

## FUND OVERVIEW

Fund Manager(s)	Tony Cole, Craig Inches
Fund Size	£5,809.56m
Fund Type	OEIC
Domicile	United Kingdom
ISA	Available and Eligible
Duration	0.3 years
Benchmark Index	Bank Of England Sterling Overnight Index Average
Investment Association Sector	IA Unclassified
Currency	GBP
Fund Management Fee (FMF)*:	M Inc: 0.25% X Inc: 0.11% Y Acc: 0.15% Y Inc: 0.15% Z Acc: 0.03% Z Inc: 0.03%

### Share Class M (Income)

Unit Launch Date	13.12.12
SEDOL	B545JR5
Mid Price	102.27p
Distribution Yield	0.08%
Underlying Yield	0.08%

### Share Class X (Income)

Unit Launch Date	12.10.16
SEDOL	BYQQoM1
Mid Price	100.48p
Distribution Yield	0.22%
Underlying Yield	0.22%

### Share Class Y (Accumulation)

Unit Launch Date	12.06.14
SEDOL	BMNR1H5
Mid Price	104.60p
Distribution Yield	0.18%
Underlying Yield	0.18%

### Share Class Y (Income)

Unit Launch Date	12.06.14
SEDOL	BMNR1F3
Mid Price	100.57p
Distribution Yield	0.18%
Underlying Yield	0.18%

### Share Class Z (Accumulation)

Unit Launch Date	20.06.11
SEDOL	B4VPT26
Mid Price	108.32p
Distribution Yield	0.30%
Underlying Yield	0.30%

### Share Class Z (Income)

Unit Launch Date	21.05.12
SEDOL	B4X2895
Mid Price	101.24p
Distribution Yield	0.30%
Underlying Yield	0.30%

## Overview

The Fund's investment objective is to achieve a total return over rolling 12-month periods by mainly investing in cash and cash equivalents and government securities. The Fund's performance target is to outperform, before the deduction of charges, the Bank of England Sterling Overnight Interbank Average (SONIA) by 0.50% per annum over rolling 12-month periods. For further information please refer to the Prospectus.

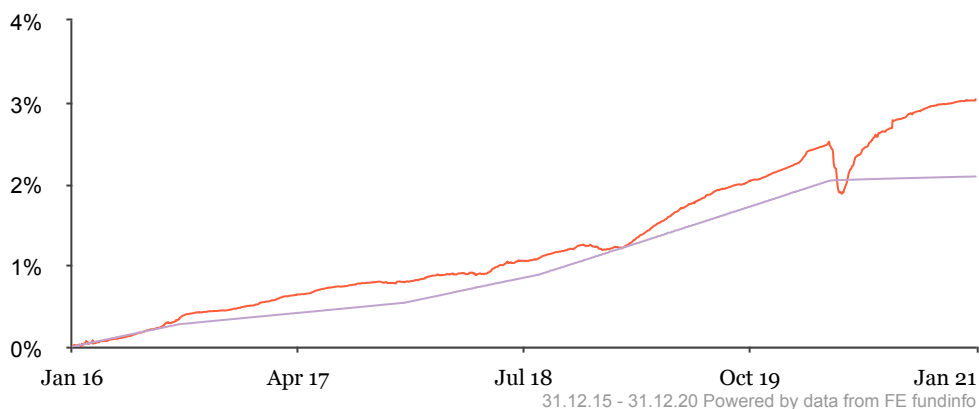
## Year-on-year performance

	31.12.19 to 31.12.20	31.12.18 to 31.12.19	31.12.17 to 31.12.18	31.12.16 to 31.12.17	31.12.15 to 31.12.16
Share Class M (Income)	0.8%	1.0%	0.3%	0.4%	0.5%
Share Class X (Income)	0.9%	1.2%	0.5%	0.5%	-
Share Class Y (Accumulation)	0.9%	1.1%	0.5%	0.5%	0.6%
Share Class Y (Income)	0.9%	1.1%	0.5%	0.5%	0.6%
Share Class Z (Accumulation)	1.0%	1.2%	0.6%	0.6%	0.7%
Share Class Z (Income)	1.0%	1.2%	0.6%	0.6%	0.7%
Bank Of England Sterling Overnight Index Average	0.2%	0.7%	0.6%	0.2%	0.4%

## Cumulative Performance (as at 31.12.20)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Income)	0.1%	0.4%	0.8%	2.1%	3.0%
Share Class X (Income)	0.1%	0.5%	0.9%	2.6%	-
Share Class Y (Accumulation)	0.1%	0.4%	0.9%	2.5%	3.6%
Share Class Y (Income)	0.1%	0.4%	0.9%	2.5%	3.6%
Share Class Z (Accumulation)	0.1%	0.5%	1.0%	2.9%	4.2%
Share Class Z (Income)	0.1%	0.5%	1.0%	2.9%	4.2%
Bank Of England Sterling Overnight Index Average	0.0%	0.0%	0.2%	1.5%	2.1%

## Performance Chart



Source: RLAM and FE fundinfo as at 31.12.20. 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. 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.

