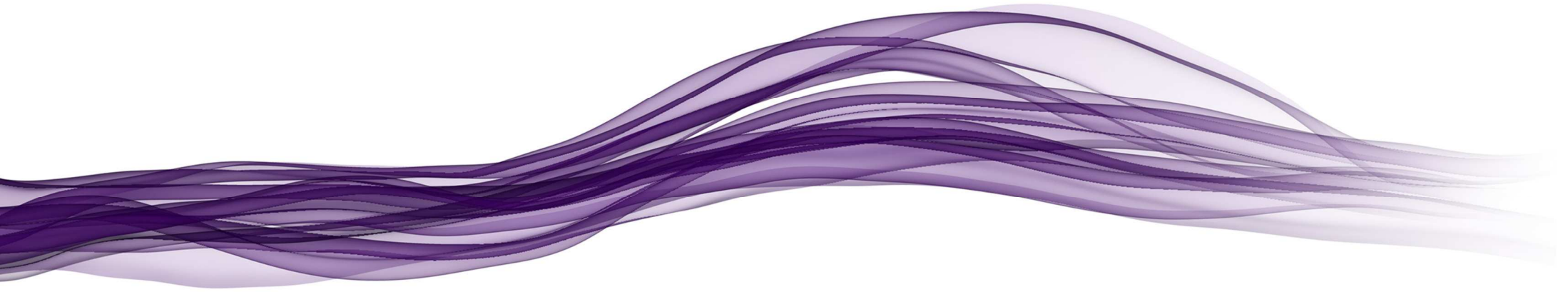


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# **Royal London Sterling Liquidity Money Market Fund**

**Quarterly Investment Report**

**30 September 2026**



# Quarterly Report

## The fund as at 30 September 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 September 2026 | 9,528.76 |

## Fund analytics

|                                  | Fund                                     |
|----------------------------------|------------------------------------------|
| Fund launch date                 | 17 April 2018                            |
| Benchmark                        | Sterling Overnight Index Average (SONIA) |
| Weighted average maturity (days) | 39.52                                    |
| Number of issuers                | 47                                       |
| Redemption yield (%)             | 3.97                                     |

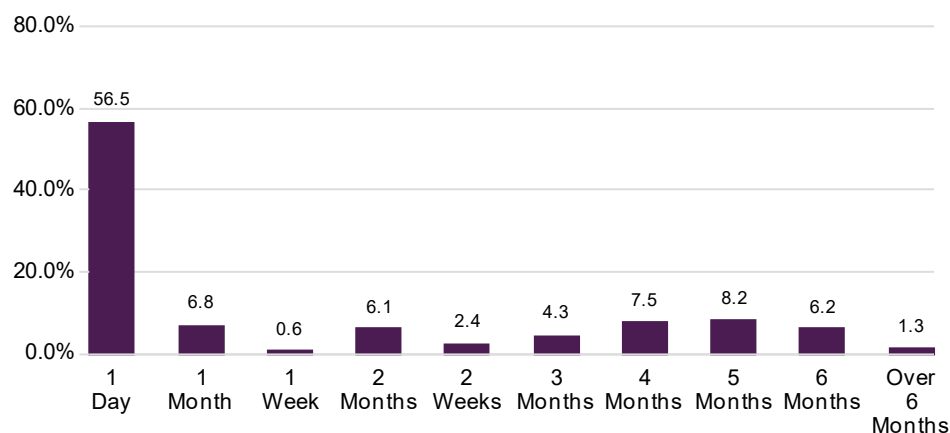
# Performance and activity

## Performance

|                        | Fund (%) | Benchmark (%) | Relative (%) |
|------------------------|----------|---------------|--------------|
| Quarter                | 1.00     | 0.93          | 0.07         |
| YTD                    | 2.97     | 2.78          | 0.20         |
| 1 Year                 | 4.05     | 3.78          | 0.27         |
| 3 Years (p.a.)         | 4.72     | 4.45          | 0.27         |
| 5 Years (p.a.)         | 3.82     | 3.61          | 0.21         |
| Since inception (p.a.) | 2.92     | 2.74          | 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

