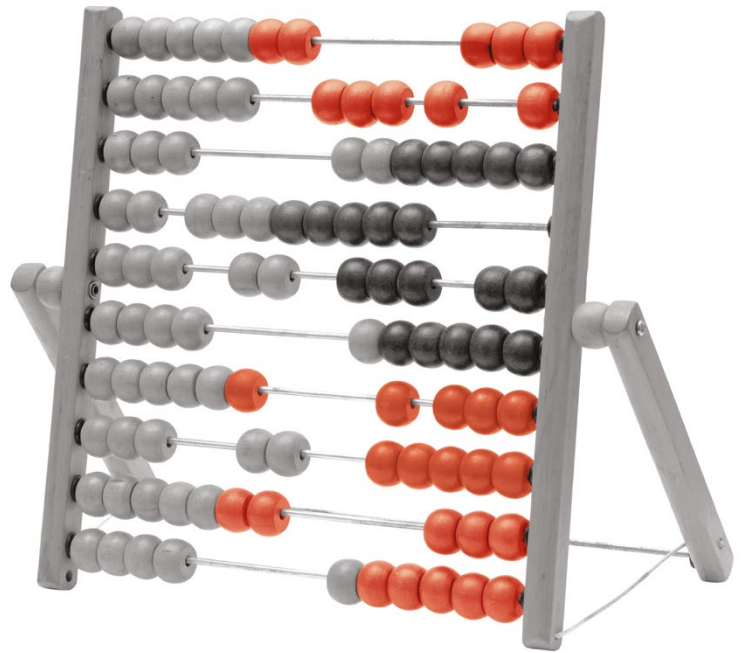




ASSET MANAGEMENT

CASH INVESTING



**FOR PROFESSIONAL
CLIENTS ONLY,
NOT SUITABLE
FOR RETAIL INVESTORS.**

CASH INVESTING

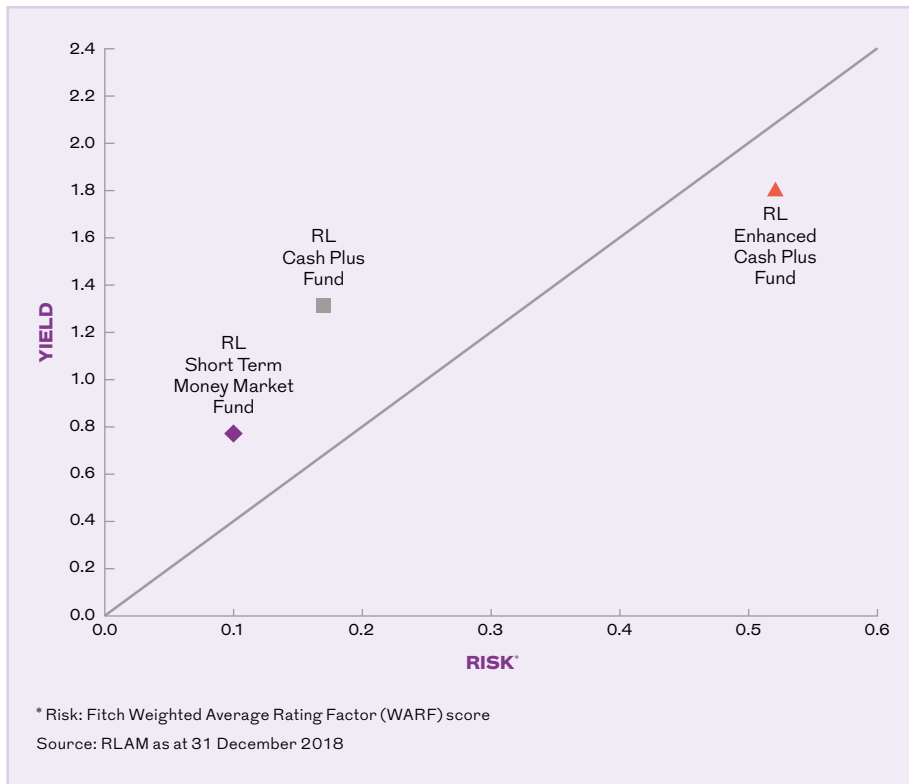
Cash investors continue to face a very challenging environment: renewed economic uncertainty and ongoing speculation about interest rates, combined with a restricted pool of available counterparties and poor market liquidity. At the same time, treasurers are under considerable pressure to meet income and return objectives, diversify their investments and maintain high levels of security and liquidity.