## Distribution History (Net)

	Dec 20	Sep 20	Jun 20	Mar 20
Share Class M (Income)	0.07p	0.11p	0.16p	0.22p
Share Class X (Income)	0.10p	0.14p	0.20p	0.25p
Share Class Y (Income)	0.09p	0.13p	0.19p	0.24p
Share Class Z (Income)	0.12p	0.16p	0.22p	0.27p

Table above shows figures as at payment date.

## Fund Manager(s)



### Craig Inches

Co-manager  
Fund Manager tenure:  
22.06.11



### Tony Cole

Co-manager  
Fund Manager tenure:  
18.05.15

## 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 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 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. Heightened uncertainty due to the COVID 19 crisis may impact these timings for bonds with callable feature.

## 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  
55 Gracechurch Street  
London, EC3V 0RL  
Tel: 020 7506 6500\*

\*Telephone calls may be recorded\*

### Risk Warning

This fund can invest more than 35% of its value in government securities.  
Royal London Asset Management Limited, registered in England and Wales number 2244297;  
Royal London Unit Trust Managers Limited, registered in England and Wales number 2372439.  
RLUM Limited, registered in England and Wales number 2369965. All of these companies are authorised and regulated by the Financial Conduct Authority.  
All of these companies are subsidiaries of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 99064.  
Registered Office: 55 Gracechurch Street, London, EC3V 0RL. The marketing brand also includes Royal London Asset Management Bond Funds Plc, an umbrella company with segregated liability between sub-funds, authorised and regulated by the Central Bank of Ireland, registered in Ireland number 364259. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

Source: RLAM, FE fundinfo and HSBC as at 31.12.20, unless otherwise stated. Yield definitions are shown above.

Our ref: FF RLAM PD 0508

For more information concerning the risks of investing, please refer to the Prospectus and Key Investor Information Document (KIID).

Breakdowns exclude cash and futures.

## Fund Commentary

Covid-19 news was more positive with vaccine roll-out commencing in some countries, adding to hopes of a recovery in 2021. The outlook was further improved when the UK and European Union agreed to a new trade deal shortly before the end of the year, avoiding a 'no deal' Brexit. The market impact of this was limited, however, since it had been widely expected by investors. SONIA remained at 0.05%, with ICE three-month and one-year LIBOR rates slightly lower at 0.03% and 0.08%, while two-year gilt yields also lower at -0.15%.

Within the portfolio, activity was very low over the month, although we were able to add one-year highly rated covered bonds from Swedish state-owned bank SBAB and senior short-dated floating rate notes from Macquarie and Banque Federative Du Credit Mutuel at attractive spreads.

The fund returned 1.02% in 2020\* compared to 0.19% for SONIA, with respective yields of 0.17% p.a. and 0.05% p.a.

\*Based on Z Acc share class, gross of fees and tax

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 M (Income)	0.00%	£100,000
Share Class X (Income)	0.00%	£200,000,000
Share Class Y (Accumulation)	0.00%	£1,000,000
Share Class Y (Income)	0.00%	£1,000,000
Share Class Z (Accumulation)	0.00%	£1,000,000
Share Class Z (Income)	0.00%	£1,000,000

## Credit Breakdown

	Fund	Index
AAA	45.5%	-
AA	24.1%	-
A	30.4%	-

## Sector Breakdown

	Fund	Fund	Index
Corporate Bonds	0.8%	0 - 5 years	100.0%
Covered Bonds	46.5%		
Gilts	3.2%		
Supranationals & Agencies	0.3%		
Money Market Instruments	49.1%		

## Maturity Profile

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 31.12.20

	Fund
CANADIAN IMPERIAL BANK OF COMMERCE FR COV BDS 10/01/22	2.1%
GBP100000 CBL15	
SPAREBANK COVERED FRN	1.9%
TORONTO DOMINION BANK FRN 24/06/2022	1.8%
STADSHYPOTHEK AB 0% 01/11/2023	1.8%
ING BANK NV 0.98% CT OF DEP 06/01/21 GBP1	1.7%
BNP PARIBAS SA 0.57% CT OF DEP 12/03/21 GBP1	1.7%
GOLDMAN SACHS IB 0.15% CD 02/10/20 - 01/10/21	1.7%
CIC 0.00% CD 01/10/20 - 01/10/21	1.7%
BARCLAYS BANK UK PLC FR CVD BDS 09/01/23 GBP100000 REG 18-1	1.7%
QNB 0.00% CD 16/10/2020 - 01/03/2021	1.6%
<b>Total</b>	<b>17.7%</b>
<b>No of Holdings</b>	<b>122</b>

\*As at 3 June 2019, RLAM moved to a single, fixed fund management fee (FMF). This change currently applies to Royal London Unit Trust Managers (RLUTM) multi-asset, equity and bond funds.

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.