

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

## Royal London Sterling Credit Fund (Income - Class M Shares)

A sub-fund of Royal London Bond Funds ICVC ISIN: GB00B6X6GB98  
Managed by Royal London Unit Trust Managers Limited

### Objectives and investment policy

**Objective** The Fund's investment objective is to achieve a total return (combination of capital growth and income) over the medium term (3-5 years) by investing at least 80% in sterling-denominated corporate bonds. The Fund's performance target is to outperform, after the deduction of charges, the Markit iBoxx Sterling Non-Gilts Total Return GBP Index (the "Index") over a rolling 5-year period. For further information on the Fund's index, please refer to the Prospectus. The Fund is actively managed.

**Policy** At least 80% of the Fund will be invested in investment grade corporate bonds and in index linked corporate bonds, securitisations, supranational bonds, agency bonds, floating-rate notes and asset-backed securities each denominated in sterling or hedged back to sterling. These Investments will generally be fixed-rate issues (bonds paying interest at an unchanging rate, rather than on an adjustable basis). The remainder of the Fund's assets may be invested in a range of securities, including government bonds, preference shares, sub-investment grade bonds, unrated bonds, bonds denominated in currencies other than sterling, other transferable securities, money market instruments and exchange-traded funds. Up to 10% of the Fund may be invested in other funds known as collective investment schemes, including those managed by Royal London Unit Trust Managers or another Royal London Group Company. The Fund may also hold a small amount of its portfolio in derivatives (investments that derive their value from another closely related underlying investment) for the purposes of efficient portfolio management. Cash is unlikely to exceed 5% of assets.

**Recommendation** The Fund may not be appropriate for investors who plan to withdraw their money within 7 years.

### Concepts to understand

**Bonds** are defined as fixed-income investments issued as debt by companies and public bodies to raise finance. Investors in bonds receive a previously agreed, non-variable interest payment until the investment matures. Corporate bonds are those issued by companies to raise finance.

**Total Return** A total return is a combination of capital growth and income. Capital growth is defined as the rise in an investment's value over time and income as the payment an investment generates, such as dividends or bond coupons.

**Rolling 5 Year Period** A rolling 5-year period is any period of five years, no matter which day you start on.

**Hedging** reduces risk by protecting an investment with another related investment.

**Efficient Portfolio Management** A list of approved investment techniques, including the use of derivatives, used to protect against excessive risk, reduce cost or generate extra income or growth.

*You can buy and sell your shares on each working day, except public holidays, at 12:00 noon if you tell us before 12:00 noon that you want to do so. Instructions received after 12:00 noon will be processed at 12:00 noon on the following working day.*

Other share classes may be available as described in the Prospectus. If this is an income share class, any income will be paid out to you. If this is an accumulation share class, any income will be reinvested in the Fund.

### Risk and reward profile



Lower risk

Higher risk

Typically lower rewards

Typically higher rewards

The fund is shown in risk category 4 because its share price has shown a medium level of volatility historically. The indicator has been calculated using historical data and may not be a reliable indication of the future risk profile of the Fund. As an investment, bonds are typically more volatile than money market instruments but less volatile than shares. Bonds issued by corporations are typically more volatile than bonds issued by governments.

The risk and reward indicator is not a measure of the expected rise or fall in capital but shows how sharply the Fund's share price has gone up and down historically.

A fund whose share price has experienced sharp or large increases or decreases will sit in a higher risk category, whereas a fund whose share price has experienced small or gradual increases or decreases will sit in a lower risk category.

The indicator is calculated using a standard methodology derived from EU rules.

The risk/reward indicator is an estimate and not a guarantee. Going forward, the Fund's actual volatility could be higher or lower, and its rated risk/reward profile could change. The lowest risk category does not mean the investment is risk free.

