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# Royal London Asset Management

Fixed Income Fund Commentary

28 February 2026

# Fund Commentary

28 February 2026

The purpose of this report is to provide an update on the Royal London Fixed Income Funds. The report has been produced by Royal London Asset Management. All content within this report is at the report date unless otherwise stated.

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# Fixed Income

## Royal London Corporate Bond Fund

Following a positive start to 2026, February also saw positive returns for global credit markets, although in a reverse of January, sterling and US dollar investment grade markets outperformed euro equivalents. Gains were driven predominantly by falling government bond yields, offsetting a slight widening in credit spreads.

The fund saw positive returns for February but was behind its benchmark. The long duration position of the fund relative to its benchmark was a positive driver of returns as yields fell during the month. Additional positive contribution came from security selection in both consumer services and structured, with positive performance from the fund's holdings in the hybrid bonds of global transport provider Mobico.

The portfolio continues to offer an attractive all-in yield and as credit becomes increasingly commoditised as an asset class, we continue to see strong opportunity to add value through our longstanding credit philosophy that embraces the idiosyncrasies of corporate bonds.

## Royal London Ethical Bond Fund

Continuing the positive start to 2026, returns for global credit markets in February were positive, although in a reverse of January, sterling and US dollar investment grade markets outperformed euro equivalents. Gains were driven predominantly by falling government bond yields, with credit spreads slightly wider, while the higher income generation of the asset class also aided performance.

The fund delivered positive returns for February, broadly in line with its benchmark. Underweight exposure to supranational bonds was negative for relative returns, but this was offset by stock selection within our structured exposure.

We remain confident that we can further achieve an attractive yield premium in our sterling credit portfolios, as we look to exploit market inefficiencies. In a diversified portfolio with an emphasis on security, we believe that the more credit is treated as a commoditised asset class, the greater the level of inefficiencies that an active manager can exploit.

## Royal London Global Bond Opportunities Fund

The fund saw a positive return over the month in sterling terms. Following a positive start to 2026, February also saw positive returns for global credit markets, although in a reverse of January, sterling and US dollar investment grade markets outperformed euro equivalents. Gains were driven predominantly by falling government bond yields, with credit spreads slightly wider, while the positive carry on the asset class also aided performance. Returns were helped by exposure to contingent capital bank bonds, which also performed well.

We continued to add to holdings using the new issue market. Financials remain a key element, with the purchase of AT1 bonds from ING and BNP Paribas. Outside of banks, we added Swedish social infrastructure provider Hemso, new issue hybrid bonds from Verizon and NextEra Energy, a Florida-based entity that finances, develops, and operates renewable energy and infrastructure projects.

At a fundamental level, we still believe that credit spreads over-compensate investors for default risk, and that the all-in yield on credit remains attractive. Furthermore, we continue to find attractive investment opportunities, partly through the new issue market but also by focusing on exploiting market inefficiencies.

# Fixed Income

## Royal London Global High Yield Bond Fund

February's market focus was firmly on AI and the possibility of AI making companies and entire sectors obsolete. However, by the end of the month, there was a growing worry about a potential war between the US and Iran with an associated increase in volatility. As a result, the high yield market saw spreads widen while government yields fell.

The new issuance market remained active in February with \$29.9bn issued in US high yield and \$46.9bn issued in global high yield. New issuance was skewed to higher quality with BB accounting for almost 60% of all issuance in US high yield.

The fund's performance was driven by its energy holdings, with the sector enjoying a strong month amid the geopolitical volatility. Our basic industry and capital goods sectors also performed well. By rating, our underweight BB position was good for performance while, regionally, our US holdings saw good performance.

## Royal London Global Index Linked Fund

Real yields fell globally in February, as expectations for further rate cuts and weaker economic data led to stronger markets, with the UK outperforming with markets pricing in a rate cut by April. The UK market benefitted from a further improvement in public finances, with the expectation of lower bond supply next year.

The fund produced a positive return over the month. Our long duration position was helpful for performance, as was tactical trading of inflation, but our bias towards flatter curves marginally hurt performance as long-dated bonds underperformed, causing the UK curve to steepen. Cross market exposure was positive, with a long position in the UK contributing, though a long position in Australia would have detracted from performance.

During the month, the duration of the fund was reduced to just under half a year and on a cross-market basis the holding of longer-dated Japanese bonds was sold, and then towards the end of the month the fund took a long position in US TIPS. To reduce the fund's duration position, we sold some of our UK bonds.

