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Royal London Sterling Liquidity Money Market Fund

Quarterly Investment Report

30 June 2026



Quarterly Report

The fund as at 30 June 2026

The purpose of this report is to provide an update on the Royal London Sterling Liquidity Money Market Fund. The report has been produced by Royal London Asset Management. The report starts with a summary dashboard showing key information about the fund. A glossary is located at the end of the report covering the description of some of the more technical terms used within the report. All data is as at the report date unless otherwise stated.

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The fund

Fund performance objective and benchmark

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 will seek to achieve its objective on an active basis. The Fund intends to maintain a stable Net Asset Value per Share of £1.00 for any Distribution Class. The Fund seeks to achieve its investment objective by outperforming its benchmark, the Sterling Overnight Index Average (the "Benchmark"). The Benchmark reflects bank overnight funding rates in Sterling. Investors should note that the Benchmark is being used by the Fund for performance comparison purposes only and the Fund does not intend to track the Benchmark.

Fund value

	Total £m
30 June 2026	7,728.50

Fund analytics

	Fund
Fund launch date	17 April 2018
Benchmark	Sterling Overnight Index Average (SONIA)
Weighted average maturity (days)	37.15
Number of issuers	43
Redemption yield (%)	3.87

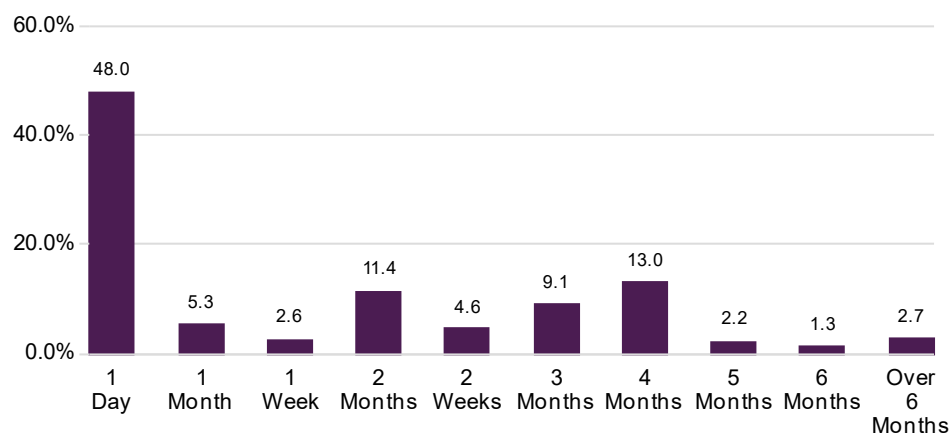
Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	1.00	0.92	0.08
YTD	1.95	1.83	0.12
1 Year	4.13	3.87	0.26
3 Years (p.a.)	4.83	4.57	0.26
5 Years (p.a.)	3.62	3.42	0.20
Since inception (p.a.)	2.88	2.70	0.18

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on Y Dist GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 25 February 2020.

Duration profile



Performance commentary

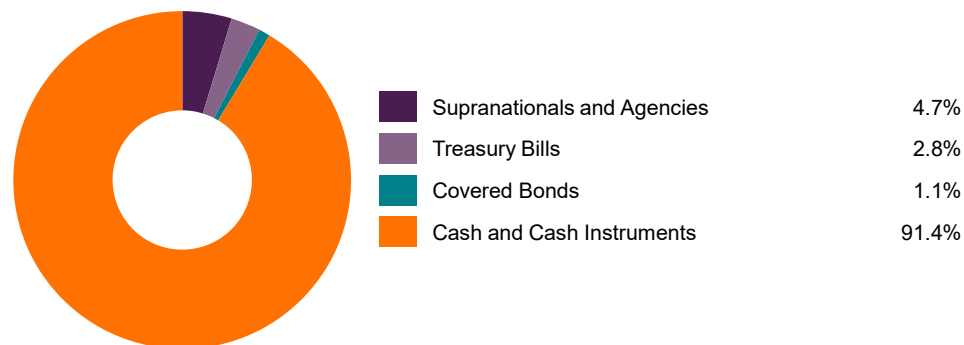
The underlying trend of note during the quarter was longer money market rates easing lower as concerns that higher oil prices would translate directly into swift and severe central bank rate hikes dissipated. This was a gradual drift lower in early months, and then a shift lower towards the end of the quarter on news of a ceasefire between Iran and the US.

Performance was ahead of the SONIA benchmark over the quarter. Our money market exposure was the main driver of returns, reflecting that this makes up the bulk of the fund's assets. We had added to overall portfolio duration earlier in the year through the selective addition of six-month paper in the first quarter and the early part of the second quarter, and this produced attractive income for the portfolio.