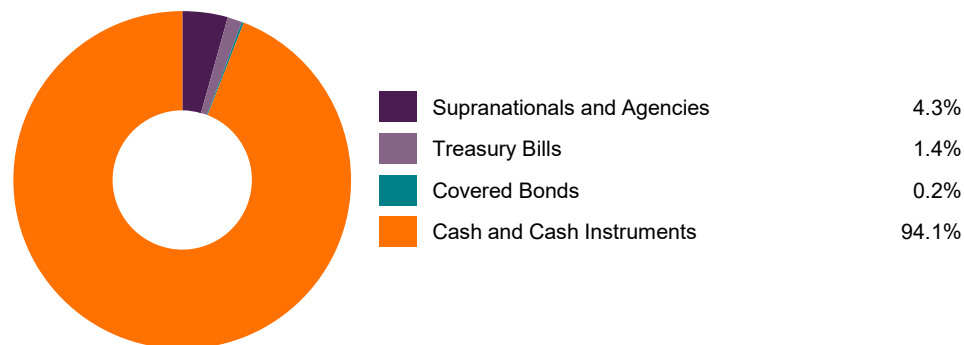
The underlying trend of note during the quarter was longer money market rates rising to reflect increased concerns over second round inflation effects and stronger growth translating into a number of Bank of England rate increases over the next 12 months. This effect was particularly visible in September.

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. Rising money market rates are a headwind for any liquidity or fixed income fund that has duration exposure. We had increased the fund's weighted average life (WAL) in the earlier part of the second quarter, before allowing this to drift lower through most of the summer. As a result, although the impact of rising rates on our longer money market holdings was negative, this impact was mitigated. In addition, a modest proportion of our money market exposure was in floating rate CDs, which also did relatively well.

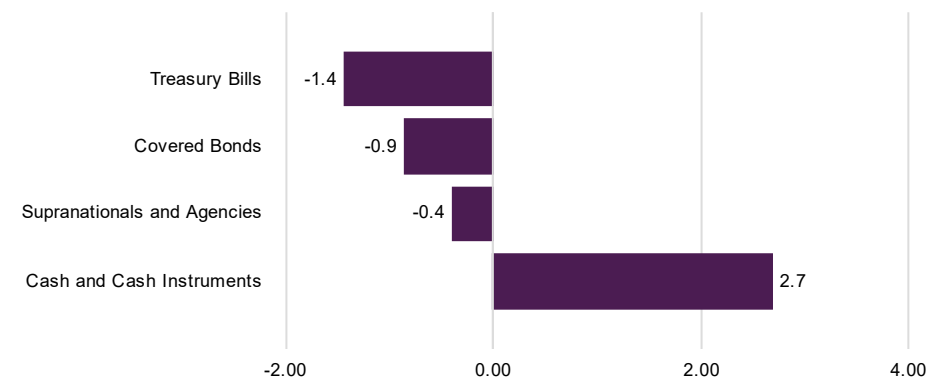
Our diversified approach also helped. A material part of the fund's assets are short-term in nature, notably overnight deposits and repo, and this allowed us to reset at higher yields through the period, adding to returns, with the small exposure to covered bonds also helpful given that these assets are floating rate and pay a healthy premium over SONIA.

