

Royal London

Short Term Money Market Fund

Factsheet
31 July 2024



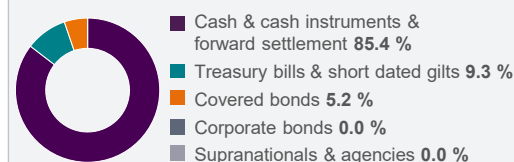
Investment objective

The Fund's investment objective is to preserve capital and provide an income over rolling 12-month periods by investing at least 80% in cash and cash equivalents. The Fund's performance target is to outperform, after the deduction of charges, the Bank of England Sterling Overnight Interbank Average (SONIA) 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.

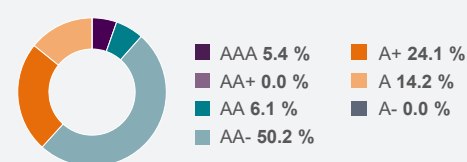
Asset allocation

	Min	Max	Notes
Money market instruments	25%	100%	Includes certificates of deposit, time deposits, corporates and treasury bills (<397 days)
Covered bonds floating and fixed	0%	30%	Covered bonds issued by banks and building societies (<397 days)
Corporate bonds floating and fixed	0%	20%	Bonds issued by financial and non-financial corporates with a minimum credit rating of AA- (<397 days)
Gilts / supranational	0%	75%	UK government and supranational issuers with a minimum credit rating of AA (<397 days)

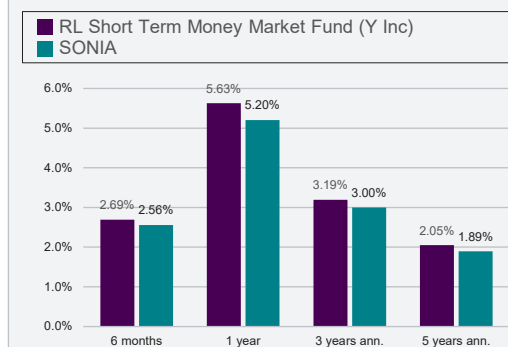
Asset allocation profile



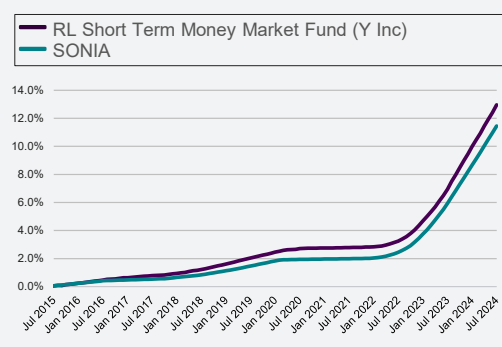
Credit rating profile



Fund performance



Cumulative performance



Monthly performance

	Jul-24	Jun-24	May-24
RL Short Term Money Market Fund – Y Inc	0.49%	0.42%	0.44%
SONIA	0.43%	0.42%	0.43%

Distribution history (Net)

	28/06/2024	29/12/2023
RL Short Term Money Market Fund – Y Inc	2.592p	2.5163p

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 July 2024.

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



Fund managers



Craig Inches has 25 years of industry experience and is responsible for the management and oversight of RLAM's short rate strategies, and jointly manages the government bond strategies.



Tony Cole has 21 years of industry experience and is responsible for co-managing the Royal London Short Term Money Market Fund, the Royal London Short Term Fixed Income Fund and a range of segregated portfolios.

Fund facts

Inception date	22 July 1999*
Assets under management	£7,215 million
Fund management fee	0.10%
Available share classes	Accumulation / Income
Settlement	Trade date + 2 days
Minimum lump sum investment	£1 million (initial)
Weighted average maturity	49.8 days
Weighted average life	94.0 days
Number of issuers	37
Yield to maturity	5.22%
BoE base rate	5.25%
Fund Structure	OEIC
Domicile	GBR
ISA Eligible	Eligible
Benchmark	SONIA
Sector	IA Short Term Money Market
Currency	GBP
SEDOL (Y Inc)	B3P2RZ5

* The fund was initially launched as a unit trust but was converted to an open-ended investment company (OEIC) with effect on 30 April 2010.

Financial 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.

