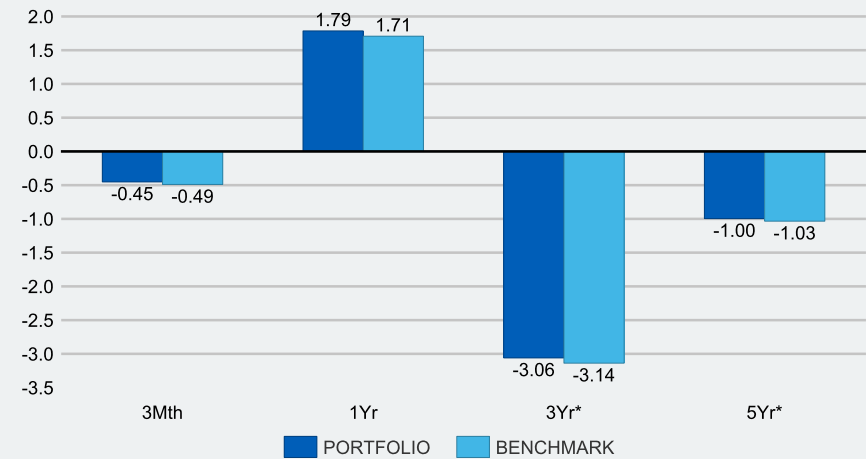


INVESTMENT OBJECTIVE

This fund invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with the iBoxx GBP Non-Gilts Index. This index covers the broad spectrum of investment grade corporate bonds in issue.

FUND PERFORMANCE



Source: BlackRock
*Annualised
Performance shown is dealing net of total expenses
Past performance is not a reliable indicator of future results.

FUND FACTS

Domicile	United Kingdom
Currency	GBP
Total Fund Size	GBP 450.29 m
Total Holdings	3
Benchmark**	iBoxx Sterling Non-Gilts Index
Source: BlackRock	

TOP HOLDINGS (%)

AQ LIFE UP TO 5YR CORP BD IDX S1	54.7
AQUILA LIFE 5-15 YR CORP BD IX S1	31.3
AQUILA LIFE OVR 15Y CORP BD IDX S1	14.0
Total	100.0

Source: BlackRock
Totals may be affected by rounding

UNDERLYING FUND PERFORMANCE (3 MONTH RETURNS)

	Fund	Benchmark	Difference
AQ LIFE UP TO 5YR CORP BD IDX S1	0.55	0.52	0.03
AQUILA LIFE 5-15 YR CORP BD IX S1	(0.84)	(0.88)	0.04
AQUILA LIFE OVR 15Y CORP BD IDX S1	(3.29)	(3.30)	0.02

Source: BlackRock
Totals may be affected by rounding
Performance shown is gross of investment management fees

MARKET COMMENTARY

Over the month, yields across both US and UK government bonds ticked back up as markets priced out expectations of policy rate cuts for 2025. While the Federal Reserve cut their policy rate in December, as expected, they also indicated a slowing of cuts in 2025 as inflation remained stubborn. Similarly, inflation in the UK showed a renewed stickiness in the November print, leading the market to go from pricing three cuts for 2025 at the end of November, to pricing a little under two and a half cuts by the end of December. The effects of this change in sentiment across both the UK and US markets has been to increase government bond yields, with UK yields reaching their 2024 peak.

Source: BlackRock

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