



ROYAL LONDON  
ASSET MANAGEMENT

# ROYAL LONDON ENHANCED CASH PLUS FUND

30.11.18



## FUND OVERVIEW

Fund Manager(s)	Craig Inches, Richard Nelson
Fund Size	£1,676.26m
Fund Type	OEIC
Domicile	United Kingdom
ISA	Available and Eligible
Duration	0.9 years
Benchmark Index	LIBID 1 week
Investment Association	Unclassified
Sector	
Currency	GBP

### Share Class Y (Income)

Unit Launch Date	18.05.15
SEDOL	BVYV8Jo
Mid Price	98.55p
Distribution Yield	1.44%
Underlying Yield	1.44%

### Share Class Y (Accumulation)

Unit Launch Date	18.05.15
SEDOL	BVYV8H8
Mid Price	102.67p
Distribution Yield	1.44%
Underlying Yield	1.44%

### Share Class Z (Accumulation)

Unit Launch Date	18.05.15
SEDOL	BVYV8L2
Mid Price	103.13p
Distribution Yield	1.59%
Underlying Yield	1.59%

## Overview

The investment objective of the fund is capital preservation combined with the production of income. The fund will seek to outperform its benchmark, 7 day GBP LIBID, over rolling 12 month periods. Capital invested in the fund is at risk and there is no guarantee that this target will be achieved over the 12 month rolling periods, or any other time period.

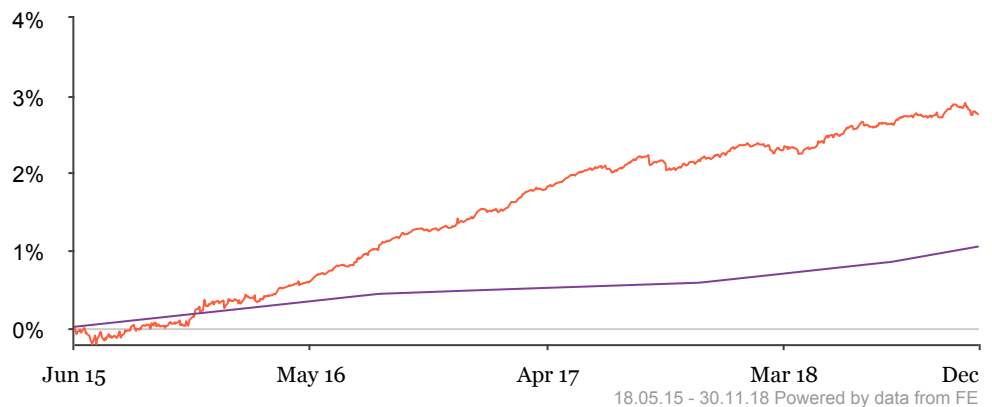
## Year-on-year performance

	30.11.17 to 30.11.18	30.11.16 to 30.11.17	30.11.15 to 30.11.16	30.11.14 to 30.11.15	30.11.13 to 30.11.14
Share Class Y (Income)	0.5%	0.8%	1.2%	-	-
Share Class Y (Accumulation)	0.5%	0.8%	1.1%	-	-
Share Class Z (Accumulation)	0.7%	1.0%	1.2%	-	-
Benchmark Index	0.4%	0.1%	0.3%	-	-

## Cumulative Performance (as at 30.11.18)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class Y (Income)	0.0%	0.2%	0.5%	2.5%	-
Share Class Y (Accumulation)	0.0%	0.2%	0.5%	2.4%	-
Share Class Z (Accumulation)	0.1%	0.2%	0.7%	2.9%	-
Benchmark Index	0.1%	0.3%	0.4%	0.9%	-

## Performance Chart



■ Fund ■ Benchmark Index

Source: RLAM and FE as at 30.11.18. Mid to mid, net of fees and taxes, net income reinvested unless otherwise stated. Benchmark index performance 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.