The risk indicator does not adequately capture the following risks, which are materially relevant to the Fund:

**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.

**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.

**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.

**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.

Charges

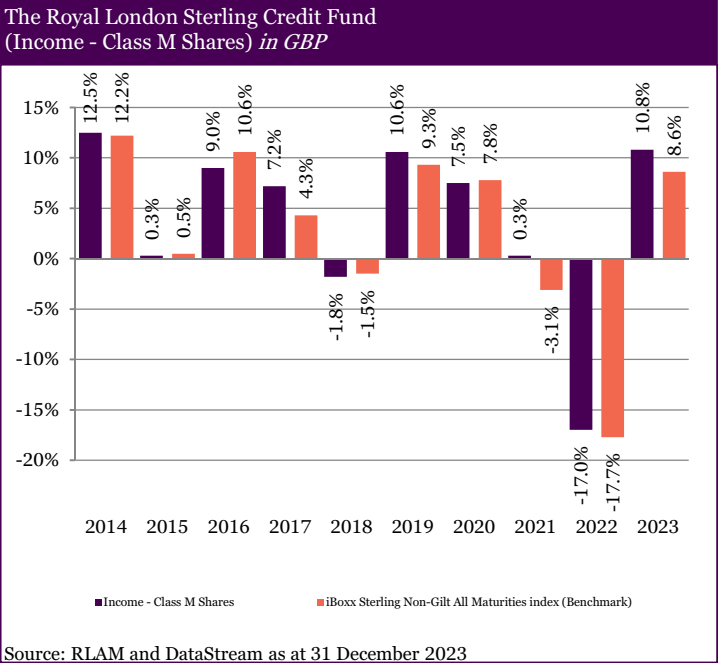
The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing the Fund. These charges reduce the potential growth of the investment.

One-off charges taken before or after you invest:	
Entry charge	None
Exit charge	None
Charges taken from the fund over a year:	
Ongoing charge	0.53%
Charges taken from the fund under specific conditions:	
Performance fee	None

The entry and exit charge is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out. Ongoing charge is based on the Fund Management Fee (FMF), which is the periodic fee paid to the ACD to cover the expenses of the Fund. This figure does not include portfolio transaction costs. Ongoing charges are the same for all investors in the share class.

Past performance

The graph shows fund performance over the past 10 years where available. The figure for a given year shows how much the Fund increased or decreased in value during that year. These results reflect ongoing charges taken from the Fund, but do not reflect any entry charges you might have to pay. The Fund was launched on 1 September 2008 as a unit trust and converted to an open-ended investment company (OEIC) on 30 October 2009. The share class was launched on 1 May 2012.



Past performance is not a guide to future performance and may not be repeated. The chart shows performance in British Pounds after the ongoing charges and the portfolio transaction costs have been paid. Entry and exit charges are excluded from calculations of past performance. All performance shown assumes reinvestment of dividends.

Practical information

**Depository:** HSBC Bank plc

**Additional Information:** This Key Investor Information Document (KIID) may not contain all the information you need. For additional information on this fund (including the Supplementary Information Document), on other share classes of this fund and on other funds, or to obtain a free copy of the Fund's Prospectus or the annual and semi-annual shareholder reports, call the information line or write to the registered office, details of which are below. Alternatively, visit [www.rlam.com](http://www.rlam.com). The Prospectus and shareholder reports are in English.

This document describes one share class of the Fund. The Prospectus and annual and semi-annual shareholder reports are prepared for the entire fund across all share classes.

For fund performance and most recent share price, visit [www.rlam.com](http://www.rlam.com).

Should you wish to switch share classes or funds, please see the "Switching" section of the Prospectus for details.

**Tax:** Investors should note that the tax legislation that applies to the Fund may have an impact on the personal tax position of their investment in the Fund. Contact your adviser to discuss tax treatment, suitability of this investment, and other questions.

**Notices:** Royal London Unit Trust Managers Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus.

The Prospectus and long reports (shareholder reports) are prepared for the entire company. The assets and liabilities of each sub-fund are segregated by law. Therefore, the assets of the Fund belong exclusively to it and are not available to meet the liabilities of any other fund of Royal London Bond Funds ICVC.

The Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority, Royal London Unit Trust Managers Limited is authorised and regulated by the Financial Conduct Authority.

Details of the Company's remuneration policy are available at [www.rlam.com](http://www.rlam.com) including: (a) a description of how remuneration and benefits are calculated; and (b) the identities of persons responsible for awarding remuneration and benefits. A paper copy of these details may be obtained, free of charge, on request from the Company, at the address below.

**Address:** Royal London Asset Management  
80 Fenchurch Street, London, EC3M 4BY

**Telephone:** 03456 04 04 04

**Website:** [www.rlam.com](http://www.rlam.com)  
A member of the Investment Association

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