# Fixed Income

## Royal London Global Mezzanine ABS Fund

The European Securitised Market maintained its strong momentum in February, building on a robust start to 2026. The European CLO primary market hit a new record in February with 11 new deals. Despite the robust activity, which saw two US debut managers, reflecting the ongoing trend of US managers expanding into Europe, we did see some softening in credit spreads. This was partly due to the concern around AI. The ABS and RMBS pipeline were absorbed with strong investor appetite which saw spreads broadly tighten. While geopolitical tensions remained elevated, the ABS market had yet to exhibit a material pricing response.

There was the largest volume (post-GFC) month in the Australian securitisation market. The highlight of the month was the pricing of an AUD2.7bn transaction, which is the largest ever non-bank securitisation deal in the AUD market. This underscores the depth of demand for Australian structured credit despite the elevated supply backdrop. Spreads in late 2025 and early 2026 briefly widened but have since retraced and have begun to converge across transactions, irrespective of the collateral.

The desk rotated out of tighter paper and deployed cash into a couple of the European new issues, but mainly played the Australian primary issuance where there was more relative value across the capital structure, despite the oversubscription levels.

## Royal London Global Senior ABS Fund

The European Securitised Market maintained its strong momentum in February, building on a robust start to 2026. The European CLO primary market hit a new record in February with 11 new deals. Despite the robust activity, which saw two US debut managers, reflecting the ongoing trend of US managers expanding into Europe, we did see some softening in credit spreads. This was partly due to the concern around AI. The ABS and RMBS pipeline were absorbed with strong investor appetite which saw spreads broadly tighten. While geopolitical tensions remained elevated, the ABS market had yet to exhibit a material pricing response.

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The desk rotated out of tighter paper and deployed cash into a couple of the European new issues, but mainly played the Australian primary issuance where there was more relative value across the capital structure, despite the oversubscription levels.

# Fixed Income

## Royal London Index Linked Fund

Real yields fell globally in February, as expectations for further rate cuts and weaker economic data led to stronger markets, with the UK outperforming with markets pricing in a rate cut by April. The UK market benefitted from a further improvement in public finances, with the expectation of lower bond supply next year.

The fund produced a positive return over the month. Our long duration position was helpful for performance, as was tactical trading of inflation, but our bias towards flatter curves marginally hurt performance as long-dated bonds underperformed, causing the UK curve to steepen. Cross market exposure was negative, with a negative impact from our Australia position.

During the month, the duration of the fund was reduced to just under half a year and on a cross-market basis the holding of longer-dated Japanese bonds was sold, and then towards the end of the month the fund took a long position in US TIPS.

## Royal London Investment Grade Short Dated Credit Fund

Following a positive start to 2026, February also saw positive returns for global credit markets, although in a reverse of January, sterling and US dollar investment grade markets outperformed euro equivalents. Gains were driven predominantly by falling government bond yields, with credit spreads slightly wider, while the positive carry on sterling credit also aided performance.

The fund saw positive returns for February, broadly in line with its benchmark. Underweight exposure to supranational bonds was negative for relative returns, but this was offset by stock selection within our structured exposure.

We remain confident that we can further achieve an attractive yield premium in our sterling credit portfolios, as we look to exploit market inefficiencies. In a diversified portfolio with an emphasis on security, we believe that the more credit is treated as a commoditised asset class, the greater the level of inefficiencies that an active manager can exploit.

## Royal London Short Duration Credit Fund

Following a positive start to 2026, February also saw positive returns for global credit markets, although in a reverse of January, sterling and US dollar investment grade markets outperformed euro equivalents. Gains were driven predominantly by falling government bond yields, with credit spreads slightly wider, while the positive carry on sterling credit also aided performance.

The fund saw positive returns for February outperforming its benchmark. Underweight exposure to supranational bonds was negative for relative returns, but this was more than offset by stock selection within our structured exposure as well as selected holdings in consumer services.

We remain confident that we can further achieve an attractive yield premium in our sterling credit portfolios, as we look to exploit market inefficiencies. In a diversified portfolio with an emphasis on security, we believe that the more credit is treated as a commoditised asset class, the greater the level of inefficiencies that an active manager can exploit.

# Fixed Income

## Royal London Short Duration Gilts Fund

Gilt markets performed positively in February, supported by a more dovish than expected Bank of England meeting. Despite a narrow 5-4 split to hold interest rates, the BoE's expectations that inflation would be at or below target for much of the forecast period, as well as a more cautious assessment of the labour market, saw markets quickly pricing in a March cut. Subsequent data was mixed, with inflation in line with expectations but still above target, softer growth and employment, and resilient retail sales. Elsewhere, higher than expected public sector borrowing data raised market expectations for reduced gilt issuance in the next fiscal year.

