

# Royal London Sterling Credit Fund

M Acc GBP

31 December 2024

## Fund objective

The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3-5 years, by investing predominantly 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. The Index is regarded as a good measure of the performance of investment grade corporate bonds denominated in sterling. The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index. In addition to the benchmark for the Fund's performance as noted above (the "Index"), the IA Sterling Corporate Bond sector is considered an appropriate benchmark for performance comparison.

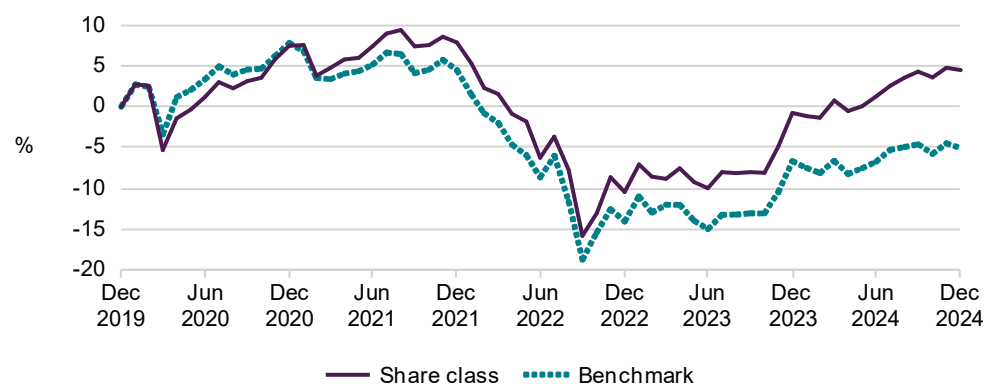
## Cumulative performance %

	Cumulative performance %					Annualised %	
	3M	6M	1Y	3Y	5Y	3Y	5Y
Share class	0.20	3.22	5.27	(3.15)	4.48	(1.06)	0.88
Benchmark	(0.49)	1.78	1.71	(9.12)	(5.06)	(3.13)	(1.03)
IA Sector	(0.41)	2.15	2.60	(6.23)	(0.83)	(2.12)	(0.17)
Quartile Rank	1	1	1	2	2	2	2

## Year on year performance %

	31/12/2023 - 31/12/2024	31/12/2022 - 31/12/2023	31/12/2021 - 31/12/2022	31/12/2020 - 31/12/2021	31/12/2019 - 31/12/2020
Share class	5.27	10.84	(16.99)	0.38	7.47

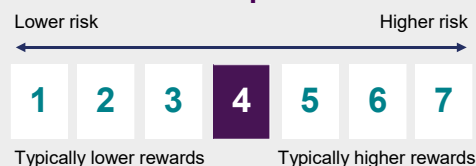
## Rolling performance



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. Share class 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. The impact of commissions, fees and other charges can be material on the performance of your investment. Rolling performance data shown using month end returns.

Fund launch date	1 September 2008
Fund size	£2,378.85m
Fund type	ICVC
Fund domicile	GB
Fund managers	Paola Binns Eric Holt
ISA eligible	Yes
Fund base currency	GBP
Share class currency	GBP
Share class launch date	26 November 2012
Benchmark	Markit iBoxx GBP Non-Gilts All Maturities
SFDR classification	N/A
Settlement days	T+3
IA sector	£ Corporate Bond
Fund duration	6.65 years
Benchmark duration	5.50 years
Gross redemption yield (%)	6.67
Distribution yield (%)	5.69
Fund management fee	0.530%
Minimum investment	£100,000
Mid price	153.90p
ISIN	GB00B8GJ8S05
Sedol	B8GJ8S0

## Risk and reward profile



The SRRI (Synthetic Risk and Reward Indicator) rating is a measure used to indicate the risk and reward profile of a fund. It is calculated using historical data (simulated data for share classes less than a year old) and may not be a reliable indication of the future risk profile of the fund. The SRRI rating shows how sharply the fund's share price has gone up and down historically. The lowest category does not mean 'risk free'.

Analyst Driven % 55. Data coverage % 45



Source: Royal London Asset Management as at 31 December 2024 unless otherwise stated.