# Performance and activity

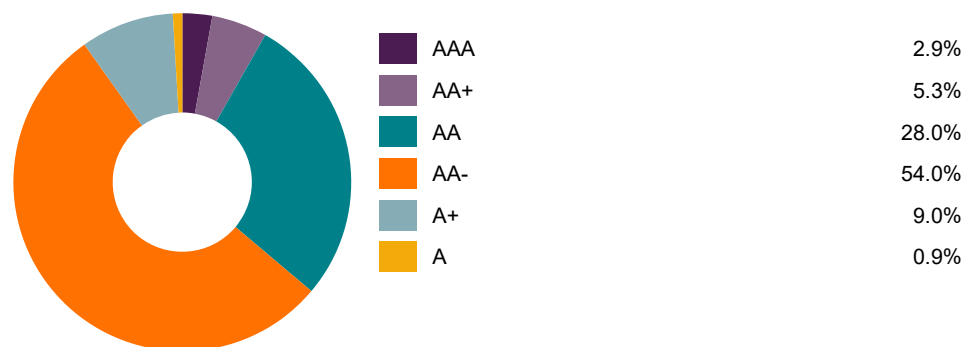
## Asset allocation profile



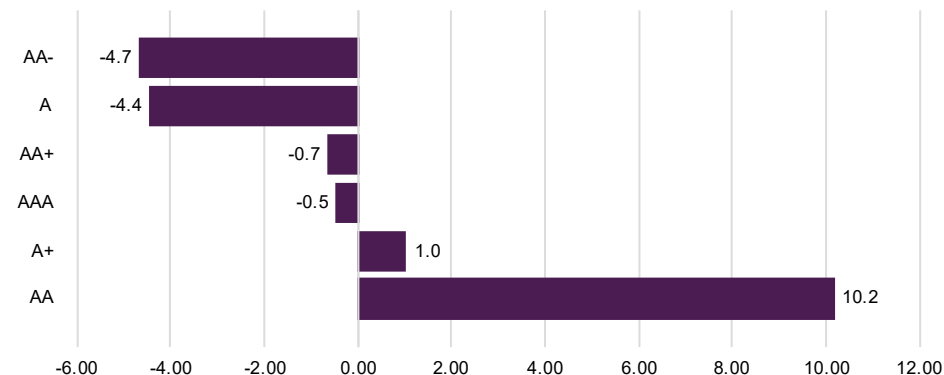
## Change since last quarter (asset allocation) %



