. Although there are concerns over growth, inflation was the dominant factor, with CPI jumping from 7% in March to 9% in April – much of the jump being due to the effect of energy price rises. Bank guidance suggested that there were more increases to come.

UK money markets again saw increasing rates. After remaining static at 0.69% in April, SONIA jumped to 0.94% following the rate increase, while ICE Term SONIA three-month rates rose from 1.11% to 1.31%. Two-year gilts, often seen as a proxy for market expectations of BoE rates, ended little changed, slipping from 1.60% to 1.59%.

With our view that the market was pricing in too many rate hikes from the BoE, we trimmed short-term holdings in short-dated gilts, adding to longer dated CDs including one year paper from Toronto Dominion and Goldman Sachs. We also added to covered exposure, including Royal Bank of Canada in the secondary market and new issues from Toronto Dominion and Canadian Imperial Bank of Commerce.

\*Based on Z Acc share class, gross of fees and tax

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 M (Income)	0.00%	£100,000
Share Class X (Income)	0.00%	£200,000,000
Share Class Y (Accumulation)	0.00%	£1,000,000
Share Class Y (Income)	0.00%	£1,000,000
Share Class Z (Accumulation)	0.00%	£1,000,000
Share Class Z (Income)	0.00%	£1,000,000

## Credit Breakdown

	Fund	Index
AAA	38.7%	-
AA	29.5%	-
A	31.7%	-

## Sector Breakdown

	Fund
Corporate Bonds	2.0%
Covered Bonds	39.3%
Gilts	0.9%
Suprationals & Agencies	2.0%
Money Market Instruments	55.7%

## Maturity Profile

	Fund	Index
0 - 5 years	100.0%	-

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 31.05.22

	Fund
United Overseas Bank Ltd Frn 21/09/2026	2.3%
Canadian Imperial Bank Of Commerce Frn 23/06/2026	2.2%
Bank Of Montreal Frn 15/09/2026	2.2%
Royal Bank Of Canada Frn 13/07/2026	2.1%
Bank Of Nova Scotia Frn 22/06/2026	2.1%
Deutsche Pfandbriefbank Ag Frn 26/04/2024	1.9%
Dbs Bank Ltd Frn 17/11/2025	1.7%
Bank Of Nova Scotiathe Frn 14/03/2025	1.7%
Tsb Bank Plcunited Kingdom Frn 15/02/2024	1.7%
Dzbnk 2.10% Cd 28/04/2022 - 28/04/2023	1.7%
<b>Total</b>	<b>19.6%</b>
<b>No of Holdings</b>	<b>123</b>

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

### Private Investors

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

## 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.

## 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.