ROYAL LONDON
SHORT TERM FIXED INCOME ENHANCED FUND
29.02.24

FUND OVERVIEW

Fund Manager(s)	Tony Cole, Craig Inches
Fund Size	£1,248.92m
Fund Type	OEIC
Domicile	United Kingdom
ISA	Eligible
Duration	0.8 years
Benchmark Index	Bank Of England Sterling Overnight Index Average
Investment Association Sector	IA Unclassified
Currency	GBP
Initial Charge	0.0%
Fund Management Fee (FMF):	Y Acc: 0.18% Y Inc: 0.18% Z Acc: 0.03%

Share Class Y (Income)

Unit Launch Date	18.05.15
SEDOL	BVYV8J0
Mid Price	98.52p
Distribution Yield	4.64%
Underlying Yield	4.64%

Share Class Y (Accumulation)

Unit Launch Date	18.05.15
SEDOL	BVYV8H8
Mid Price	112.46p
Distribution Yield	4.64%
Underlying Yield	4.64%

BOND FUND RATING FitchRatings AAf/S2 fitchratings.com/fam TM

Overview

The Fund's investment objective is to achieve a total return over rolling 12-month periods by generally investing in short term fixed income securities. The Fund's performance target is to outperform, before the deduction of charges, the Bank of England Sterling Overnight Interbank Average (SONIA) by 1.00% over rolling 12-month periods. This is the average overnight interest rate UK banks pay for unsecured transactions in sterling and is considered an appropriate benchmark for the Fund's performance.

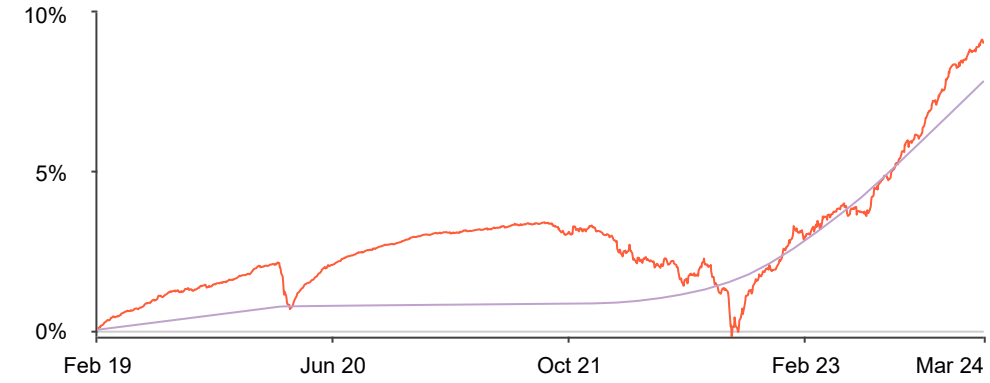
Year-on-year performance

	31.12.22 to 31.12.23	31.12.21 to 31.12.22	31.12.20 to 31.12.21	31.12.19 to 31.12.20	31.12.18 to 31.12.19
Share Class Y (Income)	6.3%	-1.1%	0.1%	1.2%	2.2%
Share Class Y (Accumulation)	6.3%	-1.1%	0.1%	1.2%	2.2%

Cumulative Performance (as at 29.02.24)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class Y (Income)	1.6%	3.7%	5.9%	5.8%	9.0%
Share Class Y (Accumulation)	1.6%	3.7%	5.9%	5.8%	9.0%
Bank Of England Sterling Overnight Index Average	1.3%	2.5%	4.9%	7.0%	7.8%

Performance Chart



28.02.19 - 29.02.24 Powered by data from FE fundinfo

Fund Bank Of England Sterling Overnight Index Average

Past performance is not a guide to future performance. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested.

Source: RLAM and FE fundinfo as at 29.02.24. Fund performance is shown on a mid to mid price basis, net of fees and gross of taxes, with gross income reinvested unless otherwise stated. Benchmark performance is shown gross of fees and taxes.

Distribution History (Net)

	28/03/2024	29/12/2023	29/09/2023	30/06/2023
Share Class Y (Income)	1.1380p	1.2391p	0.8844p	0.7569p

Table above shows figures as at payment date.

Fund Manager(s)



Craig Inches
Co-manager
Fund Manager tenure:
18.05.15



Tony Cole
Co-manager
Fund Manager tenure:
18.06.21

Yield Definitions

The distribution yield reflects the amounts that may be expected to be distributed over the next 12 months. The underlying yield reflects the annualised income net of expenses of the Fund as a percentage (calculated in accordance with the relevant accounting standards). Both these yields are calculated as a percentage of the mid-price of the Fund as at the date shown and are month end snap shots of the portfolio on that day and do not include any preliminary charges. Investors may be subject to tax on distributions. Reported yields reflect RLAM's current perception of market conventions around timing of bond cash flows.