## Credit rating profile

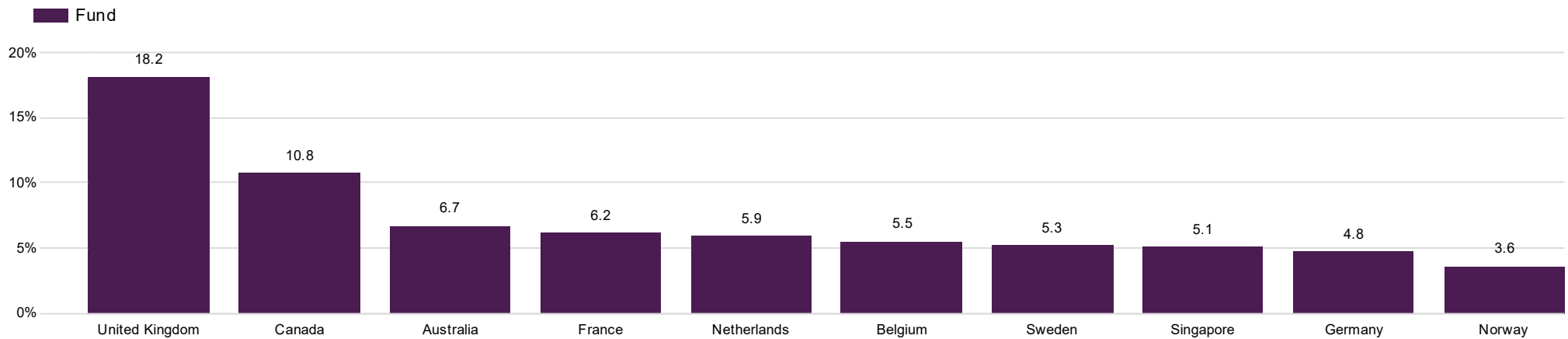


## Change since last quarter (rating) %

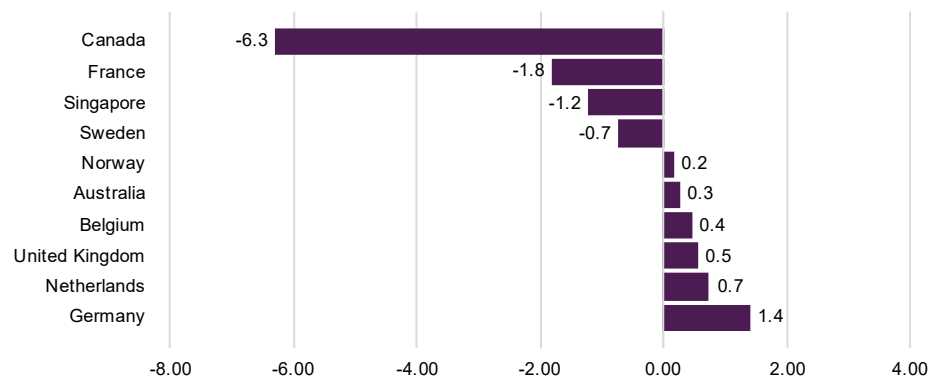


# Performance and activity

## Top ten geographic allocation (ex gilts) %



## Change since last quarter (geographic) %



# Performance and activity

## Fund activity

Markets have moved to price in significant rate rises more than once this year. On each occasion, we felt that market reaction to short-term economic data was overshooting where the Bank of England will end up. Our investment approach is predicated on looking at value versus our models, rather than betting on macro outcomes, but we do see greater opportunity to add longer yields when markets overshoot.

In practice, this means that rather than a wholesale move into long-dated paper, we will look to pick up paper from names that score highly on our credit quality and ESG scores, and look attractive on our valuation models. This was most noticeable in September when rates had jumped materially, when we added six-month CDs from Lloyds Bank and Rabobank, as well as one-year paper from Canadian Imperial Bank of Commerce and NatWest, the latter already pricing in almost four increases in Bank of England rate and hence offering a very attractive yield.

Looking beyond CDs, we continue to add UK treasury bills as part of a diversified portfolio. These are attractive given the lack of credit risk, with activity in the quarter focused at short-dated maturities where we still earned a material premium to SONIA. We also looked for opportunities to add to short-dated covered bonds in the secondary market – typically with less than a year to maturity, as the floating rate nature of these helps manage overall interest rate risk, adding Santander UK six-month covereds over the period.

# Market commentary

## Market overview

Global economic activity remained resilient over the quarter despite a more challenging backdrop of higher energy prices, rising government bond yields and renewed monetary policy tightening. US growth continued to be supported by robust household spending and a relatively firm labour market. The euro area also performed more strongly than expected, with second-quarter GDP recording its fastest quarterly expansion in four years, supported by consumption, exports and manufacturing activity.

Fixed income markets weakened over the period as persistent inflationary concerns and elevated energy prices prompted investors to reassess the path of monetary policy. The Federal Reserve, European Central Bank and Bank of Japan all raised interest rates during the quarter, while expectations increased that the Bank of England would also tighten policy. Government bond yields rose sharply, particularly at shorter maturities, as markets priced a higher path for policy rates, while longer-dated bonds weakened on fiscal concerns and rising issuance.

During the quarter, Andy Burnham became UK Prime Minister. The government reaffirmed commitment to the fiscal rules which, alongside higher inflation and higher bond yields weighing on the fiscal headroom, leaves little room for manoeuvre in the October budget. Towards the end of the quarter, Burnham proposed changes to the pension triple lock to help fund new social care policy and indicated a willingness to reassess the UK's relationship with Europe. However, the proposals were light on details and not expected to take effect until after the next election, likely from 2030.

In the UK, the government's Debt Management Office sold £4.25 billion of July 2036 gilts at an average yield of 5.383% at the end of September, the highest 10-year borrowing cost since 1999. Demand for higher yields reflected ongoing inflation concerns and expectations of increased fiscal spending ahead of the forthcoming Autumn Budget. Monetary policy expectations also shifted over the quarter and markets started pricing in a 25bps rate hike in November, with roughly four increases priced in by the middle of next year.