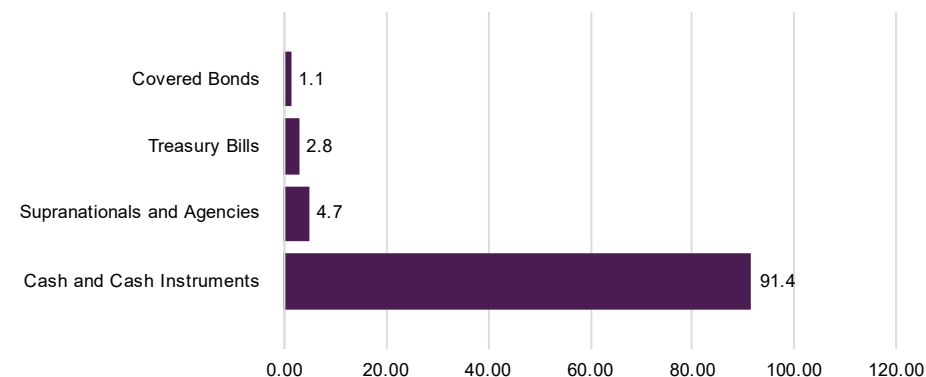
Our diversified approach also meant that there were positive contributions to return from treasury bills, where we had added securities yielding at or above SONIA. Our limited exposure to short-dated covered bonds also contributed to returns, albeit with the floating rate nature of these instruments meaning that these benefited less from the decrease in yields than fixed rate certificates of deposit.

Performance and activity

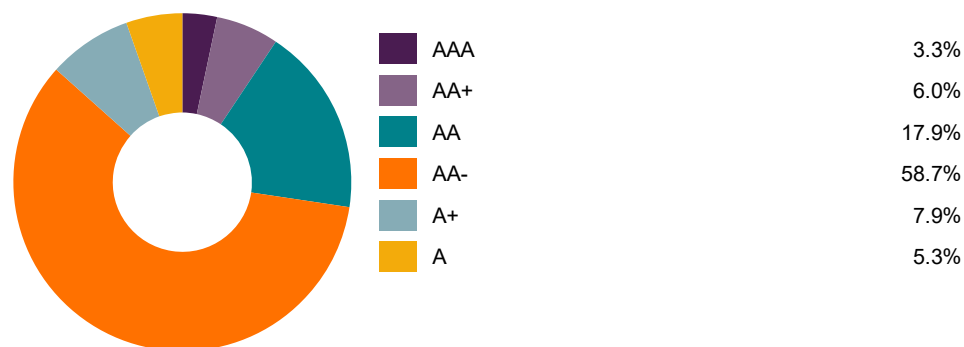
Asset allocation profile



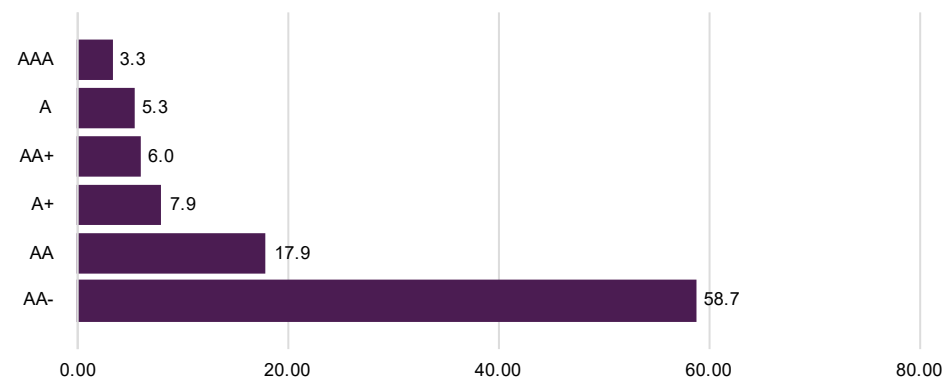
Change since last quarter (asset allocation) %



