For professional clients only, not suitable for retail clients.

Royal London Fixed Income Funds

Fund Manager Commentary

31 July 2024

Fund Manager Commentary

31 July 2024

The purpose of this report is to provide an update on the Royal London Fixed Income Funds. The report has been produced by Royal London Asset Management. The report starts with a performance summary followed by Fund Manager commentary for each of the Funds. All data within this report is at the report date unless otherwise stated.

Contents

ROYAL LONDON
ASSET MANAGEMENT

Royal London Asset Management Credit Fund Performance

	1 month (%)	Rolling 12 months (%)
RL Corporate Bond Fund Z Inc	**1.33**	**11.82**
iBoxx Sterling Non-Gilts All Maturities Index	1.55	9.16
IA Sterling Corporate Bond Sector	1.49	9.89
RL Ethical Bond Fund Z Inc	**1.20**	**11.17**
iBoxx Sterling Non-Gilts All Maturities Index	1.55	9.16
IA Sterling Strategic Bond Sector	1.45	9.32
RL Global Bond Opportunities Fund Z Inc	**1.51**	**11.08**
IA Global Mixed Bond Sector	1.31	5.95
RL Investment Grade Short Dated Credit Fund Z Inc	**1.11**	**9.72**
ICE BofA ML 1-5 year Sterling Non-Gilt All Stocks Index	1.20	8.30
IA Sterling Corporate Bond Sector	1.49	9.89
RL Short Duration Credit Fund Z Inc	**1.60**	**11.01**
ICE BofA ML 1-5 year Sterling Non-Gilt All Stocks Index	1.20	8.30
IA Sterling Strategic Bond Sector	1.45	9.32
RL Sterling Credit Fund Z Inc	**1.42**	**11.79**
iBoxx Sterling Non-Gilts All Maturities Index	1.55	9.16
IA Sterling Corporate Bond Sector	1.49	9.89
RL Sterling Extra Yield Bond Fund A Inc	**1.24**	**12.41**
RL Sterling Extra Yield Bond Fund B Inc	**1.19**	**12.01**
RL Sterling Extra Yield Bond Fund Y Inc	**1.27**	**12.89**
RL Sterling Extra Yield Bond Fund Z Inc	**1.26**	**12.88**
IA Sterling Corporate Bond Sector	1.49	9.89
IA Sterling High Yield Sector	1.38	10.78
IA Sterling Strategic Bond Sector	1.45	9.32

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.

Source: RLAM and Morningstar, as at 31 July 2024. Returns quoted are net of fees. Please note that with effect from 1 February 2024 RLAM are using peer group comparisons provided by Morningstar. Prior to this peer comparisons were provided by Lipper so there may be some differences compared to the data provided historically. All IA sector performance shown is for the median.

Credit Market Review

Market highlights – sterling investment grade credit

The sterling investment grade market (iBoxx) produced positive returns in July, with a return of 1.55%, aided by the fall in government bond yields. The average investment grade credit spread (the average extra yield available from a corporate bond compared with government debt of equal maturity) widened marginally from 1.03% to 1.04%.

Primary market activity in the sterling market fell off in July after a relatively strong May and June. The total issued was £800m, far behind the £4.4bn issued the previous month. The significant drop stemmed from limited financial issuance in July, which had been propping up sterling issuance this year.

In UK investment grade markets, the positive returns were broad based with most sectors recording a strong month in July. Real estate, social housing and telecommunications were the standouts.

July saw global government bond yields fall, with central bank actions sending yields lower across regions. US Treasury 10-year yields fell to 4.0% from 4.37%, while German bund 10-year yields fell to 2.24% from 2.46%. In the UK, 10-year gilt yields fell to 3.97% from 4.17%, with the FTSE UK Conventional Gilt All-Stocks index returning 1.8% for July.

Royal London Corporate Bond Fund

Portfolio commentary

The fund underperformed its benchmark, the iBoxx Sterling Non-Gilts All Maturities Index, in July. This primarily reflected asset allocation; while security selection was beneficial. On a year-to-date basis, the fund has posted positive total returns and is well ahead of the benchmark.

UK government bond yields fell in July, while credit spreads were flat, as a result the sterling credit market underperformed gilts over the month.

