

Royal London

Sterling Liquidity Money Market Fund

Investment objective

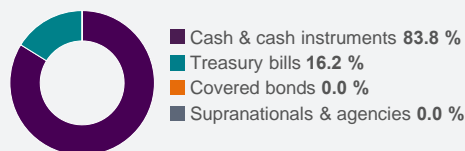
The investment objective of the fund is to provide a return in line with money market rates or preserve the value of the investment. The Fund intends to maintain a stable Net Asset Value per Share of £1.00 for any Distribution Class.

Asset allocation

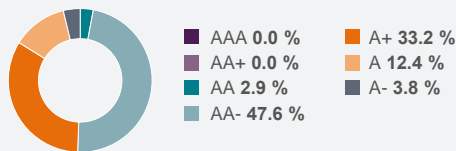
| | Min | Max | Notes |
|---|-----|------|---|
| Money market instruments | 0% | 90% | Includes certificates of deposit, time deposits, corporates and treasury bills (<397 days) |
| Covered bonds floating and fixed | 0% | 30% | Covered bonds issued by banks and building societies (<397 days) |
| Overnight and o/n repo | 10% | 100% | Overnight deposits with approved counter-parties and collateralised lending against gilts (<397 days) |
| Gilts / supranational | 0% | 90% | UK government and supranational issuers with a minimum credit rating of AA (<397 days) |

Source: RLAM and State Street.

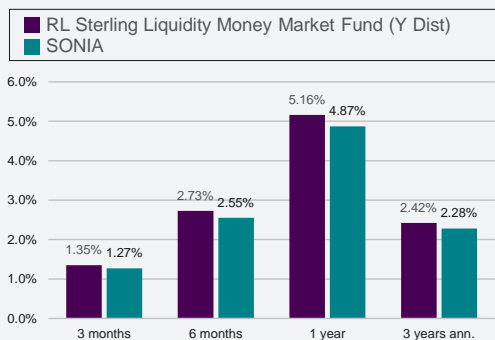
Asset allocation profile



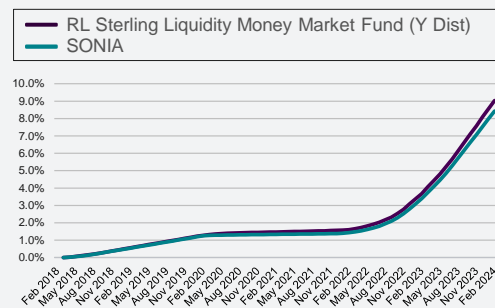
Credit rating profile



Fund performance



Cumulative five year performance



Monthly performance

| | Feb-24 | Jan-24 | Dec-23 |
|--|--------|--------|--------|
| RL Sterling Liquidity Money Market Fund – Y Dist | 0.42% | 0.44% | 0.47% |
| SONIA | 0.40% | 0.43% | 0.40% |

Performance, volatility and yield figures are based on Y Dist share class which launched on 25 February 2020. Performance data prior to this is for the R share class, which launched on 17 April 2018 and is the longest running share class. This is being shown to give a sense of a longer track record of the fund as a whole. Past performance is not a reliable indicator of future performance. All figures shown are gross of fees and tax. 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 29 February 2024.

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.

Factsheet
29 February 2024

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.

Rated AAAM by S&P

Rated AAAMmf by Fitch

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

Fund facts

| | |
|---|---|
| Fund type | Short Term Low Volatility Net Asset Value Fund UCITS Money Market |
| Fund inception date | 17 April 2018 |
| Assets under management | £6,127 million |
| Fund management fee (Y Dist share class) | 0.10% |
| Available share classes | Distribution |
| Settlement | Trade date (T+0) |
| Minimum lump sum investment | £5 million (initial) |
| Weighted average maturity | 47.8 days |
| Weighted average life | 60.1 days |
| Number of issuers | 35 |
| Yield to maturity | 5.23% |
| Gross 7 day effective yield | 5.33% |
| BoE base rate | 5.25% |
| Fund Structure | UCITS |
| Domicile | IRL |
| ISA Eligible | Eligible |
| Benchmark | SONIA |
| Sector | IA Unclassified |
| Currency | GBP |
| SEDOL | BL9BVZ2 |
| SFDR Classification | Article 8 |

