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# Guide to fixed income investing





# The role of bonds

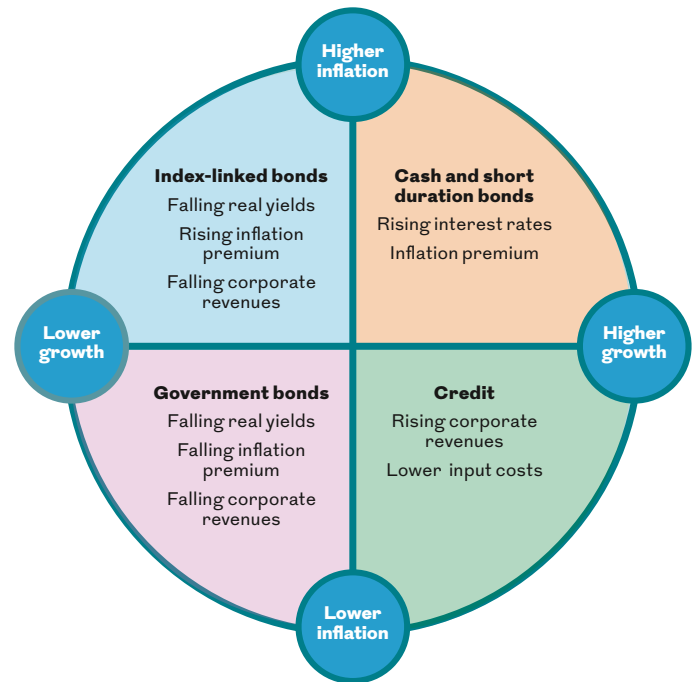
The bond market provides governments and enterprises with a means of raising capital for projects and managing their cashflows. As the largest securities market in the world, the bond market also offers investors enormous scope to introduce potential benefits to portfolios.

Simplistically, government bonds typically offer a greater degree of certainty around cashflows and capital, albeit with a lower yield, while corporate bonds offer a higher yield with more risk and less certainty.

Beyond this, bonds can play a number of different roles for investors, including income, diversification and as a means of protecting portfolios from rising inflation or an economic slowdown. This gives investors a choice of bond investments to use to position portfolios for different environments.

The question as to which types of bonds are most suited to different market conditions is therefore a complex one. Various parts of the fixed income market can react differently to economic movements, meaning there is no single answer.

The diagram illustrates broadly which different fixed income asset types tend to perform well under different conditions. This document examines how different strategies can be used by investors at various stages of the economic cycle, as growth and inflation rise and fall, highlighting where Royal London Asset Management's funds fit within this.



# Royal London Asset Management's fixed income philosophy

Our fixed income process has been developed with a view to navigating a wide range of different economic scenarios. We believe that government bond markets are relatively efficient, while corporate bond markets are, in comparison, much less so.

As such, our approach to managing government bond funds is based on risk control. Our managers in this space are focused on identifying a range of different investment strategies rather than relying on one significant position. In order to do this, our process relies on a combination of top-down macroeconomic research and bottom-up stock selection. Positions are then classified as strategic or tactical and monitored accordingly.

Our credit investment philosophy, on the other hand, aims to take advantage of inefficiencies within credit markets. We believe these inefficiencies arise as a result of the market being constrained by the benchmark orientation of many investors, their over-reliance on credit ratings and focus on the most liquid issues. In addition, we believe that secured bonds are generally undervalued and that our focus on security, for instance those bonds with a claim on specific assets, has underpinned the consistent strong performance of our approach.

Identifying pockets where these inefficiencies exist and using in-depth credit and liquidity analysis, we believe, provides the greatest opportunities for outperformance. We seek to build benchmark aware and not benchmark driven portfolios with multiple potential sources of alpha.



# Our fixed income range

Our wide variety of strategies includes offerings across a spectrum covering cash, government bonds, investment grade corporate bonds and high yield (sub-investment grade) bonds. The table below provides an overview of our range of funds.