The fund benefitted from being long duration and overall reduced duration but did initially increase this amid market volatility. This included a tactical trade in 5-year Australian government bonds, which was closed promptly for a profit, alongside continued active trading in 5-year gilts. The fund maintained its curve positioning and continues to hold no inflation exposure.

We still expect the BoE to continue its rate cutting path, with two cuts anticipated for the rest of the year.

## Royal London Short Duration Global High Yield Bond Fund

February's market focus was firmly on AI and the possibility of AI making companies and entire sectors obsolete. However, by the end of the month, there was a growing worry about a potential war between the US and Iran with an associated increase in volatility. As a result, the high yield market saw spreads widen while government yields fell.

The new issuance market remained active in February with \$29.9bn issued in US high yield and \$46.9bn issued in global high yield. New issuance was skewed to higher quality with BB accounting for almost 60% of all issuance in US high yield.

The fund produced a positive return during February in what was essentially a month of carry for the fund. With the fund being shorter duration than the wider market, it did not benefit as much from the move in rates but given its defensive nature, was still able to produce a strong relative return. All sectors except for transportation produced a positive return for the fund. The fund was defensively positioned going into the increased volatility that we have seen post month end.

## Royal London Short Duration Global Index Linked Fund

Real yields fell globally in February, as expectations for further rate cuts and weaker economic data led to stronger markets, with the UK outperforming with markets pricing in a rate cut by April. The UK market benefitted from a further improvement in public finances, with the expectation of lower bond supply next year.

The fund produced a strong positive outperformance, with our duration position the key driver. The fund was long duration, particularly in the UK. The fund's curve position, particularly in the US, where we were underweight short-dated TIPS, also added value as the curve flattened. Cross market exposure was positive, with a long position in the UK contributing, though a long position in Australia would have detracted from performance.

During the month, the duration of the fund was reduced to just under half a year. Towards the end of the month the fund took a long position in US TIPS. To reduce the fund's duration position, we sold some of our UK bonds.

# Fixed Income

## Royal London Short Term Fixed Income Enhanced Fund

The Bank of England left UK base rates at 3.75% at its regular meeting at the start of February. This was little surprise to the market after the December rate cut, but the 5-4 vote and dovish messaging meant that markets remain confident that there will be further cuts in the current cycle.

With UK interest rates unchanged over the month, SONIA remained at 3.73% through February. Two-year gilts, often seen as a proxy for market expectations of BoE rates, saw yields fall gradually through the period, starting the month at 3.71% and ending at 3.51%.

Activity was somewhat muted in February, and we picked up 12-month CDs which we felt offered value given our expectations for falling rates over the rest of 2026. Examples included Bank of Nova Scotia, Toronto Dominion, and National Bank of Canada. Other activity saw the fund add to gilt exposure on weakness before taking profits later in the month, while we added high quality corporate bonds from Massachusetts Mutual Life Insurance Company and a new issue from First Abu Dhabi, both paying attractive yield premium over equivalent gilts.

## Royal London Short Term Fixed Income Fund

The Bank of England left UK base rates at 3.75% at its regular meeting at the start of February. This was little surprise to the market after the December rate cut, but the 5-4 vote and dovish messaging meant that markets remain confident that there will be further cuts in the current cycle.

With UK interest rates unchanged over the month, SONIA remained at 3.73% through February. Two-year gilts, often seen as a proxy for market expectations of BoE rates, saw yields fall gradually through the period, starting the month at 3.71% and ending at 3.51%.

Activity was somewhat muted in February, and focused on 12-month CDs which we felt offered value given our expectations for falling rates over the rest of 2026. Examples included Bank of Nova Scotia, Bank of Montreal, and National Bank of Canada.

## Royal London Short-Term Money Market Fund

The Bank of England left UK base rates at 3.75% at its regular meeting at the start of February. This was little surprise to the market after the December rate cut, but the 5-4 vote and dovish messaging meant that markets remain confident that there will be further cuts in the current cycle.

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Activity was somewhat muted in February. We continued to focus on short-dated CDs from preferred issuers that score well on our credit and ESG factors. Examples during the period include three-month CDs from Sumitomo Mitsui and Overseas Chinese Banking Corp, while also adding to longer maturities where rates were favourable – including six-month instruments from Bank of Nova Scotia and Australia and New Zealand Banking. Finally we added three and six-month treasury bills late in the month.