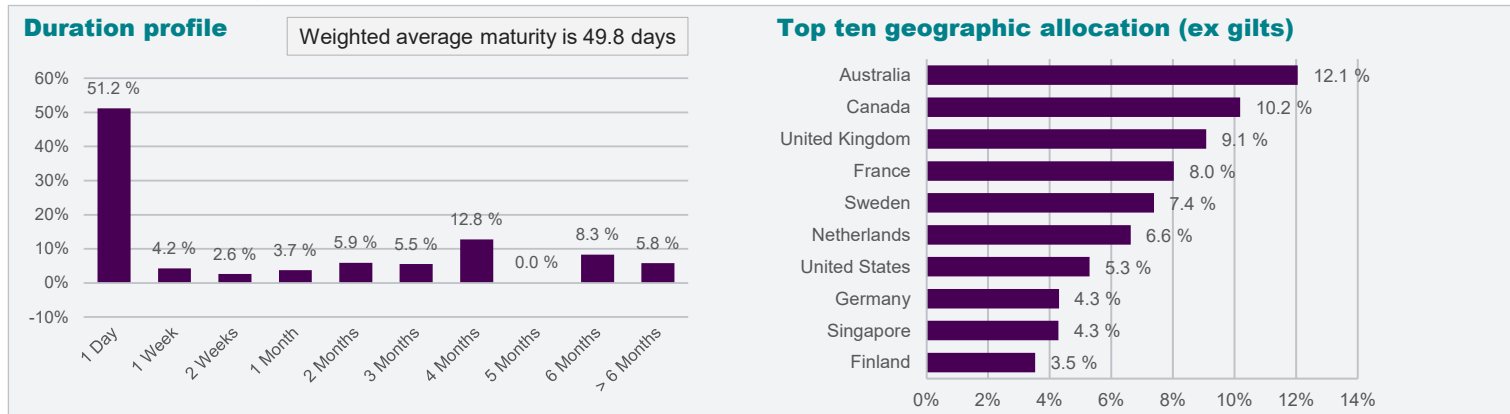
Monthly commentary

The Bank of England Monetary Policy Committee (MPC) had no meeting in July, which meant interest rates stayed unchanged at 5.25%, but markets were predicting that the MPC would cut rates at the meeting at the start of August, reflecting recent falls in inflation. While service inflation and wage growth are still higher than the MPC would like to see, falling headline inflation and a somewhat elevated unemployment rate are believed to give the MPPC freedom to cut.

With interest rates unchanged, SONIA remained at 5.20% over the month. However, with expectations that the UK rate cut in August was possible, yields on two-year gilts, often seen as a proxy for market expectations of BoE rates, fell from 4.22% to 3.81%.

Activity was generally in overnight deposits, treasury bills and repo, as well as CDs. While the fund's focus is on short-dated instruments, we looked at six-month paper in a number of areas – partly because we felt that pricing in this area was overly pessimistic (ie market too pessimistic about potential rate cuts), and these now mature after year end. Examples during the month included six-month T-bills, and CDs from Citibank, ANZ and NatWest. We also added a short-dated floating rate senior bonds from Bank of Nova Scotia at a healthy premium to SONIA.

*Based on Y Inc share class, gross of fees and tax



Top 10 holdings

Holding	Asset Type	Weight
Banco Santander SA	Repo	4.2%
Nationwide Building Society	Deposit	3.5%
Cooperatieve Rabobank U.A	Floating Coupon CD	3.2%
Societe Generale	FRN	3.2%
National Australia Bank	Repo	2.8%
JP MORGAN SECURITIES PLC	Repo	2.8%
Goldman Sachs	Zero Coupon CD	2.7%
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (GOVERNMENT)	Treasury Bills	2.7%
Royal Bank of Canada	Deposit	2.3%
ING Bank	Floating Coupon CD	2.1%

Top 10 issuers

Issue	Weight
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (GOVERNMENT)	10.0%
National Australia Bank	6.9%
BNP Paribas	4.4%
Banco Santander SA	4.2%
Nationwide Building Society	3.6%
Nordea Bank AB	3.5%
ING Bank	3.4%
Royal Bank of Canada	3.4%
Svenska Handelsbanken	3.4%
KBC Bank	3.4%

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.

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

Money market fund risks: A money market fund is not a guaranteed investment, and is different from an investment in deposits. The principal invested in the fund is capable of fluctuation and the risk of loss of the principal is to be borne by the investor. The fund does not rely on external support for guaranteeing the liquidity of the fund or stabilising the NAV per share. The Fund has been authorised as a Variable Net Asset Value (VNAV) MMF and is a short term money market fund in accordance with MMF Regulation. The NAV is calculated using mark to market prices where possible otherwise mark to model prices are used. The redemption or issue of Shares will be undertaken at a price that is equal to the Net Asset Value per Share.

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 July 2024.

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.

For professional clients only, not suitable for retail clients.

This is a financial promotion and is not investment advice. Telephone calls may be recorded. For further information please see the Legals notice at www.rlam.com.

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.

The "SONIA" mark is used under licence from the Bank of England (the benchmark administrator of SONIA), and the use of such mark does not imply or express any approval or endorsement by the Bank of England. "Bank of England" and "SONIA" are registered trade marks of the Bank of England.

Issued in August 2024 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.

Ref: FF RLAM PD 1023

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