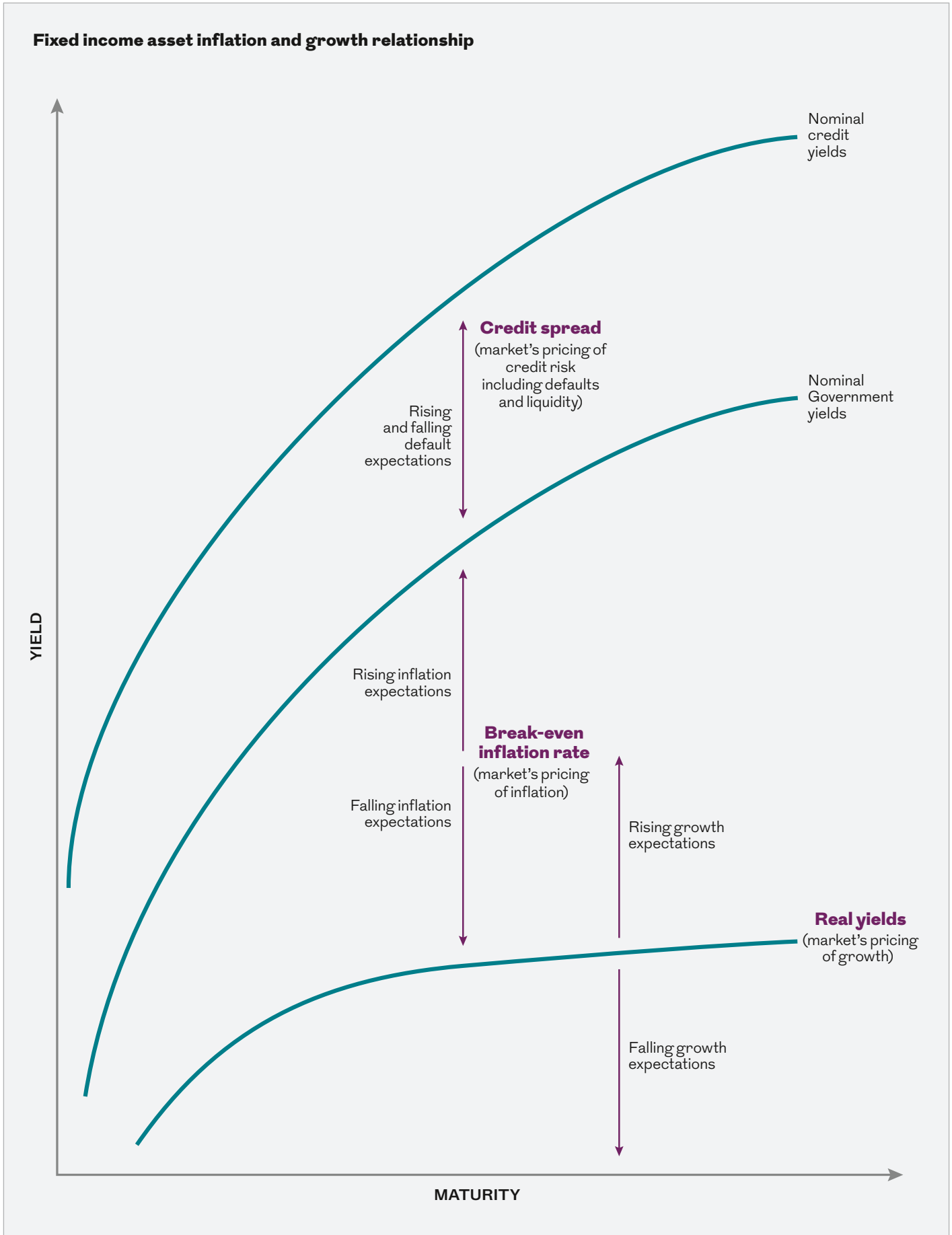
Fund	Primary asset class focus	Typically performs best during	
RL Short Term Money Market Fund* RL Short Term Fixed Income Fund RL Short Term Fixed Income Enhanced Fund RL Sterling Liquidity Money Market Fund	Cash and floating rate notes	Rising rates environment	
RL Short Duration Gilt RL Short Duration Global Index Linked Fund RL Short Duration Credit Fund RL Investment Grade Short Dated Credit Fund RL Sustainable Short Duration Corporate Bond Fund**	Short dated bonds	Rising inflation, rising growth	
RL Corporate Bond Fund RL Sterling Credit Fund RL Ethical Bond Fund RL Global High Yield Bond Fund RL Global Sustainable Credit Fund RL Emerging Markets Corporate Bond Fund RL Global Sustainable Credit Fund** RL Sustainable Corporate Bond Trust***	Corporate bonds	Economic acceleration – falling inflation and rising growth	
RL International Government Bond Fund RL UK Government Bond Fund	Government bonds	Economic slowdown – falling inflation and falling growth	
RL Index Linked Fund RL Global Index Linked Fund	Index linked bonds	Rising inflation, falling growth	
RL Sterling Extra Yield Bond Fund RL Global Bond Opportunities Fund RL Multi Asset Credit Fund RL Short Duration Global High Yield Bond Fund RL Short Duration Emerging Markets Corporate Bond Fund	Flexible allocation across fixed income asset types	Environment agnostic	
RL Absolute Return Government Bond Fund RL Diversified Asset-Backed Securities Fund	Discrete asset class exposures	Environment agnostic	