At a sector level, weakness in structured bonds, particularly water utilities, was the main negative. Conversely, our financial bonds performed relatively well and the underweight in supranationals was helpful.

The new issue market was very quiet during July – reflecting the normal lull in the market as we move into summer months. The new issue of note purchased during July was South West Water, 17-year green bond that yielding 185bps over equivalent gilts.

Other activity was centred on the secondary market, with opportunities in the structured sector. We bought bonds for an existing whole business securitisation from UK pub operator Mitchells & Butlers at around 300bps over gilts, and bonds from student accommodation provider UPP and breakdown services company RAC, at around 170bps and 200bps over gilts respectively. We also added to exposure to Eurotunnel operator Channel Link Enterprises Finance – senior bonds with very leverage and an attractive spread for risk – and Delmar – CMBS secured on Tesco stores and distribution centres, offering an attractive spread compared with Tesco unsecured lending. We trimmed exposure to leasing company Motability after strong performance since issue, with the credit spread on the bonds lower than the broad market.

Investment outlook

Last quarter we highlighted that we expected yields to remain sensitive to economic data, and unless there was a significant deterioration in underlying trends, we expected this to lead to range-bound yields. This is the scenario that unfolded over the quarter, with markets seeming to mark time until central banks – notably the Federal Reserve – start to cut rates. We expect a small fall in government bond yields in Q3.

Headline inflation is now significantly lower in the US, euro zone and UK compared to 2023. Base effects account for a material part of these falls. Beyond the headline figures, the likes of services inflation and wage growth remain higher than most central bankers would prefer. That said, we do expect to see more movement from central banks in the second half of the year, even if the quantum of those moves is less than many were forecasting earlier in the year.

Sterling investment grade yields are higher than they were at the start of the year, reflecting higher gilt yields, and are attractive both in absolute terms but also relative to government bonds. Despite the contraction in credit spreads seen in 2024 they continue to compensate investors for the risk of default.

Shalin Shah

Senior Fund Manager

Matt Franklin

Fund Manager

Royal London Corporate Bond Fund continued

We target – and achieve – a material yield premium over the market level in our sterling credit strategies. We mitigate the risks by maintaining highly diversified portfolios, with a bias towards bonds that offer greater security and downside protection. Our view remains that over the medium term our focus on delivering greater income than the benchmark will generate outperformance.

Key views within the fund

Well diversified, with over 300 holdings, in order to improve overall portfolio liquidity and to reduce the effect on overall fund performance of any deterioration in the creditworthiness of an individual holding.

A significant underweight in supranational bonds, as we expect corporate bonds to outperform over the medium term.

Duration slightly longer than the benchmark, which has been increased as yields have risen. Interest rate sensitivity is broadly neutral when factoring in a number of bonds which have theoretical duration but are not as interest rate sensitive.

An overweight position in subordinated financial debt, where we believe yields are attractive.

Orientated towards secured bonds in the asset-rich investment trust, property and social housing sectors, and towards structured bonds, which benefit from a claim on assets and cashflows.

Environmental, social and governance (ESG) risk factors are fully integrated in the management of the portfolio. The WACI (weighted average carbon intensity) of the portfolio is below that of the index.

Royal London Ethical Bond Fund

Portfolio commentary

The fund underperformed its benchmark, the iBoxx Sterling Non-Gilts All Maturities Index, in July. This primarily reflected asset allocation; while security selection was beneficial. On a year-to-date basis, the fund has posted positive total returns and is well ahead of the benchmark.

UK government bond yields fell in July, while credit spreads were flat, as a result the sterling credit market underperformed gilts over the month.

At a sector level, weakness in structured bonds, particularly water utilities, was the main negative. Conversely, our bank bonds performed relatively well and the underweight in supranationals was helpful.

The new issue market was very quiet during July – reflecting the normal lull in the market as we move into summer months. The new issue of note purchased during July was South West Water, 17-year green bond that yielding 185bps over equivalent gilts.

Other activity was centred on the secondary market, with opportunities in the structured sector. We bought bonds from student accommodation provider UPP at around 200bps over gilts. We also added to exposure to Channel Link Enterprises – senior bonds with very low loan-to-value ratios. The fund also added favoured bond Telereal – an attractive secured bond with a nice spread for the risk of the bond.