Royal London Asset Management (RLAM) has developed a comprehensive suite of fund solutions for treasury investors to help solve these problems.

We have been providing specialist cash management services since 1987 and manage £11.7 billion in cash assets for clients including corporations, universities, insurance companies, local authorities and charities. We regard cash as a distinct asset class and our extensive experience has helped us to deliver a range of solutions that truly meet our clients' needs.

Source: RLAM as at 31 December 2018.

Risk profile



Past performance is not a reliable indicator of future results. 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.

This is for information purposes only. It does not provide, and should not be relied upon for investment recommendations.

Our approach

Our funds have been created with the aim of delivering a combination of security and liquidity that our clients need through a well-diversified cash portfolio consisting of high quality, diversified financial and non-financial names.

We believe that the key to achieving consistent long-term performance is through controlled portfolio construction. The funds supplement investment in cash, deposits and money market instruments with allocations to short dated covered bonds, gilts, supranational bonds, corporate, asset backed and mortgage backed securities (ABS and MBS) and tactical positions in medium-term gilts depending on the fund's remit and objective. Their aim is to deliver a positive return in a range of market conditions.

With flexibility to manage interest rate and credit risk, the managers may take advantage of opportunities to capture short-term movements in the government bond and credit spreads.

Key features

- **Focus on high quality** – Across each of the three funds, the majority of the portfolio is made up of AAA/AA/A+ rated assets with varying exposure within each fund. For their money market exposures, we focus on banks with the highest short-term rating from the major rating agencies. We also focus on identifying bonds which provide additional security by way of a claim on the issuer's assets (such as covered bonds)
- **Broad diversification** – The funds each invest across a broad range of asset types. We seek to diversify the funds in order to mitigate counterparty and credit risk
- **Low interest rate sensitivity** – We actively manage the interest rate sensitivity of the funds in line with our views on markets. The funds generally all maintain a duration of less than one year
- **Income provision** – Each of the funds seeks to provide an income at least in line with money market rates, with this income target increasing with the risk levels inherent in each
- **Liquidity** – The funds remain highly liquid, giving investors swift access to cash when needed
- **Protection from bail-in provisions** – In 2015 the EU Bank Recovery and Resolution Directive (BRRD), authorised the 'bail in' of struggling banks. This is something treasurers must now factor into their lending criteria. The RL Enhanced Cash Plus Fund seeks to maintain large holdings in investments which fall outside the bail-in provision, such as covered bonds and mortgage backed bonds

RL Short-Term Money Market Fund – A short-term variable net asset value money market fund

Investment profile: The fund seeks to offer stability of capital and an income in line with money market rates by investing in high quality short dated cash instruments. The fund also has a focus on sterling denominated money market instruments.

Designed for: Investors with a short time horizon and a low risk profile who are looking to maintain the stability of their investments.

Inception date: 22.07.1999[†]

Fund Managers: Craig Inches and Tony Cole

[†] The fund was initially launched as a unit trust but was converted to an open-ended investment company (OEIC) with effect on 30 April 2010

Asset Allocation	Min	Max	Notes
Money Market Instruments	25%	100%	Includes certificates of deposit, time deposits and treasury bills (<397 days)
Covered Bonds <i>Floating and fixed</i>	0%	30%	Covered bonds issued by banks and building societies (<397 days)
Corporate Bonds <i>Floating and fixed</i>	0%	20%	Bonds issued by financial and non-financial corporates with a minimum credit rating of AA- (<397 days)
Gilts/Supranational	0%	75%	UK government and supranational issuers with a minimum credit rating of AA (<397 days)

RL Cash Plus Fund – The Fund is not a Regulated Money Market Fund under the Money Market Funds Regulations

Investment profile: The fund aims to produce an attractive level of capital growth and income. It seeks to enhance investors' returns without materially increasing their risk profile. The fund invests in cash, deposits, money market instruments and highly rated bonds with shorter maturities.

Designed for: Investors with medium-term cash needs, who want to enhance their return on investment, without the need for a significant rise in their risk profile.