# Fixed Income

## Royal London Sterling Liquidity Money Market Fund

The Bank of left UK base rates at 3.75% at its regular meeting at the start of February. This was little surprise to the market after the December rate cut, but the 5-4 vote and dovish messaging meant that markets remain confident that there will be further cuts in the current cycle.

With UK interest rates unchanged over the month, SONIA remained at 3.73% through February. Two-year gilts, often seen as a proxy for market expectations of BoE rates, saw yields fall gradually though the period, starting the month at 3.71% and ending at 3.51%.

Activity was somewhat muted in February. We continued to focus on short-dated CDs from preferred issuers that score well on our credit and ESG factors. Examples during the period include three-month CDs from Sumitomo Mitsui and Overseas Chinese Banking Corp, while also adding to longer maturities where rates were favourable – including six-month instruments from Bank of Nova Scotia and Australia and New Zealand Banking. Finally we added three and six-month treasury bills late in the month.

## Royal London Sterling Credit Fund

Following a positive start to 2026, February also saw positive returns for global credit markets, although in a reverse of January, sterling and US dollar investment grade markets outperformed euro equivalents. Gains were driven predominantly by falling government bond yields, with credit spreads slightly wider, while the positive carry on sterling credit also aided performance.

The fund saw positive returns for February outperforming its benchmark. The main contributor to relative performance was our exposure to banks, while exposure to Mobico in consumer services also aided performance.

We remain confident that we can further achieve an attractive yield premium in our sterling credit portfolios, as we look to exploit market inefficiencies. In a diversified portfolio with an emphasis on security, we believe that the more credit is treated as a commoditised asset class, the greater the level of inefficiencies that an active manager can exploit.

## Royal London Sterling Extra Yield Bond Fund

February saw positive returns for global credit markets, although in a reverse of January, sterling and US dollar investment grade markets outperformed euro equivalents. Gains were driven predominantly by falling government bond yields, with credit spreads slightly wider, while the positive carry on the asset class also aided performance.

Returns were helped by exposure to the general industrials and consumer services sectors, with Mobico in particular continuing to see strong performance.

We continued to add to holdings using the new issue market. Financials remain a key element, with the purchase of AT1 bonds from ING. Outside of banks, we took part in a new issue from US utility Pacific Gas & Electric and new issue hybrid bonds from Verizon were purchased. The fund bought sterling-denominated bonds from Alphabet priced at around 120bps over equivalent gilts, when other AA rated firms would usually issue at 60-70bps above gilt yields.

# Fixed Income

## Royal London UK Government Bond Fund

Gilt markets performed positively in February, supported by a more dovish than expected Bank of England meeting. Despite a narrow 5-4 split to hold interest rates, the BoE's expectations that inflation would be at or below target for much of the forecast period, as well as a more cautious assessment of the labour market, saw markets quickly pricing in a March cut. Subsequent data was mixed, with inflation in line with expectations but still above target, softer growth and employment, and resilient retail sales. Elsewhere, higher than expected public sector borrowing data raised market expectations for reduced gilt issuance in the next fiscal year.

The fund benefited from being long duration and gradually reduced active duration from as yields fell during the month. This was primarily through selling over 15-year gilts and trimming the position in 10-year Australian government bonds. The fund maintained its overweight in longer maturity gilts, holding a flattening bias. Additionally, the fund sold its 30-year Australian government bond position back into 30-year gilts.

We still expect the BoE to continue its rate cutting path, with two cuts anticipated for the rest of the year.

# Disclaimers

## Important information

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**RL Corporate Bond Fund, RL Investment Grade Short Dated Credit Fund, RL Sterling Credit Fund, RL Global Index Linked Fund, RL UK Government Bond fund, RL Index Linked, RL Short Duration Global Index Linked Fund and RL Short Duration Gilts Fund, RL Short Term Fixed Income Fund, RL Short Term Fixed Income Enhanced Fund, RL Short Term Money Market Fund:**

The Funds are sub-funds 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.

**RL Ethical Bond Fund, RL Short Duration Credit Fund**

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**RL Global Bond Opportunities Fund, RL Sterling Extra Yield Bond Fund, RL Global High Yield Bond Fund, RL Short Duration Global High Yield Bond Fund, RL Sterling Liquidity Money Market Fund:**

The Funds are sub-funds of Royal London Asset Management 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 the Financial Services and Markets Act 2000. The Management Company is Fund Rock Management Company SA, Registered office: Airport Center Building, 5 Heienhaff, L-1736 Senningerberg, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF). The Investment Manager is Royal London Asset Management Limited.