Investment outlook

Last quarter we highlighted that we expected yields to remain sensitive to economic data, and unless there was a significant deterioration in underlying trends, we expected this to lead to range-bound yields. This is the scenario that unfolded over the quarter, with markets seeming to mark time until central banks – notably the Federal Reserve – start to cut rates.

Headline inflation is now significantly lower in the US, euro zone and UK compared to 2023. Base effects account for a material part of these falls. Beyond the headline figures, the likes of services inflation and wage growth remain higher than most central bankers would prefer. That said, we do expect to see more movement from central banks in the second half of the year, even if the rate cuts are not going to come through as quickly as anticipated and that the neutral level may be a bit higher than previously thought.

Bond yields generally are still at attractive levels in our view – both in absolute terms and relative to government bonds – and given the supportive economic backdrop, we believe that credit spreads continue to compensate credit investors for the risk of downgrade.

We target – and achieve – a material yield premium over the market level in our credit strategies. Given the potential challenges in the outlook, we remain focused on identifying companies with attractive financial characteristics and ensuring that we are diversified across issuers and sectors. Our view remains that over the medium term our focus on delivering strong income will generate attractive performance.

CITYWIRE AA

Paola Binns

Head of Sterling Credit

CITYWIRE A

Eric Holt

Senior Fund Manager

Royal London Ethical Bond Fund continued

Key views within the fund

The fund is diversified in order to improve portfolio liquidity and to reduce the effect on overall performance of any deterioration in the creditworthiness of an individual holding.

The fund has a significant underweight position in supranational bonds, as we expect corporate bonds to outperform over the medium term.

Duration is broadly in line with the benchmark.

The fund has an overweight position in subordinated financial debt, where we believe yields are attractive.

The fund remains orientated towards secured bonds in the asset-rich property and social housing sectors, and towards structured bonds, which benefit from a claim on assets and cashflows.

Royal London Global Bond Opportunities Fund

Market highlights

	Total return (%)	Spread at end of month (basis points)	Spread change over month (basis points)
HY global non-financial corps ICE BofA ML global non-financial high yield index	2.88	12	12
AT1 ICE BofA ML contingent capital index	2.88	12	12
Emerging market ICE BofA ML	2.88	12	12
HY global non-financial hybrid corps ICE BofA ML global hybrid non-financial high yield index	2.88	12	12
IG global non-financial hybrid corps ICE BofA ML global hybrid non-financial corporate index	2.88	12	12
Dollar investment grade corporate bonds ICE BofA ML US corporate index	2.88	12	12
Sterling investment grade corporate bonds ICE BofA ML sterling corporate and collateralised index	2.88	12	12
Euro investment grade corporate bonds ICE BofA ML euro corporate and Pfandbriefe index	2.88	12	12

In the US, the Federal Reserve kept rates on hold, as expected but moved a step closer to cutting rates. They expressed more confidence in the inflation outlook and Chair Powell indicated that a September rate cut could be on the table. President Biden dropped out of the running for the next election and endorsed Vice President Harris for the Democrat nomination.

In the euro area, the European Central Bank left rates unchanged, having cut rates in June, with President Lagarde describing September as "wide open." Several ECB speakers (including Lagarde) have pointed out that they will have much more data to go on by the September meeting. The French election resulted in a hung parliament.

The Bank of England did not have a meeting in July and signals on the near-term rate outlook over the month were mixed. The Labour party won the UK's general election, winning a sizeable majority in parliament.

July saw global government bond yields fall, with central bank actions sending yields lower across regions. US Treasury 10-year yields fell to 4.0% from 4.37%, while German bund 10-year yields fell to 2.24% from 2.46%. In the UK, 10-year gilt yields fell to 3.97% from 4.17%, with the FTSE UK Conventional Gilt All-Stocks index returning 1.8% for July.

CITYWIRE A

Rachid Semaoune

Senior Fund Manager

CITYWIRE A

Eric Holt

Senior Fund Manager

Royal London Global Bond Opportunities Fund continued

Global investment grade markets saw positive returns for the month. Credit spreads ended the period virtually unchanged in the US, and tightened modestly in the UK and euro zone (ICE indices), which helped returns, as did the small fall in government bond yields.