Inception date: 22.06.2011

Fund Managers: Craig Inches and Tony Cole

Asset Allocation	Min	Max	Notes
Money market Instruments	50%	100%	Includes certificates of deposit, time deposits, corporates and treasury bills
Covered bonds & corporate bonds <i>Floating and fixed</i>	0%	50% (Corps max 20%)	Covered bonds issued by banks and building societies Bonds issued by financial and non-financial corporates with a minimum credit rating of AA-
Gilts/Supranational	0%	25%	UK government and supranational issuers with a minimum credit rating of AA

RL Enhanced Cash Plus Fund – The Fund is not a Regulated Money Market Fund under the Money Market Funds Regulations

Investment profile: The aim of the fund is capital preservation combined with the production of income. It seeks to outperform 7 day LIBID over rolling 12 month periods[‡]. The fund invests in money market instruments, certificates of deposit, treasury bills, floating rate notes, covered bonds, secured bonds, short dated debt securities and other debt securities issued by governments, government agencies and supra-nationals.

Designed for: Investors who have a longer time horizon of typically longer than one year, and are willing to take on a little more risk, with the potential to achieve higher yields.

Inception date: 18.05.2015

Fund Managers: Craig Inches and Richard Nelson

Asset Allocation	Min	Max	Notes
Money market Instruments	25%	100%	Includes certificates of deposit, time deposits, corporates and treasury bills
Covered bonds <i>Floating and fixed</i>	0%	50%	Covered bonds issued by banks and building societies
Corporate bonds <i>Floating and fixed</i>	0%	50%	Bonds issued by financial and non-financial corporates (investment grade only)
Asset backed securities (ABS) & Mortgage backed securities (MBS)	0%	20%	Asset backed bonds issued by financial and non-financial corporates with a minimum rating of AA-
Gilts/Supranational	0%	25%	UK government and supranational issuers

[‡] Capital invested in the fund is at risk and there is no guarantee that this target will be achieved.

Funds at a glance

	RL Short-Term Money Market Fund	RL Cash Plus Fund	RL Enhanced Cash Plus Fund
SRRI score [§]	1	1	2
Investment horizon	Short term	Medium term	Longer term
Benchmark	SONIA	7 Day LIBID	7 Day LIBID
Fund structure	UCITS IV OEIC Short-term V NAV	UCITS IV OEIC	UCITS IV OEIC
Settlement	Trade date +2	Trade date +2	Trade date +2
Minimum lump sum investment	£1 million (initial)	£1 million (initial)	£1 million (initial)
Ongoing Charges Figure [#]	0.09%	0.15%	0.17%

[§] 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. Please refer to the KIID for the most up to date SRRI score.

[#] Source: RLAM as at 31 January 2019. Based on Y Inc Share Classes.

Ethical screening

All three funds apply ethical screening criteria, in line with our clients' demands. The fund range excludes companies that generate over 10% of their turnover from either one or a combination of the following categories:

- **Armaments** – manufacturing armaments or nuclear weapons, or associated strategic products
- **Tobacco** – growing, processing or selling tobacco products