**RL Global Mezzanine ABS Fund, RL Global Senior ABS Fund:**

The Fund is a sub-fund of Royal London Asset Management Investment Funds ICAV, an Irish collective asset-management vehicle authorised by the Central Bank of Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 and the AIFM Regulations and has been established as an umbrella fund with segregated liability between Funds. It is not a recognised scheme under the Financial Services and Markets Act 2000. The Management Company is FundRock Management Company SA, Registered office: Airport Center Building, 5, Heienhaff L-1736 Senningerberg, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF). The Investment Manager is Royal London Asset Management Limited.

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The Fund is recognised in the UK under the Overseas Fund Regime (OFR) but is not a UK authorised fund and is not authorised by the Financial Conduct Authority (FCA). It is therefore not subject to the same regulatory oversight as UK authorised Funds and is not required to adhere to the UK sustainable investment labelling disclosure requirements. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available. Investors are strongly encouraged to seek independent financial advice before making any investment decisions.

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The Prospectus and Key Investor Information Document (KIID) are available in English. A summary of investor rights is also available in English. RLAM may terminate the arrangements made for marketing of the fund pursuant to Article 93a of Directive 2009/65/EC.

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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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# Risk and Warnings

## 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.

## 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.

## 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.

## 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.

## Derivative risk

Derivatives are highly sensitive to changes in the value of the underlying asset which can increase both Fund losses and gains. The impact to the Fund can be greater where they are used in an extensive or complex manner, where the Fund could lose significantly more than the amount invested in derivatives.

## EPM techniques risk

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.

## Derivative risk

The fund may undertake transactions in derivatives and forward transactions (both on exchange and over the counter (OTC)). These may include interest rate swaps and interest rate futures for the purposes of meeting the investment objective, protecting the risk to capital, duration and credit management, as well as for hedging. While the discerning use of derivatives can be beneficial, derivatives also involve specific risks. These risks relate specifically to market risk, management risk, credit risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices. The use of derivative instruments may from time to time alter the economic exposure of the fund causing it to deviate significantly from the performance of the market as a whole. The use of these derivatives will be within the parameters allowed for linked funds by the Financial Conduct Authority and Prudential Regulation Authority.

## Emerging markets risk

Investing in Emerging Markets may provide the potential for greater rewards but carries greater risk due to the possibility of high volatility, low liquidity, currency fluctuations, the adverse effect of social, political and economic instability, weak supervisory structures and accounting standards.

## Exchange rate risk

Investing in assets denominated in a currency other than the base currency of the Fund means the value of the investment can be affected by changes in exchange rates.

## 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.

## 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.

## 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. Unlike the income from a single fixed interest security, the level of income (yield) from a fund is not fixed and may go up and down. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background.

## Sub-investment grade investment risk

Lower rated investment grade securities may have large uncertainties or major risk exposures to adverse conditions. The market value of securities in lower rated investment grade categories is more volatile than that of higher quality securities, and the markets in which these securities are traded are less liquid than those in which higher rated securities are traded.

## Unrated bond risk

Non-rated bonds may have the characteristics of either investment or sub-investment grade bonds. Market activity in unrated securities and instruments may be low for a considerable period of time and this may impact on liquidity.

# Risk and Warnings

## 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 risk

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.

## Responsible investment risk

The Fund can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number 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.

## Concentration risk

The price of Funds that invest in a reduced number of holdings, sectors, or geographical areas may be more heavily affected by events that influence the stockmarket and therefore more volatile.

## Leverage risk

The price of Funds that invest in a reduced number of holdings, sectors, or geographical areas may be more heavily affected by events that influence the stockmarket and therefore more volatile.

## Short Term Money Market Fund

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.

## Sterling Liquidity Money Market Fund

The Fund has been authorised as a Low Volatility Net Asset Value (LVNAF) MMF and is a short-term money market fund in accordance with MMF Regulation which seeks to maintain a stable NAV under the condition that the stable NAV does not deviate from the Net Asset Value per share by more than 20 basis points. In case of a deviation of more than 20 basis points between the stable NAV and the Net Asset Value per share, the following redemption or issue of Shares will be undertaken at a price that is equal to the Net Asset Value per Share.