UK 10-year gilt yields ended September at 5.43% compared to 4.76% at the end of June. US treasury yields also moved higher over the quarter, with the 10-year treasury yield ending September at 5.28%, having closed at 4.44% at the end of June. Across Europe, government bond yields similarly pushed upwards. The German 10-year bund was 3.55% at the end of September, up from 2.87% three months prior.

While government bond volatility has been a notable feature of 2026, the stability of UK interest rates means that SONIA, the Sterling Overnight Index Average, has been virtually unchanged. This continued through the third quarter, with this unchanged at 3.73%. Further along the money market curve, changing market expectations about future Bank of England policy have seen sharp movements. During the quarter, the market moved to price in significant rate hikes over the following 12 months, with two-year gilt yields, often seen as a proxy for market expectations of BoE rates, moving significantly higher, from 4.18% to 4.75%.

## Outlook

The global impact of the conflict in the Middle East is not yet fully visible. Since its commencement in February, we have seen hopes of ceasefire or more permanent resolution increase and fall on a number of occasions. Oil supplies have been disrupted and are likely to remain so for some time, even if somewhat mitigated by the reopening of the East-West Saudi pipeline towards the end of the quarter. As stated previously, this has a simple and predictable first round impact on inflation, with price rises feeding through into elevated headline inflation this year and expected to then fall 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.

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, it would have been easy for central banks to start increasing interest rates in the spring or summer. Concerns over the impact on growth have undoubtedly slowed down those increases, but with economic growth proving resilient, we have now seen the Fed and ECB increase rates, with a November increase from the Bank of England fully priced into markets.

For the BoE, we believe that the pressure to increase rates will see an increase shortly. However, we note that markets are not just pricing in a November hike, but three subsequent increases, taking rates 100bps higher by summer 2027 and then remaining flat for some time. That pattern of monetary policy changes feels unlikely in our view, given that it assumes inflation increases and then remains high for some time, and that the impact of fuel price increases will be negligible on consumption and therefore overall growth. We also have the first budget of the new Prime Minister in Autumn, which will also undoubtedly impact BoE thinking and market pricing.

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](http://www.rlam.com), including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

# Disclaimers

## Important information

For professional clients only, not suitable for retail clients.

This is a financial promotion and is not investment advice.

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Issued in October 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](http://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](http://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](http://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 September 2026

## Cumulative (%)

|                     | 3 Month | 6 Month | 1 Year | 3 Years | 5 Years | 3 Years (p.a.) | 5 Years (p.a.) |
|---------------------|---------|---------|--------|---------|---------|----------------|----------------|
| <b>Fund (gross)</b> | 1.00    | 2.01    | 4.05   | 14.87   | 20.63   | 4.72           | 3.82           |
| <b>Fund (net)</b>   | 0.98    | 1.96    | 3.95   | 14.52   | 20.03   | 4.62           | 3.72           |

## Annualised (%)

## Year on year performance (%)

|                     | 30/09/2025 - 30/09/2026 | 30/09/2024 - 30/09/2025 | 30/09/2023 - 30/09/2024 | 30/09/2022 - 30/09/2023 | 30/09/2021 - 30/09/2022 |
|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Fund (gross)</b> | 4.05                    | 4.68                    | 5.46                    | 4.21                    | 0.77                    |
| <b>Fund (net)</b>   | 3.95                    | 4.58                    | 5.35                    | 4.11                    | 0.67                    |

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 September 2026. All figures are mid-price to mid-price for the Royal London Sterling Liquidity Money Market Fund Y Dist GBP share class.

# Glossary

## Article 8

The Fund is classified as an Article 8 fund under the EU Sustainable Finance Disclosure Regulation (SFDR). The Fund promotes environmental and/or social characteristics but does not have sustainable investment as its objective. Further details regarding the risks, environmental and/or social characteristics promoted by the Fund can be found in the Prospectus and the SFDR product summary. Investors should review these before making any investment decision. The SFDR classification should not be interpreted as an indication of investment quality, a recommendation to invest, or that the Fund pursues a sustainable investment objective.

## 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.