Important Information

This is a financial promotion and is not investment advice.

The Fund is a sub-fund 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. 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.

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Please note that the impact of Futures is not considered as part of the overall fund Duration calculation; Fund level Duration is based on long only physical assets (incl cash).

Source: RLAM, FE fundinfo and HSBC as at 29.02.24, unless otherwise stated. Yield definitions are shown above.
Our ref: FS RLAM PD 0121
Breakdowns exclude cash and futures.

Fund 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%.
Fund activity over the month was modest. Aside from overnight deposits, we continued to look at tactical opportunities in five-year gilts to take advantage of market volatility, adding to our exposure early in the month and taking profits later in the period.

This is not a recommendation or solicitation to buy or sell any particular security.
The views and opinions expressed herein are those of the manager at the time and are subject to change without notice.

Unit Charges

	Initial Charge	Minimum Investment
Share Class Y (Income)	0.00%	£1,000,000
Share Class Y (Accumulation)	0.00%	£1,000,000

Credit Breakdown

	Fund	Index
AAA	24.6%	-
AA	18.6%	-
A	42.7%	-
BBB	14.2%	-

Sector Breakdown

	Fund
Corporate Bonds	37.2%
Covered Bonds	22.9%
Mortgage backed Securities	6.6%
Supranationals & Agencies	1.2%
Money Market Instruments	32.0%

Maturity Profile

	Fund	Index
0 - 5 years	98.3%	100.0%
5 - 10 years	1.7%	0.0%
10 - 15 years	0.0%	0.0%
15+ years	0.0%	0.0%

Maturity classifications reflect issue maturity date, not market interpretation of redemptions.
Totals may not equal 100% as they do not include the impact of cash and foreign exchange.

Top 10 Holdings as at 29.02.24

	Fund
TORONTO-DOMINION BANK/THE 5.38% 22/05/2024	4.2%
LLOYDS BANK CORPORATE MARKETS PLC 5.1882% 14/08/2024	4.2%
COMMONWEALTH BANK OF AUSTRALIA 5.189% 16/01/2025	2.9%
ROYAL BANK OF CANADA 1% 09/09/2026	2.9%
UK CONV GILT 0.5 1/31/29 0.5000000000 31 Jan 2029	2.7%
SKANDINAVISKA ENSKILDA BANKEN AB 6.28% 02/08/2024	2.5%
NATIONAL AUSTRALIA BANK LTD 5.189% 04/02/2025	2.1%
COMMONWEALTH BANK OF AUSTRALIA 5.7% 30/04/2024	2.1%
DNB BANK ASA 6.16% 08/08/2024	2.1%
SKIPTON BUILDING SOCIETY 2% 02/10/2026	2.1%
Total	**27.8%**
No of Holdings	**110**

Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell shares.

CONTACT DETAILS

Private Investors

For enquiries and dealing: Tel: 03456 04 04 04*

Intermediaries

For enquiries: Tel: 0203 272 5950*
Email: BDSupport@rlam.co.uk

Institutional Investors

For enquiries: Tel: 020 7506 6500*
Email: Institutional@rlam.co.uk

Head Office

Royal London Asset Management Limited
80 Fenchurch Street
London, EC3M 4BY
Tel: 020 7506 6500*
Telephone calls may be recorded. For further information please see the privacy policy at http://www.rlam.com.

Key Concepts to Understand

Bonds Securities that represent an obligation to repay a debt, with interest. Investment grade bonds are high quality bonds that are viewed as being highly likely to make all scheduled payments of interest and principal. Low quality bonds carry higher risk but also typically pay higher rates of interest.
Derivative A financial instrument whose price is dependent upon or derived from one or more underlying asset.
Efficient Portfolio Management An investment technique that allows the use of derivatives for at least one of the following purposes: to increase the value of the Fund; to protect the value of the Fund or to reduce the risks of certain investments.
Money market instruments Investments that pay interest, have a short duration and are designed to maintain a stable value.
Floating rate notes Bonds that pay a variable rate of interest. The interest rate is tied to a benchmark and adjusted periodically.
Covered bonds Bonds or notes that are backed by cash flows from mortgages or other debt.

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.
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.
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.
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.
Inflation risk: Where the income yield is lower than the rate of inflation, the real value of your investment will reduce over time.