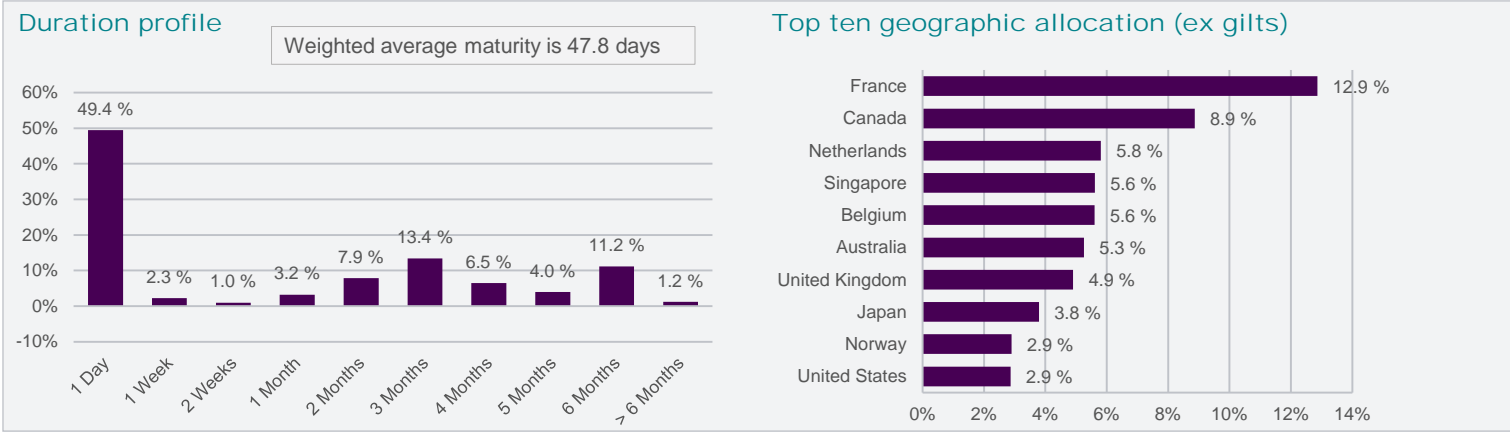
Source: RLAM and State Street. All yields are annualised, gross of fees. Gross 7 day effective yield is backward looking whereas current yield to maturity is forward looking.

Monthly commentary

The Bank of England Monetary Policy Committee left interest rates unchanged at the start of February, at 5.25%. Once again, there was a split within the MPC, reflecting the fact that inflation has fallen materially but remains above target. The confirmation later in the month that the UK had entered a recession, albeit a mild one, was not a huge surprise given that growth has been very weak for some time.

With interest rates unchanged, SONIA remained at 5.19% over the month. However, expectations of UK rate cuts in 2024 – and in common with expectations in the US and euro zone – have once again been pared back. The further change in 2024 expectations was seen in two-year gilts, often seen as a proxy for market expectations of BoE rates, where yields increased from 4.22% to 4.59%. Activity was generally in overnight deposits, treasury bills and repo. Other activity remained focused on adding to CDs from selected banks, for instance adding a four-month CD from Belgian bank / insurer **KBC**, which we feel is one of the better banks across our credit and ESG scoring process, as well as six-month paper from **Nordea**, which we felt was one of the more attractive yields at this tenor.

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



Top 10 holdings

| Holding | Asset Type | Weight |
|---------------------------|------------------------|--------|
| DBS Bank Ltd | Repo | 5.4% |
| Banco Santander SA | Repo | 4.9% |
| ING Bank | Certificate of Deposit | 3.3% |
| Societe Generale | FRN | 3.3% |
| DNB Bank ASA | Certificate of Deposit | 2.9% |
| JP MORGAN SECURITIES PLC | Repo | 2.8% |
| Goldman Sachs | Zero Coupon CD | 2.8% |
| National Australia Bank | Certificate of Deposit | 2.5% |
| Cooperatieve Rabobank U.A | Certificate of Deposit | 2.5% |
| Toronto Dominion Bank | Certificate of Deposit | 2.5% |

Top 10 issuers

| Issue | Weight |
|---|--------|
| UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (GOVERNMENT) | 16.2% |
| DBS Bank Ltd | 5.8% |
| KBC Bank | 5.6% |
| National Australia Bank | 5.2% |
| Banco Santander SA | 4.9% |
| Credit Agricole CIB | 3.6% |
| United Overseas Bank Limited | 3.5% |
| Goldman Sachs | 3.5% |
| ING Bank | 3.3% |
| LLOYDS BANKING GROUP PLC | 3.3% |

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..

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.

Stable NAV risk: The fund is not the same as a bank deposit account. It is designed such that it will seek, for the Distribution Classes, to maintain the Net Asset Value per Share at a fixed value by distributing income from the fund as it arises. However, whilst the fund’s investments are reasonably believed by the investment manager to be of high quality, there is always a risk that an underlying issuer could default or otherwise fall in value, resulting in the fund being unable to maintain the Net Asset Value per Share at a fixed value and therefore a loss of capital will occur. The risk of loss is to be borne by the investor. There is no representation or warranty that the fund will be able to maintain a stable Net Asset Value per Share.

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.

Responsible Investment risk: The Fund can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number of securities in which the Fund can invest and there may as a result be occasions where it forgoes more strongly performing investment opportunities, potentially underperforming non-sustainable funds.

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 29 February 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 Asset Management Bond Funds plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds. Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. It is a recognised scheme under section 264 of the Financial Services and Markets Act 2000. The Investment Manager is Royal London Asset Management Limited. For more information on the trust 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. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available.

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