Source: Royal London Asset Management. For illustrative purposes only.

\* A short-term variable net asset value money market fund

\*\* These funds sit in our sustainable fund range.

\*\*\* Fund name changed from Royal London Sustainable Managed Income Trust on 27 March 2024. This fund sits in our sustainable fund range.



Source: Royal London Asset Management. For illustrative purposes only.



## Rising rates environment

Rising rates tend to be negative for fixed income assets. This risk – known as duration – is larger in longer dated bonds. Assets with either short or no duration tend to perform better.

Investors with a very low risk appetite and who are seeking to preserve their capital are doubtless best served by cash investments. By their short-term nature, cash portfolios are constructed with a shorter duration than other fixed income funds, meaning cash investments are favourable for a rising rates environment.

Rising yields on cash and short-term debt securities tend to benefit the performance of money market funds as much of their return comes from the income generated. Prolonged low interest rates have stunted returns from cash in recent years, but this may change if global interest rates start to rise.

### RL Short-Term Money Market Fund

- A short-term variable net asset value money market fund
- Invests predominantly in sterling denominated money market instruments.
- A diversified high quality cash portfolio seeking to meet investors' short-term cash needs.
- Aims to outperform SONIA over rolling 12-month periods.

**Launch date**  
22.07.1999 (Y Inc)

**Fund managers**  
Craig Inches and Tony Cole

**Sector**  
IA Short Term Money Market

### RL Short Term Fixed Income Fund

- Invests in cash, deposits, money market instruments and government bonds with shorter maturities.
- A diversified fund with at least 70% invested in money market instruments to cater to medium-term cash needs.
- Aims to outperform SONIA over rolling 12-months by 0.50%.
- Invests in line with ethical criteria, excluding companies generating more than 10% of their revenue from armaments, tobacco and fossil fuels.

**Launch date**  
21.05.2012 (Z Inc)

**Fund managers**  
Craig Inches and Tony Cole

**Sector**  
IA Unclassified

### RL Short Term Fixed Income Enhanced Fund

- At least 60% of the fund will be invested in money market instruments including cash, time deposits, certificates of deposit, commercial paper and floating rate notes.
- The fund can also invest in corporate and government bonds, supranational and agency bonds, asset backed securities and/or transferable securities and reverse repo agreements.
- Aims to outperform SONIA over rolling 12-months by 1%.
- Invests in line with ethical criteria, excluding companies generating more than 10% of their revenue from armaments, tobacco and fossil fuels.