Royal London Sterling Credit Fund - M Acc GBP - UK - 31 Dec 2024 - Report ID: 217747

Page 1/4

## Sector breakdown

	Fund %	Benchmark %	
Structured	30.50	7.35	
Insurance	18.45	5.75	
Banks & Financial services	27.74	21.89	
Social housing	6.94	4.92	
Real estate	4.96	3.40	
General industrials	1.87	3.69	
Consumer services	1.82	5.16	
Consumer goods	0.68	6.07	
Utility	5.73	11.35	
Other	1.32	30.41	

## Credit ratings

	Fund %	Benchmark %	
AAA	0.51	19.71	
AA	3.96	12.01	
A	21.38	27.87	
BBB	56.37	40.27	
BB or less	12.59	0.15	
Unrated	5.19	-	

## Maturity profile

	Fund %	Benchmark %	
0 - 5 years	29.31	53.19	
5 - 10 years	27.47	20.82	
10 - 15 years	13.94	10.74	
15 - 20 years	16.68	8.55	
20 - 25 years	2.88	2.06	
25 - 30 years	1.16	2.72	
Over 30 years	8.57	1.91	

## Top holdings

	Weight %
LEGAL & GENERAL GROUP PLC 5.5 27 Jun 2064	1.80
AVIVA PLC 6.875 20 May 2058	1.28
BARCLAYS BANK PLC 6.278 31 Dec 2079	1.15
STANDARD CHARTERED PLC 6.36078 31 Dec	1.09
M&G PLC 6.34 19 Dec 2063	1.05
HSBC BANK FUNDING STERLING LP 5.844 31 Dec	1.00
ASSICURAZIONI GENERALI SPA 6.269 31 Dec	0.99
ELECTRICITE DE FRANCE SA 6 23 Jan 2114	0.97
BARCLAYS BANK PLC 3.596 31 Dec 2079	0.96
ABBAY NATIONAL PLC 10.0625 31 Dec 2079	0.92

### Lead Fund Manager



**Paola Binns**  
Head of Credit

Tenure from: 1 September 2008

CITYWIRE AAA

### Deputy Fund Manager



**Eric Holt**  
Senior Credit Fund Manager

Tenure from: 1 September 2008

CITYWIRE +

## 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. Corporate bonds are those issued by companies to raise finance.

**Distribution yield:** The distribution yield reflects the amounts that may be expected to be distributed over the next 12 months. It is calculated net of standard management charges. It reflects RLAM's current perception of market conventions around timing of bond cash flows.

**Gross redemption yield:** Gross redemption yield is the rate of discount at which a bond's future obligations of interest and capital payments equates to its current price. The gross redemption yield shown for the fund is the average for its individual holdings, weighted by their current value, net of relevant fund management costs and gross of tax.

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

**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.

## Fund risks

**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.

**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.

**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 risk:** 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. Unlike the income from a single fixed interest security, the level of income (yield) from a fund is not fixed and may go up and down. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background.

**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.

**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.

## Share class fees and charges

Share class	ISIN	Fee	Minimum investment
M Acc GBP	GB00B8GJ8S05	0.530%	£100,000
M Inc GBP	GB00B6X6GB98	0.530%	£100,000
Z Acc GBP	GB00BKLJX955	0.350%	£3,000,000
Z Inc GBP	GB00B4W1ZT22	0.350%	£3,000,000

## Further information



Further information on this fund, including commentaries and reports, can be found in the Funds section of [www.rlam.com](http://www.rlam.com) as appropriate to your investor type and location.

## Contact details

### Private Investors

For enquiries and dealing: Telephone +44 34 5604 0404

### Intermediaries

For enquiries: Telephone +44 20 3272 5950

Email: [BDsupport@rlam.co.uk](mailto:BDsupport@rlam.co.uk)

### Institutional Investors

For enquiries: Telephone +44 20 7506 6500

Email: [Institutional@rlam.co.uk](mailto:Institutional@rlam.co.uk)

### Head Office

Royal London Asset Management Limited

80 Fenchurch Street

London UK

EC3M 4BY

Telephone +44 20 7506 6500

Telephone calls and written communications may be recorded and monitored. For further information please see the privacy policy at <https://www.rlam.com>

## Important information

This is a financial promotion and is not investment advice.

Telephone calls may be recorded. For further information please see the Privacy Policy at [www.rlam.com](http://www.rlam.com).

Issued in January 2025 by Royal London Asset Management Limited, 80 Fenchurch Street, London EC3M 4BY. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

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](http://www.rlam.com).

iBoxx indexes and data are an intellectual property of Markit North America, Inc., Markit Indices GmbH, Markit Equities Limited and/or its affiliates iBoxx and has been licensed for use in connection with the fund (or other investment vehicle) or securities referenced herein.

The Index provided by IHS Markit is subject to disclaimer currently available here (and as updated by IHS Markit from time to time): <https://ihsmarkit.com/Legal/disclaimers.html> and/or in the prospectus for the Fund.

Source: Royal London Asset Management as at 31 December 2024 unless otherwise stated.