# SG IS FUND - STERLING BOND FUND STRATEGY

## Monthly Factsheet

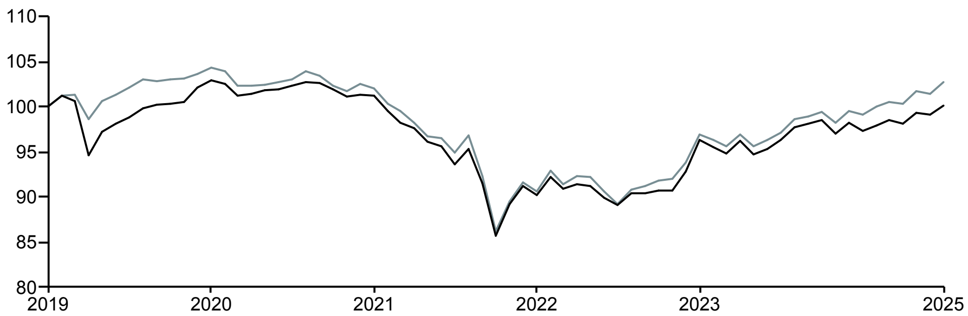
### INVESTMENT OBJECTIVE

The investment objective of the Sub-Fund is to generate a return which exceeds that of a benchmark which is 50/50 split in (i) Merrill Lynch 1-10 year UK Gilt Index TR and in (ii) Merrill Lynch 1-10 year Sterling Corporate Index TR.
The Sub-fund is actively managed with reference to the following benchmarks: 50% Merrill Lynch 1-10 years UK Gilt Index TR and 50% Merrill Lynch 1-10 years Sterling Corporate Index TR. The benchmarks are used for performance comparison.
Following his retirement, John Birdwood is handing over his position as manager to Adrien Leroy, effective February 1, 2025

### PERFORMANCE

*Past performance should not be seen as an indication of future performance.*

#### PERFORMANCE GRAPH (base 100)




SG IS FUND - STERLING BOND FUND STRATEGY
50% Merrill Lynch 1-10 year UK GILT Index TR 50% Merrill Lynch 1-10 year Sterling Corporate Index TR

#### RETURN

| Cumulative | 1 month | 3 months | Year-to-date | 1 year | 3 years * | 5 years * | Launch* |
|---|---|---|---|---|---|---|---|
| **Fund** | 1.07% | 2.05% | 2.96% | 4.04% | 2.28% | 0.28% | 1.87% |
| **Benchmark**** | 1.25% | 2.40% | 3.62% | 5.73% | 2.65% | 0.11% | 1.96% |
| **Gap** | -0.18% | -0.35% | -0.66% | -1.69% | -0.37% | 0.17% | -0.10% |

| Calendar Year | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Fund** | 1.02% | 6.79% | -10.87% | -1.68% | 2.89% |
| **Benchmark**** | 2.29% | 6.88% | -11.11% | -2.28% | 4.34% |
| **Gap** | -1.27% | -0.09% | 0.24% | 0.60% | -1.46% |

| Calendar Year | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| **Fund** | 5.76% | -1.00% | 4.58% | 5.84% | 0.57% |
| **Benchmark**** | 4.80% | -0.10% | 2.26% | 5.97% | 1.24% |
| **Gap** | 0.97% | -0.90% | 2.32% | -0.13% | -0.67% |

*Annualised performance
**50% Merrill Lynch 1-10 year UK GILT Index TR 50% Merrill Lynch 1-10 year Sterling Corporate Index TR
Source : Société Générale Investment Solutions (Europe)*

### RISK & VOLATILITY MEASURES

| | Volatility | | | Beta | Sharpe Ratio |
|---|---|---|---|---|---|
| | 1 year | 3 years * | 5 years * | | |
| **Fund** | 3.21% | 6.64% | 5.52% | 0.95% | -0.27% |
| **Benchmark**** | 3.00% | 6.94% | 5.71% | - | -0.22% |

Source : Société Générale Investment Solutions (Europe)

SOCIETE GENERALE
Investment Solutions

MARKETING MATERIAL

## JUNE 2025

**SHARE CLASS RETAIL DIST. GBP**
LU0844169838

**Synthetic Risk Indicator (SRI) [1]**

1 2 3 4 5 6 7

Less risky — More risky
Lower potential yield — More potential yield

**SFDR**
Article 6

**Minimum Sustainable Investment**
N/A

**Morningstar category**
GBP Corporate Bond

**Recommended investment horizon**
3 years

**Fund assets**
GBP 40.85 M

**NAV**
GBP 82.89

**Fund base currency**
GBP

**Share class currency**
GBP

**Inception date**
07/02/2013

**Legal Form**
UCITS Luxembourg SICAV

**Management Company**
Société Générale Investment Solutions (Europe)

**Manager Name**
Adrien Leroy

**Valuation / Subscriptions / Redemptions**
Daily

**Minimum subscription**
1 share

**Other share classes**

**One Off Costs**

| | |
|---|---|
| Entry Costs | 5 |
| Exit Costs | 0.00% |

**Ongoing Costs**

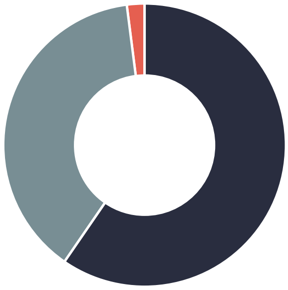
| | |
|---|---|
| Other Costs | 0.90% |
| Transaction Costs | 0.00% |