**Launch date**  
18.05.2015

**Fund managers**  
Craig Inches and Tony Cole

**Sector**  
IA Unclassified

### RL Sterling Liquidity Money Market Fund

- Aims to provide a return in line with money market rates or preserve the value of the investment.
- Invests only in high quality securities, money market instruments and deposits with credit institutions.

**Launch date**  
17.04.2018

**Fund managers**  
Craig Inches and Tony Cole

**Sector**  
IA Unclassified

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



## Rising inflation, rising growth

Duration measures the sensitivity of a bond's price to interest rate movements. Interest rates rise because inflation is expected to rise as a result of economic activity and earnings/wage growth. Higher growth expectations usually prompt a rise in bond yields, which pushes prices down. Longer dated bonds have a higher duration than shorter dated bonds, and are therefore more exposed to interest rate effects. In simple terms, short duration bonds are therefore those which are closer to maturity than the average bond in the market.

The closer a bond is to maturity; the quicker the principal can be reinvested at a new interest rate, which can be beneficial when interest rates start to rise, as maturing monies are reinvested at higher yields. Short duration credit funds can offer protection from inflation as well as the potential to generate excess returns above cash and government bonds.

Credit bonds have historically performed well in an environment of rising economic growth when the risk of corporate defaults typically decreases. We believe that the lower spread volatility associated with short duration credit is also well-suited to an inflationary environment.

We offer a number of different solutions in this area, investing across the credit ratings spectrum and with differing approaches to managing duration, yet all investing in line with our government bond or credit philosophies.

### RL Short Duration Gilts Fund

- Invests predominantly in shorter dated bonds issued by the UK government.
- Overall short duration seeks to offer protection from interest rate rises.
- Short duration can offer volatility protection.

**Launch date**  
08.11.2013

**Fund managers**  
Craig Inches and Ben Nicholl

**Sector**  
IA UK Gilts

### RL Short Duration Global Index Linked Fund

- At least 80% of the fund will be invested in index-linked bonds with a duration of up to 10 years.
- Aims to deliver inflation-linked total return over the medium term (3-5 years) by predominantly investing in index-linked bonds.
- A globally diversified fund seeking to generate alpha from multiple sources.

**Launch date**  
23.02.2016

**Fund managers**  
Paul Rayner and Gareth Hill

**Sector**  
IA Global Inflation Linked Bond

### RL Short Duration Credit Fund

- Invests at least 80% in short-dated UK credit bonds, 70% with duration of less than 5 years.
- Seeks to achieve a total return with lower volatility than longer dated credit funds.

**Launch date**  
08.11.2013 (M Inc)

**Fund manager**  
Paola Binns

**Sector**  
IA Sterling Strategic Bond

### RL Investment Grade Short Dated Credit Fund

- Invests predominantly in investment grade, short-dated sterling bonds.
- Seeks to outperform its benchmark by 0.25% over rolling 3-year periods.
- Invests in line with ethical criteria, excluding companies generating more than 10% of their revenue from armaments and tobacco.

**Launch date**  
07.12.2015 (Z Inc)

**Fund manager**  
Paola Binns

**Sector**  
IA Sterling Corporate Bond





## Economic acceleration – falling inflation and rising growth

As referenced in the previous section, credit or corporate bonds can prove attractive during periods of economic growth as they tend to perform well in these types of conditions. The wage growth and increased consumer spending tend to support company performance and corporate default rates are generally lower.

When inflation is steady or falling, yields generally fall, meaning that longer dated or all maturities bond funds can be more attractive. This enables investors to 'lock in' current yields for as long as possible. However, long dated bonds can be volatile and suffer if inflation and yields start to rise. A number of our bonds funds have the ability to actively manage duration, meaning they are equipped to respond if conditions change.

### RL Corporate Bond Fund

- Invests predominantly in sterling denominated corporate bonds.
- Seeks to generate outperformance from multiple sources.
- A higher conviction, alpha seeking portfolio.