Credit rating profile

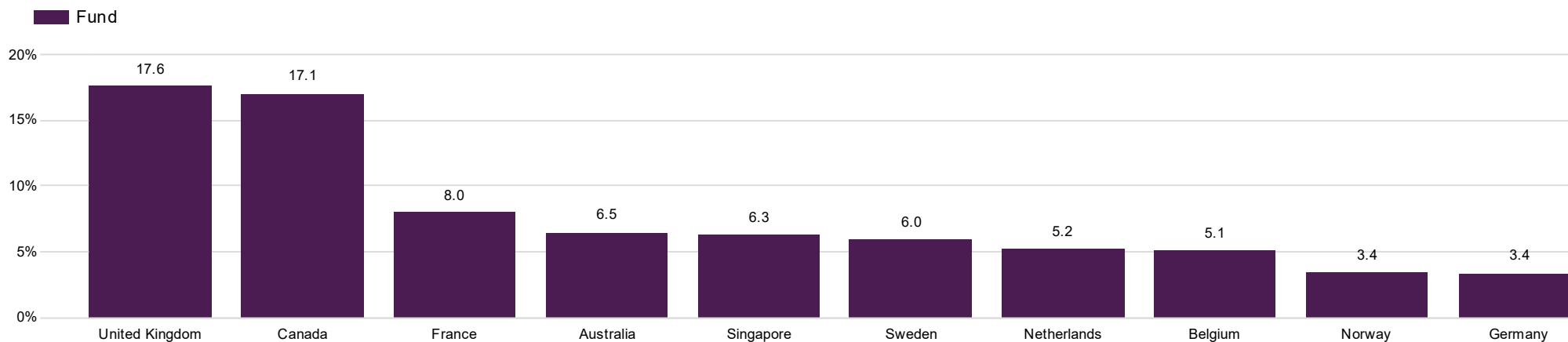


Change since last quarter (rating) %

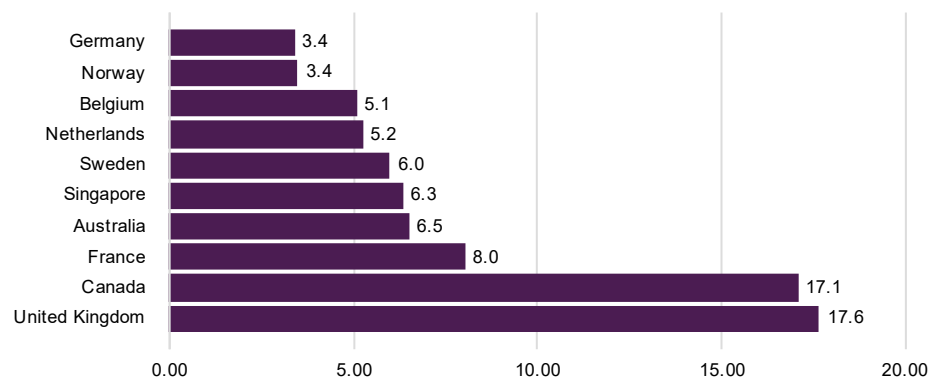


Performance and activity

Top ten geographic allocation (ex gilts) %



Change since last quarter (geographic) %



Performance and activity

Fund activity

We felt that while rising inflation would garner headlines, it was very unlikely to result in significant rate increases from the Bank of England. With market pricing in significant rate increases and pushing yields sharply higher, for example with 100bps increase in one-year CD yields, we felt that there were opportunities to selectively add to longer-dated exposure.

This increase and subsequent retracement in yields available on money market instruments provided opportunities for fund activity over the quarter. Through most of April, with yields still looking high and therefore offering value against our models, we were happy to pick up limited issuance of six-month paper from issuers that scored well on our credit and ESG criteria, such as Swedbank, United Overseas Bank and Nordea Bank, all at yields well over SONIA. As yields decreased, participation in these longer maturity instruments decreased, with the focus on three-month CDs from the likes of KBC, Citibank and Santander.

Looking beyond CDs, we added UK treasury bills, early in the period where these were available with yields over 4%, which we felt offered excellent value given the lack of credit risk. We also looked for opportunities to add to short-dated covered bonds in the secondary market – typically with less than a year to maturity. These were more attractive later in the quarter due to the lower interest rate risk in these floating rate instruments, examples over the quarter including Australia and New Zealand Banking, TSB, Bank of Montreal and Santander, all at a healthy premium to SONIA.

Market commentary

Market overview

Headlines and markets were focused on the US and Iran during the past quarter. The disruption to oil supply via the Strait of Hormuz pushed oil prices to levels last seen following the Russian invasion of Ukraine in 2022. Although a ceasefire was announced towards the end of the period, causing prices to ease, these remain above pre-crisis levels. From a macroeconomic perspective, growth forecasts remain subdued, and inflation remains above central bank target levels. The major change over the quarter was central bank rate expectations. At the start of the quarter, markets were pricing in multiple hikes in the US, euro zone and UK, but these expectations were tempered as the period progressed – with the changing outlook a key driver of markets over the quarter.

During the second quarter of 2026, UK economic news was dominated by the Bank of England's need to balance easing domestic inflation against renewed uncertainty created by higher global energy prices and the potential impact on growth, with the Bank deciding to leave rates unchanged throughout the period. At its June meeting, the Monetary Policy Committee voted 7–2 to keep Bank Rate unchanged at 3.75%, with two members favouring an immediate increase to 4.0%, highlighting growing concern that energy-related inflation pressures could prove more persistent than expected. Although CPI inflation eased to 2.8%, policymakers warned that inflation was likely to rise again later in the year as higher energy costs feed through to the economy. At the same time, signs of a loosening labour market and softer economic growth argued against further tightening, leaving the Bank in a cautious wait-and-see position.