*[1] Risk scale from 1 (lowest risk) to 7 (highest risk), the lowest category does not mean a risk-free investment. The risk and reward category shown is not guaranteed to remain unchanged and that the categorisation of the Sub-Fund may shift over time. The prospectus, the KIID (Key Investor Information Document) and annual reports of the Fund are available at https://investmentsolutions.societegenerale.lu/en/ and on request at the registered office of SG IS Fund, of the Management Company or of the Custodian Bank.*

# SG IS FUND - STERLING BOND FUND STRATEGY

**JUNE 2025**

## ASSET BREAKDOWN



| | |
|---|---|
| Investment Grade Bonds | 59% |
| Government Bonds | 38% |
| Cash | 2% |
| Index Linked Bonds | 0% |
| Other | 0% |

## TOP 5 HOLDINGS

| Name | Weight |
|---|---|
| UK OF GB AND NORTHERN 0.875% 31/07/2033 | 7.9% |
| UK TREASURY GILT 0.625% 31/07/2035 | 7.9% |
| UNITED KINGDOM 4% 22/10/2031 | 6.9% |
| UNITED KINGDOM GILT 1.75% 07/09/2037 | 5.1% |
| BURBERRY GROUP PLC 1.125% 21/09/2025 | 3.7% |

## PORTFOLIO STATISTICS

| | |
|---|---|
| Yield to maturity | 4.6% |
| Modified duration | 3.88 |
| Average rating * | A |

**Average of lower credit ratings between Moody's and Standard & Poor's agencies*

*Source: Société Générale Investment Solutions (Europe) as at 30/06/2025.*
*Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown. Investors should understand the different asset classes which make up the strategy as they have different risk characteristics. Investments may be subject to market fluctuations and the price and value of investments and the income derived from them can go down as well as up. Your capital may be at risk and you may not get back the amount you invest. The tax benefits and liabilities will depend on individual circumstances and may change in the future.*
The content of this document should not be interpreted as an investment service or as investment advice, and under no circumstances is it to be used or considered as an offer or incentive to purchase or sell a particular product. The content is intended for information purposes only and to provide investors with the relevant reference information for any investment decisions. It has no regard to the specific financial objectives of any individual investor, nor may it be construed as legal, accounting or tax advice. Past performance is no indication of future results.
Similarly, the present document is not intended as an incentive, offer or solicitation to invest in the asset categories listed herein. Investors are warned that the placing of stock market orders requires a perfect understanding of the markets and their governing legislation. Before investing, they must be aware that certain markets may be subject to rapid fluctuations and are speculative or lacking in liquidity. Accordingly, certain assets or categories of assets listed in the present document may not be appropriate for investors. In certain cases, investments may even bear an indeterminate high risk of loss that exceeds the initial investment made. Investors are therefore urged to seek the advice of their financial advisor or intermediary in order to assess the particular nature of an investment and the risks involved and its compatibility with their individual investment profile and objectives.
For Swiss investors: the Sub-Fund has been authorised for public sale by the Commission de Surveillance du Secteur Financier in Luxembourg and for public offering in Switzerland by the Swiss Financial Market Supervisory Authority (shortly 'FINMA'). The prospectus, the KIID (Key Investor Information Document) and annual reports of the Fund are available on the website www.fundinfo.com and can be obtained from our Representative and Paying Agent in Switzerland : Société Générale, Paris, succursale de Zurich, Talacker 50, Case postale 1928, 8021 Zurich.

# SG IS FUND - STERLING BOND FUND STRATEGY

**JUNE 2025**

## MANAGEMENT COMMENTARY (QUARTERLY)

The second quarter of 2025 was marked by a significant increase in geopolitical tensions. The first of these, and the biggest impact on markets, was following the tariff announcements of “Liberation Day” in the US which were more significant than the market had anticipated and raised fears of a recession. Recession fears decreased when a 90 day pause on the tariffs was introduced to allow for trade negotiations to take place. The market then shifted its attention to US debt sustainability as the Reconciliation Bill (also know as the “Big Beautiful Bill”) was approved by the House of Representatives. The bill was deemed by the market as worsening the US deficit. Over the quarter, Moody’s, a major credit agency, cut the US sovereign credit rating to Aa1 from AAA. Throughout the period the Federal Reserve maintained a “wait and see” approach to interest rates, reemphasizing its data dependency, despite significant pressure from the Trump administration. Over the quarter, US government 10-year bond yields ranged between lows of 3.88% and highs of 4.60% as the market responded to the risks arising from the various announcements made over the month. The UK was not spared and experienced similar moves in bond yields as the US. The UK was deemed by the market to also suffer from debt sustainability issues and therefore saw its government bonds behave in a similar fashion as US government bonds. This was despite the Bank of England cutting its base rate to 4.25% from 4.50% in May. When recessions risks peaked following “Liberation Day”, credit spreads widened sharply but have been recovering ever since. This has led to an outperformance of corporate bonds versus government bonds with the 1-10-year Sterling Corporate Index returning 2.74%, while the 1-10-year UK Gilt index was returned 2.24% over the quarter. The fund underperformed the benchmark over the quarter, caused by its greater sensitivity to interest rates particularly at the beginning of May. Our overweight to corporate bonds helped offset some of the negative impact of rising yields.