**Launch date**  
29.03.1999

**Fund managers**  
Shalin Shah and Matt Franklin

**Sector**  
IA Sterling Corporate Bond

### RL Sterling Credit Fund

- Invests across a broad universe of predominantly corporate bonds which mainly will be high quality sterling denominated.
- Seeks to generate a total return from multiple sources.
- A well-diversified portfolio targeting lower volatility.

**Launch date**  
01.09.2008 (Z Inc)

**Fund manager**  
Paola Binns

**Sector**  
IA Sterling Corporate Bond

### RL Ethical Bond Fund

- Invests mainly in high quality sterling corporate bonds.
- Offers access to a broad universe of sterling fixed income investments.
- Applies exclusions on companies generating revenues from activities associated with armaments, gambling and tobacco.

**Launch date**  
26.11.2012 (M Acc)

**Fund manager**  
Eric Holt and Paola Binns

**Sector**  
IA Sterling Strategic Bond

### RL Global High Yield Bond Fund

- Invests predominantly in sub-investment grade bonds issued by companies domiciled in the UK, Europe, Africa, Asia and the Americas.
- A diversified portfolio with the aim of mitigating stock specific risk.
- A value focused, research based investment approach.
- Seeks to outperform the ICE BoAML BB-B Global Non- Financial High Yield Constrained Hedge GBP Index by 1% per annum over rolling 3-year periods.

**Launch date**  
15.02.2013 (Z Inc)

**Fund managers**  
Azhar Hussain and Stephen Tapley

**Sector**  
IA Sterling High Yield



## Economic slowdown – falling inflation and falling growth

Bonds can help protect investors against an economic slowdown for a number of reasons. Income from bonds is generally made more attractive during periods where both economic growth and inflation are low. Equity returns tend to suffer and assets generating a yield with which investors can have a greater degree of confidence can be a popular choice at this time, particularly as this income maintains attractive purchasing power amid deflationary conditions.

In this environment, bonds issued by governments, particularly those deemed to be most credit worthy, can be attractive as investors seek assets where they feel their capital will be safe and that the income generated from it will be consistently paid.

There are a number of different options available to government bond investors. Gilts can be attractive to domestic investors who are more familiar with the drivers impacting their home economy and they are typically seen as a 'safe haven'. For those wanting to take on a little more risk, there can be relative value opportunities within other government bond markets globally.

### RL International Government Bond Fund

- At least 80% of the Fund will be invested in bonds issued by governments across the developed markets, not including the UK.
- A globally diversified portfolio seeking to add value from multiple sources.

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**Launch date**  
04.11.2011

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**Fund managers**  
Paul Rayner and Gareth Hill

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**Sector**  
IA Global Government Bond

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### RL UK Government Bond Fund

- Invests predominantly in UK government bonds, also known as gilts.
- An actively managed fund seeking returns from multiple sources.

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**Launch date**  
26.11.2012 (M Acc)

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**Fund managers**  
Craig Inches and Ben Nicholl

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**Sector**  
IA UK Gilts

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## Rising inflation, falling growth

Index linked bonds are widely used as a means of securing a real rate of return for investors who need their cashflow to be adjusted in line with inflation. They are also attractive to investors with a lower risk appetite, as they tend to be less volatile than other fixed income securities. However, this is not always the case and recent years have proved to be the exception to this rule, with rapid and significant fluctuations within the government bond market.

Index linked government bonds are better suited than other bonds to an inflationary environment as their yields are closely correlated with inflation, based on the retail price index (RPI). Investors seeking protection from inflation could be better served for the medium term by short duration index linked bonds, which are much less sensitive to any move in real yields.

### RL Index Linked Fund

- Invests predominantly in index-linked bonds issued by the UK government, known as gilts.
- The Fund's performance target is to outperform, after the deduction of charges, the FTSE Actuaries UK Index Linked Gilts (All Stocks) Total Return GBP Index (the "Index") over a rolling 5-year period.

