

Royal London

Short Term Fixed Income Fund

Factsheet
31 March 2025

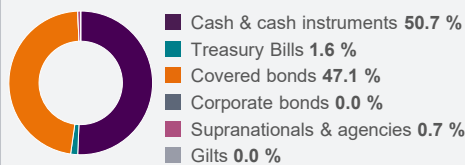
Investment objective

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.

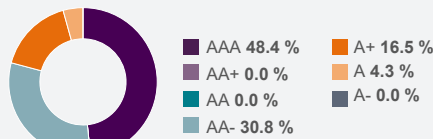
Asset allocation

	Min	Max	Notes
Money market instruments	50%	100%	Includes certificates of deposit, time deposits, corporates and treasury bills
Covered bonds & corporate bonds floating and fixed	0%	50% (corporate bonds max 20%)	Covered bonds issued by banks and building societies Bonds issued by financial and non-financial corporates with a minimum credit rating of AA-
Gilts/supranational	0%	25%	UK government and supranational issuers with a minimum credit rating of AA

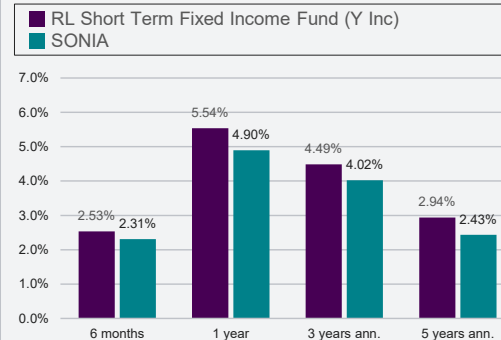
Asset allocation profile



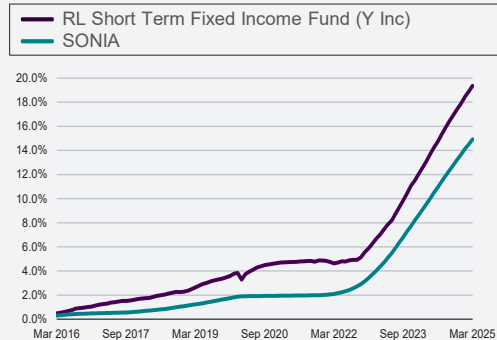
Credit rating profile



Fund performance



Cumulative performance



Monthly performance

	Mar-25	Feb-25	Jan-25
RL Short Term Fixed Income Fund – Y Inc	0.40%	0.39%	0.46%
SONIA	0.37%	0.34%	0.39%

Distribution history (Net)

	31/03/2025	31/12/2024	30/09/2024	28/06/2024
RL Short Term Fixed Income Fund – Y Inc	1.2897p	1.3122p	1.4214p	1.3968p

Table above shows figures as at payment date.

All performance, volatility and yield figures are based on Y Inc share class, gross of fees and tax. Past performance is not a reliable indicator of future results. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment. Portfolio Characteristics and holdings are subject to change without notice. This does not constitute investment advice. For information purposes only.

Source: RLAM as at 31 March 2025.

Fund managers



Craig Inches is Head of Rates and Cash at RLAM and is responsible for the management and oversight of RLAM's Rates and Cash business. Craig works closely with the Head of Alpha Strategies and the Rates Team to manage a suite of solutions ranging from enhanced cash through sovereign and global bonds culminating in absolute return.



Tony Cole is a Senior Fund Manager, responsible for quantitative cash modelling within RLAM's Rates and Cash business. Tony focuses on the management of the cash, short dated government bond and absolute return funds.

Rated AAf/S1 by Fitch

The Fund is rated by an external rating agency(ies). Such rating is solicited and financed by RLAM.

Fund facts

Inception date	20 June 2011
Assets under management	£3,975 million
Fund management fee	0.15%
Available share classes	Accumulation / Income
Settlement	Trade date + 2 days
Minimum lump sum investment	£1 million (initial)
Weighted average maturity	0.15 years
Weighted average life	1.2 years
Number of issuers	45
Yield to maturity	4.74%
BoE base rate	4.50%
Fund Structure	OEIC
Domicile	GBR
ISA Eligible	Eligible
Benchmark	SONIA
Sector	IA Unclassified
Currency	GBP
SEDOL (Y Inc)	BMNR1F3

Exclusions*

Armaments

Manufacture of armaments, nuclear weapons or associated strategic products

Tobacco

Growing, processing or sale of tobacco products

Fossil fuels

The exploration, extraction and refining of oil, gas or coal

* For companies that generate over 10% of their turnover from either one or a combination of the three categories.