Money market conditions reflected this policy stability. SONIA, the Sterling Overnight Index Average, remained steady throughout the quarter, starting and ending at 3.73%. Market expectations shifted during the quarter, however. Investors entered 2026 anticipating further interest rate cuts, reversing this view and pricing in material rate hikes following the spike in oil prices. Over the course of the second quarter, those expectations have eased, with markets now pricing in a single rate hike from the Bank this year. Two-year gilts, often seen as a proxy for market expectations of BoE rates, therefore moved lower, particularly in June on ceasefire news, falling from 4.41% to 4.18%.

Outlook

The global impact of the conflict in the Middle East is not yet fully visible. Even with a ceasefire, it will take some time for normal traffic to pass through the Strait of Hormuz, and oil prices may therefore take some time to return to pre-conflict levels. The first-round impact on inflation is really simple to predict, with price rises feeding through into elevated headline inflation this year and then falling back in 2027 due to the base effects of year-on-year comparisons. The short and medium-term impact on growth is harder to predict, but historically, sudden sharp increases in energy prices have had a negative impact on global growth. While the quantum of that change may be different today due to increased variation in energy sources, we still expect a negative impact.

With inflation higher on a technical basis, and second-round effects also likely to push inflation higher as workers look for higher wages to offset higher cost of living, central banks are likely minded to increase interest rates from current levels. Against that, however, the negative impact on growth means that central banks are likely to be cautious about raising rates and exacerbating the impact on growth. A key determinant will be whether central banks view current policy stances as accommodative or restrictive.

For the UK, the Bank of England has an additional consideration due to political uncertainty. At the time of writing, Starmer has announced an intention to step down as Prime Minister, with little expectation of prolonged contest to replace him. The apparent speed of the change at the top of Government means that there is little known about many areas of potential policy decisions under Burnham leadership, and hence the impact on public spending, tax and borrowing. Until there is greater clarity, we expect higher volatility. This makes a strong directional positioning difficult to justify.

While we target an attractive yield in the portfolios, we are mindful of liquidity and security as well, therefore preferring to look for value on a case-by-case basis using our models, rather than implementing large-scale macro or interest rate calls. We continue to believe that the overall yields in our liquidity and short-term fixed income funds remain attractive for investors.

Further Information

Please click on the links below for further information:



Find out more

In an uncertain geopolitical and economic environment, we recognise the importance of keeping our clients updated on our current investment thinking.

Articles, videos, podcasts and webinars giving the latest views of our investment experts can be found in the Our Views section of www.rlam.com, including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

Disclaimers

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Issued in July 2026 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.

The Fund is a sub-fund 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 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.

The Prospectus and Key Information Document (KID) are available in English via the relevant Fund Information page on www.rlam.com. A summary of investor rights is also available in English, and can be accessed at www.rlam.com/uk/policies-and-regulatory

RLAM may terminate the arrangements made for marketing of the fund pursuant to Article 93a of Directive 2009/65/EC.

For more information on the Fund or the risks of investing, please refer to the Prospectus or Key Information Document (KID), 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.

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 trademarks of the Bank of England.

Risks 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.

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.

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.

Performance to 30 June 2026

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	1.00	1.95	4.13	15.23	19.47	4.83	3.62
Fund (net)	0.98	1.90	4.03	14.88	18.87	4.73	3.52

Annualised (%)

Year on year performance (%)

	30/06/2025 - 30/06/2026	30/06/2024 - 30/06/2025	30/06/2023 - 30/06/2024	30/06/2022 - 30/06/2023	30/06/2021 - 30/06/2022
Fund (gross)	4.13	4.94	5.45	3.27	0.40
Fund (net)	4.03	4.83	5.35	3.16	0.30

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment.

Source: RLAM as at 30 June 2026. All figures are mid-price to mid-price for the Royal London Sterling Liquidity Money Market Fund Y Dist GBP share class.

Glossary

Asset allocation

Breakdown of the assets by asset classes. Based on RLAM asset classification scheme.

Money market instruments

Investments that pay interest, have a short duration and are designed to maintain a stable value.

Number of issuers

Number of unique issuers of all assets held by the Fund, excluding cash, currency and derivatives.

Performance

Both the Fund and Index performance are based on close of business prices.

Pricing

The Fund's price may swing to bid or offer to protect existing investors from the costs associated with buying or selling the fund's underlying assets when other investors are entering or leaving the fund. Performance is based on this pricing.

Redemption yield

The weighted average rate of discount at which the future obligations of interest and capital payments of each of the fund's holdings equates to its current price, gross of relevant fund management costs and gross of tax.

Weighted average maturity

The 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.