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**Launch date**

26.11.2012 (M Acc)

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**Fund managers**

Paul Rayner and Ben Nicholl

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**Sector**

IA UK Index Linked Gilts

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### RL Global Index Linked Fund

- Invests over the medium term (3-5 years), by investing predominantly in index-linked bonds issued by governments globally.
- A globally diversified fund for investors seeking an alternative real yield.
- Seeks to exploit macroeconomic drivers of global government bond markets.

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**Launch date**

27.01.2010 (Z Inc)

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**Fund managers**

Paul Rayner and Gareth Hill

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**Sector**

IA Global Inflation Linked Bond

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## Environment agnostic

### Flexible allocation across fixed income assets types

Funds with a flexible approach can provide a solution for investors seeking a core fixed income fund that is resilient to a wide range of different conditions. In such funds, the manager is able to adjust asset allocation in line with their views on markets with the aim of generating returns and mitigating losses across the cycle. The 'go anywhere' bond fund has proved popular, particularly amid a backdrop of market and economic uncertainty. The effectiveness of this approach however is dependent upon the skill of the fund manager in navigating markets.

The managers of our flexible bond funds have considerable experience investing across all phases of the fixed income cycle.

### RL Sterling Extra Yield Bond Fund

- Invests across a broad range of fixed income securities including investment grade, sub-investment grade and unrated bonds, predominantly within the UK.
- Invests at least 75% of its assets in sterling denominated fixed income assets.
- Targets bonds which offer an attractive yield with the aim of maximising income.
- A very diversified fund seeking multiple sources of return and spreading credit risk.

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#### Launch date

11.04.2003 (A Inc)

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#### Fund managers

Eric Holt and Rachid Semaoune

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### RL Global Bond Opportunities Fund

- Invests across a broad range of fixed income securities including investment grade, sub-investment grade and unrated bonds on a global basis.
- Invests at least 50% of its assets in non-sterling fixed income assets.
- Targets bonds which offer an attractive yield with the aim of maximising income.
- A globally diversified fund seeking multiple sources of return.

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#### Launch date

08.12.2015 (Z Inc)

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#### Fund managers

Eric Holt and Rachid Semaoune

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#### Sector

Global Mixed Bond

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### RL Multi Asset Credit

- Invests in a broad range of traditional, alternative and illiquid asset classes
- Invests across Loans, Global High Yield and Asset Backed Securities
- Seeks to outperform its benchmark, SONIA, by 4-6% per annum over rolling three year periods (gross of fees).

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#### Launch date

03.07.2017 (Z Acc)

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#### Fund manager

Azhar Hussain and Khuram Sharih

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### RL Short Duration Global High Yield Bond Fund

- Invests primarily in short dated high yield bonds on a global basis.
- A defensive, liquidity focused high yield bond fund.
- Has a typical duration of two years.

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#### Launch date

15.02.2013 (Z Inc)

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#### Fund managers

Azhar Hussain and Stephen Tapley

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#### Sector

IA Sterling High Yield

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### RL Short Duration Emerging Markets Corporate Bond Fund

- Primarily invests in emerging market corporate bonds.
- A compelling opportunity to diversify in credit.

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#### Launch date

18.04.2023

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#### Fund managers

Dilawer Farazi and Azhar Hussain

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#### Sector

Global Emerging Markets Bond - Hard Currency

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### Discrete asset class exposures

In addition to those funds with a flexible remit, funds that seek to deliver positive performance irrespective of market conditions can also be well-suited to a range of different environments. Royal London Absolute Return Government Bond Fund has an investment objective to target absolute positive capital growth while the RL Short Duration Global High Yield Fund and RL Short Duration Emerging Market Corporate Bond Fund seek to deliver consistent lower-volatility positive total returns. These strategies seek to generate returns across a range of market conditions by focusing on a single asset class.