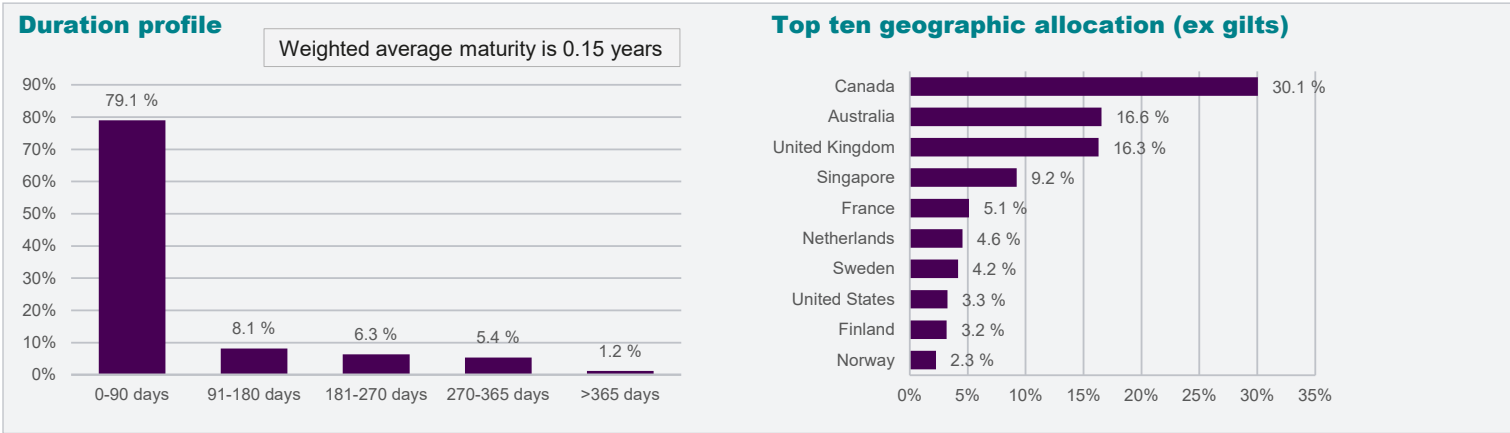
Monthly commentary

The Bank of England (BoE) monetary policy meeting in March saw UK interest rates left unchanged at 4.50%, to little wider surprise. The central bank continues to see a “gradual and careful approach to the further withdrawal of monetary policy restraint” as appropriate. Although inflation has been a touch stronger than expected, the BoE sees domestic and wage pressures as moderating (but remaining elevated) and still expects inflation to fall back after an expected rise in CPI in coming months.

With interest rates unchanged, SONIA remained steady at 4.45% over the month. Two-year gilts, often seen as a proxy for market expectations of BoE rates, traded in a relatively small range and were therefore little changed over the month, rising from 4.19% to 4.21%.

Activity was varied in March. We added three-month paper from **Natixis** and **DZ Bank**, also adding slightly to one-year paper from **Lloyds**. The focus on shorter maturities reflects our view that rates on longer paper generally offer poor value at present. However, we continue to find value in selected covered bonds, examples including secondary market purchases of three-year bonds from **Westpac** and **Canadian Imperial Bank of Commerce** at healthy premia to SONIA.

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



Top 10 holdings

Holding	Asset Type	Weight
United Overseas Bank Limited	FRN	3.7%
BNP Paribas	Certificate of Deposit	3.2%
Westpac Banking Corporation	FRN	3.2%
ANZ Banking Group	Zero Coupon CD	3.0%
TSB Bank Plc	FRN	2.9%
Toronto Dominion Bank	FRN	2.8%
Federation des caisses Desjardins du Quebec	FRN	2.8%
National Bank of Canada	FRN	2.7%
Bank of Montreal	FRN	2.4%
Canadian Imperial Bank of Commerce	FRN	2.3%

Top 10 issuers

Issue	Weight
Royal Bank of Canada	5.3%
Toronto Dominion Bank	4.7%
United Overseas Bank Limited	4.4%
TSB Bank Plc	4.4%
Westpac Banking Corporation	4.3%
Bank of Montreal	4.3%
Canadian Imperial Bank of Commerce	4.3%
Federation des caisses Desjardins du Quebec	4.3%
National Australia Bank	4.1%
National Bank of Canada	3.7%

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.

Contact us

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Portfolio holdings are subject to change, for information only and are not investment recommendations. Holdings are subject to rounding.
Figures may be subject to rounding.
Source: RLAM as at 31 March 2025.

Weighted Average Maturity = average length of time to maturity of all underlying securities in the fund weighted to reflect the relative holdings in each instrument, assuming that the maturity of a floating rate instrument is the time remaining until the next interest rate reset to the money market rate, rather than the time remaining before the principal value of the security must be repaid.

Weighted Average Life = the weighted average of the remaining life (maturity) of each security held in a fund, meaning the time until the principal is repaid in full.

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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.

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