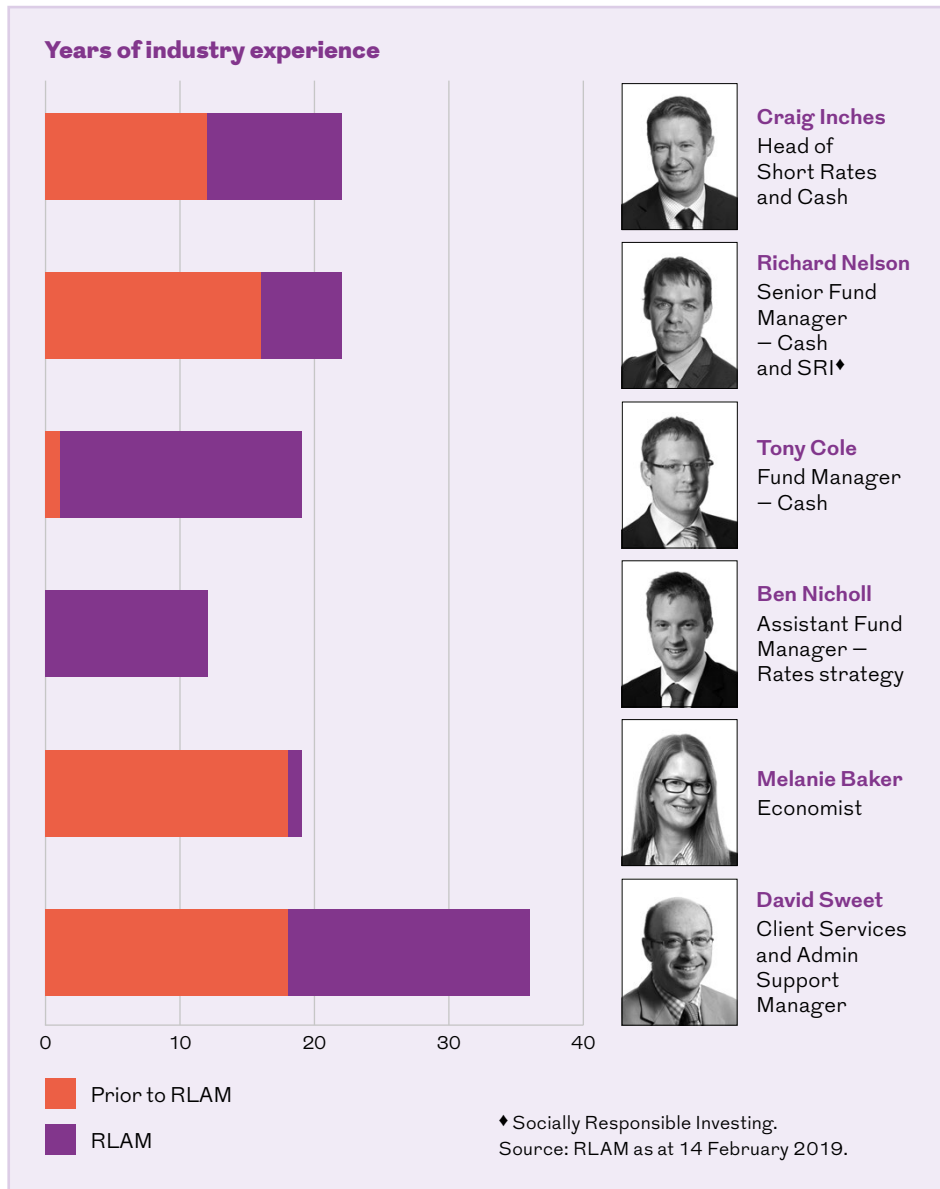
Risk management

We have a robust risk controls process across the cash range. Oversight of day-to-day risk matters rests with the Head of Fixed Income and the RLAM Chief Investment Officer. The lead fund manager for the portfolio has responsibility for monitoring investment risk positions using RLAM's own comprehensive risk controls.

The risk framework applied across the funds relies on diversification and investing in high quality names, allowing our investment team to build portfolios which are in line with expected risk and return levels. The security of our clients' assets is paramount.

Investment team

The success of RLAM’s cash solutions is built on the experience and expertise of our team. They also benefit from working closely with RLAM’s award-winning Fixed Income Team. They draw on the expertise of our government bond team in particular, while regular input from RLAM’s Economist assists with views on duration within the funds. The collegiate nature of the team enables new ideas and opportunities to be discussed freely.



Segregated cash

For those investors with their own custodian and settlement account, we are able to offer segregated cash solutions. Our segregated accounts are designed to give investors the upmost flexibility in tailoring a solution to meet their investment needs. A minimum investment of £100 million is required.

Contact us

For more information about our range of products and services, please contact us.

Royal London Asset Management

55 Gracechurch Street, London EC3V 0RL

020 327 25950

institutional@rlam.co.uk

bdsupport@rlam.co.uk

www.rlam.co.uk

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.

For more information on the fund or the risks of investing, please refer to the fund factsheet, Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Price page on www.rlam.co.uk

With regards to the RL Short-Term Money Market Fund, following the implementation of the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds (“MMFs”), the fund is subject to the following risks:

No Guarantee The fund is not a guaranteed investment.

Principal Fluctuation An investment in the fund is different from an investment in deposits. The principal invested in the fund is capable of fluctuation in value.

No External Support The fund does not rely on external support for guaranteeing the liquidity of the fund or stabilising the NAV per unit or share.

Risk of Loss Any risk of loss of the principal is to be borne by the investor.

Issued March 2019 by Royal London Asset Management Limited, registered in England and Wales number 2244297. Authorised and regulated by the Financial Conduct Authority. Registered Office: 55 Gracechurch Street, London, EC3V 0RL. Ref: BR RLAM PD 0022