### RL Absolute Return Government Bond Fund

- Invests primarily in government bonds and inflation linked bonds issued by G10 member states and financial derivatives.
- Seeks to achieve absolute positive capital growth over a 12-month period, irrespective of market conditions.
- Aims to exploit valuation differences across government bond markets using long and short positions.
- Simultaneously seeks to smooth volatility and minimise downside risks.

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**Launch date**

17.11.2014 (Z Acc)

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**Fund manager**

Paul Rayner

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**Sector**

IA Targeted Absolute Return

### RL Diversified Asset-Backed Securities Fund

- Aims to achieve a positive absolute return, in all market conditions over rolling 3-year periods.
- Invests predominantly in sterling denominated corporate bonds.

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**Launch date**

24.09.2012

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**Fund manager**

Shalin Shah

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**Sector**

IA Targeted Absolute Return

## Fixed income sustainable range

We support the change to a more sustainable society by investing in companies based on what they do and how they do it. This positive contribution can be through the products and services they provide and operationally through ESG leadership i.e. how a company looks after its operational assets, the environment, its stakeholders and the role it plays within its industry.

We use active engagement to encourage good corporate behaviour and continuous improvement, where there are adverse impacts. We aim to drive positive change.

We actively avoid companies that undertake business activities deemed to be detrimental to society and that breach our sustainable principles. These include areas such as tobacco and armament manufacturers, nuclear-power generators, and companies that are unwilling or unable to mitigate the significant negative environmental impacts associated with their business e.g. fossil fuel extraction or mining companies.

We look for well-managed sustainable companies that are leaders in their fields with durable competitive advantages and which we believe can deliver more resilient growth, lower operational volatility, and better bond holder protection as a result of strong management of sustainability risks.

Our three sustainable fixed income funds form part of our sustainable range comprising alongside equity-only and mixed asset strategies. For our full sustainable capabilities access our [website](#).

### RL Sustainable Short Duration Corporate Bond Fund

- High quality portfolio that seeks to deliver a yield premium versus its benchmark.
- Enhanced lending position through secured debt bias.
- Lower interest rate sensitivity than longer duration credit funds, whilst sharing the same philosophy and process of our wider sustainable credit range.
- Access to a diverse set of borrowers with attractive sustainable characteristics across a variety of economic sectors.

**Launch date**  
23.11.2022

**Fund managers**  
Shalin Shah and  
Matthew Franklin

**Sector**  
IA Sterling Corporate Bond

### RL Global Sustainable Credit Fund

- Invests in bonds from companies that are deemed to make a positive contribution to society. Investments will adhere to Royal London Asset Management's sustainable investment policy.
- An investment universe highly diversified by geography, currency, sector and issuer.
- Seeks to outperform the Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD (the 'Benchmark') by 0.75% per annum over rolling three year periods (gross of fees).

**Launch date**  
10.02.2021 (M GBP Hedged)

**Fund manager**  
Rachid Semaoune

**Sector**  
IA Global Corporate Bond

### RL Sustainable Corporate Bond Trust\*

- Aims to achieve a total return over the medium term, which should be considered as a period of 3-5 years, by predominantly investing in sterling-denominated bonds that are deemed to make a positive contribution to society. Investments in the Scheme will adhere to the Manager's ethical and sustainable investment policy. The Fund focuses on the sustainability of the products and services of the companies it invests in, as well as their standards of environmental, social & governance (ESG) management, alongside financial analysis.

**Launch date**  
07.12.2012

**Fund managers**  
Shalin Shah and  
Matthew Franklin

**Sector**  
IA Mixed Investment 0-35%  
Shares

\*Fund name changed from Royal London Sustainable Managed Income Trust on 27 March 2024.

# Our fixed income team

Royal London Asset Management has a highly experienced, award-winning fixed income team that has developed a reputation as one of the UK's leading managers of government and corporate bonds. We have steered our portfolios through changing economic conditions and business cycles. We believe that the most effective way of implementing our

investment philosophy is by experienced managers undertaking the right type of analysis, operating with the right team structure. This means a collegiate team approach rather than a silo and bureaucratic mentality.