The UK government has announced that, from 6 April 2017, no tax will be deducted from any interest distributions.

## Distribution History (Net)

	Sep 18	Jun 18	Mar 18	Dec 17
Share Class Y (Income)	0.54p	0.23p	0.21p	0.27p

Table above shows figures as at payment date.

## Fund Manager(s)



### Craig Inches

Co-manager  
Fund Manager tenure:  
18.05.15



### Richard Nelson

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.

## 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

### Risk Warning

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, Financial Express and HSBC as at 30.11.18, unless otherwise stated. Yield definitions are shown above.

Our ref: FF RLAM PD 0207

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

UK and EU negotiators reached agreement on a draft Brexit withdrawal accord, which was subsequently approved by the UK Cabinet and by the other 27 EU countries, although this has yet to be passed by Parliament. Sterling weakened moderately during November as a whole and was highly volatile, recording its steepest one-day fall since 2016 during the month.

ICE LIBOR rates rose sharply by around 0.08% across the middle and longer cash curve on comments from the Bank of England that a "smooth" Brexit could quicken the rate hiking cycle. Two-year gilt yields rose 2 basis points to 0.77%; short-dated gilts (FTSE Actuaries 0-5-year Gilt Index) returned 0.31%. The average sterling investment grade credit spread (the extra yield available from corporate debt compared with government debt of equal maturity) widened to 1.45%.

Transaction activity centred on investing cashflows. We bought certificates of deposit of issuers including Commonwealth Bank of Australia, and added to holdings of short-dated bonds of General Electric late in the month after the bonds had underperformed. We also added to a number of structured bond holdings including Westfield Stratford and SMI – backed by residential mortgage loans originated by Nationwide Building Society. We participated in new issues of covered bonds from Coventry Building Society and Yorkshire Building Society at attractive levels.

The fund has returned 0.53% year to date\*, and its running yield is now 1.68% p.a., which equates to a monthly accrual of 0.14% based on current market conditions. This compares to 7-day LIBID at 0.59% p.a., or an accrual of 0.05% per month.

\*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	Annual Charge	Minimum Investment	Ongoing Charges Figure (OCF)
Share Class Y (Income)	0.00%	0.15%	£1,000,000	0.17%
Share Class Y (Accumulation)	0.00%	0.15%	£1,000,000	0.17%
Share Class Z (Accumulation)	0.00%	0.00%	£1,000,000	0.02%

## Credit Breakdown

	Fund	Index
AAA	33.6%	-
AA	13.6%	-
A	34.7%	-
BBB	16.9%	-
BB and below	1.2%	-

## Sector Breakdown

	Fund	Fund	Index
Corporate Bonds	39.4%	0 - 5 years	96.1%
Covered Bonds	22.7%	5 - 10 years	3.2%
Mortgage backed Securities	11.3%	15+ years	0.7%
Money Market Instruments	26.6%		

## 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 30.11.18

	Fund
CANADIAN IMPERIAL BANK OF COMMERCE FR COV BDS 10/01/22 GBP100000 CBL15	1.4%
FRIENDS LIFE HLDGS PLC 12% GTD SUBORD NTS 21/05/21 GBP50000	1.4%
CITIGROUP INC 5.125% BDS 12/12/18 GBP1000	1.3%
NORDEA EIENDOMSKREDITT AS FRN 18/06/23 GBP200000	1.3%
HSBC HLDGS PLC 2.175% NTS 27/06/23 GBP100000	1.3%
WESTFIELD STRATFORD CITY FRN 04/11/2024	1.2%
CIC 0.00% CD 18/09/18 - 18/06/19	1.2%
BANK OF SCOTLAND PLC 6.375% SUBORD INST 16/8/2019 GBP(VAR)	1.2%
PRUDENTIAL 11.375% VRN 29/05/2039	1.2%
SMI 2018-1X 2A 21/01/2070	1.1%
<b>Total</b>	<b>12.6%</b>

## No of Holdings

231

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.