The team is supported in their stewardship activities and

environmental, social and governance analysis by our well-resourced Responsible Investment team.

We strongly believe that the team's collective working knowledge of the market is part of our competitive edge and enables the team to cover a large universe of investment opportunities.

**15** Fund managers

**15** Analysts

**16** Responsible investment specialists



**Jonathan Platt**  
Head of Fixed Income



**Craig Inches**  
Head of Rates & Cash



**Paul Rayner**  
Head of Alpha Strategies



**Paola Binns**  
Head of Sterling Credit



**Martin Foden**  
Head of Sterling Credit Research



**Azhar Hussain**  
Head of Global Credit



**Sebastien Poulin**  
Head of Credit Research

## Investment risks

**Past performance risk:** Past performance is not a guide to future performance.

**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.

**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.

**Leverage risk:** The fund employs leverage with the aim of increasing the fund's returns or yield, however it also increases costs and its risk to capital. In adverse market conditions the fund's losses can be magnified significantly.

**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.

**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.

**Emerging markets risk:** Investing in emerging markets may provide the potential for greater rewards but carries greater risk due to the possibility of high volatility, low liquidity, currency fluctuations, the adverse effect of social, political and economic instability, weak supervisory structures and accounting standards.

**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.

**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.

**Exchange rate risk:** Changes in currency exchange rates may affect the value of your investment.

**Efficient Portfolio Management (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.

**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.

**Concentration risk:** The price of funds that invest in a reduced number of holdings, sectors, or geographical areas may be more heavily affected by events that influence the stockmarket and therefore more volatile.

**Derivative risk:** Derivatives are highly sensitive to changes in the value of the underlying asset which can increase both fund losses and gains. The impact to the fund can be greater where they are used in an extensive or complex manner, where the fund could lose significantly more than the amount invested in derivatives.

**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 Style 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.



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The RL Short Term Money Market Fund, the RL Short Term Fixed Income Fund, the RL Short Term Fixed Income Enhanced Fund, the RL Short Duration Gilt Fund, the RL Short Duration Global Index Linked Fund, the RL Diversified Asset-Backed Securities Fund, the RL Investment Grade Short Dated Credit Fund, the RL Corporate Bond Fund, the RL Sterling Credit Fund, the RL International Government Bond Fund, the RL UK Government Bond Fund, the RL Index Linked Fund and the RL Global Index Linked Fund are sub-funds 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 Company is a UCITS umbrella fund. 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.

The RL Ethical Bond Fund, RL Sustainable Short Duration Corporate Bond Fund and the RL Short Duration Credit Fund are sub-funds of Royal London Bond Funds II ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC001128. The Company is a UCITS umbrella fund. 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.

The RL Multi Asset Credit Fund is a sub-fund of Royal London Asset Management Investment Funds ICAV, an Irish collective asset-management vehicle authorised by the Central Bank of Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 and the AIFM Regulations and has been established as an umbrella fund with segregated liability between Funds. It is not a recognised scheme under the Financial Services and Markets Act 2000. The Management Company is FundRock Management Company SA, Registered office: 33 rue de Gasperich, L – 5826 Hesperange, 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 RL Global High Yield Bond Fund, the RL Sterling Extra Yield Bond Fund, the RL Global Bond Opportunities Fund, the RL Absolute Return Government Bond Fund, RL Global Sustainable Credit Fund and the RL Short Duration Global High Yield Bond Fund are sub-funds of Royal London Asset Management Funds plc, an open-ended investment company with variable capital (ICVC), with segregated liability between subfunds. 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: 33 rue de Gasperich, L – 5826 Hesperange, 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 RL Sustainable Corporate Bond Trust is an authorised unit trust scheme. The Manager is RLUM Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144032.

For more information on the trust or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page [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 trade marks of the Bank of England.

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

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