Portfolio commentary

The fund recorded a strong positive net return in July, broadly in line with high yield markets and better than euro and sterling investment grade indices. Exposure to AT1 bonds was again helpful, as was the high degree of carry built into the portfolio.

Primary market activity was relatively quiet in July, reflecting the start of the normal summer lull. New issues of note included a new position in Topaz Solar Farms, a solar farm facility in California owned by Berkshire Hathaway, these US dollar bonds coming at a yield of almost 6% and a new floating rate bond from Norwegian oil exploration and production firm Lime Petroleum, these bonds paying more than 9% over NIBOR.

Secondary market activity focused on adding to existing holdings, one switch of note being a sale of CitiGroup bonds into Royal Bank of Canada and Bank of Nova Scotia AT1 bonds at attractive levels.

Investment outlook

In recent months, we have highlighted that we expect yields to remain sensitive to economic data, and unless there was a significant deterioration in underlying trends, we expected this to lead to range-bound yields. This is the scenario that has unfolded recently – with US 10-year treasury yields largely confined to a 4-4.5% range, with markets seeming to mark time until central banks – notably the Federal Reserve – appear ready to start cutting rates. We expect a small fall in government bond yields over the next few months as we approach that point.

Headline inflation is now significantly lower in the US, euro zone and UK compared to 2023. Base effects account for a material part of these falls. Beyond the headline figures, the likes of services inflation and wage growth remain higher than most central bankers would prefer. That said, we do expect to see more movement from central banks in the second half of the year, even if the quantum of those moves is less than many were forecasting earlier in the year.

Bond yields generally are still at attractive levels in our view – both in absolute terms and relative to government bonds – and given the supportive economic backdrop, we believe that credit spreads continue to compensate credit investors for the risk of default. We retain a focus on high levels of diversification and our view remains that over the medium term, our focus on delivering attractive income will generate strong returns for investors.

Royal London Investment Grade Short Dated Credit Fund

Portfolio commentary

The fund slightly underperformed its benchmark, the ICE BofAML 1-5yr Sterling Non-Gilt All Stocks Index, in July. On a year-to-date basis, the fund has posted positive total returns and remains well ahead of the benchmark.

UK government bond yields fell in July, while credit spreads were flat, as a result the sterling credit market underperformed gilts over the month. Short-dated sterling credit slightly underperformed the broad sterling credit market over the month.

At a sector level, weakness in structured bonds, particularly water utilities, was the main negative. Conversely, our bank bonds performed relatively well and the underweight in supranationals was helpful.

The new issue market was very quiet during July – reflecting the normal lull in the market as we move into summer months. The new issue of note purchased during July was a secured bond from Asimi Funding, backed by consumer loans from Plata Finance.

Other activity was centred on the secondary market, with opportunities in the structured sector. We bought bonds for an existing whole business securitisation from UK pub operator Mitchells & Butlers at around 300bps over gilts and bonds from Telereal, secured on BT exchanges. We also added to exposure to Channel Link Enterprises – senior bonds with very low loan-to-value ratios – and Delmar – CMBS secured on Tesco store properties.

Investment outlook

In recent months, we have highlighted that we expected yields to remain sensitive to economic data, and unless there was a significant deterioration in underlying trends, we expected this to lead to range-bound yields. This is the scenario that unfolded over the quarter, with markets seeming to mark time until central banks – notably the Federal Reserve – start to cut rates. We expect a small fall in government bond yields in Q3.

Headline inflation is now significantly lower in the US, euro zone and UK compared to 2023. Base effects account for a material part of these falls. Beyond the headline figures, the likes of services inflation and wage growth remain higher than most central bankers would prefer. That said, we do expect to see more movement from central banks in the second half of the year, even if the quantum of those moves is less than many were forecasting earlier in the year.

Sterling investment grade yields are higher than they were at the start of the year, reflecting higher gilt yields, and are attractive both in absolute terms but also relative to government bonds. Despite the contraction in credit spreads seen in 2024 they continue to compensate investors for the risk of default.

We target – and achieve – a material yield premium over the market level in our sterling credit strategies. We mitigate the risks by maintaining highly diversified portfolios, with a bias towards bonds that offer greater security and downside protection. Our view remains that over the medium term our focus on delivering greater income than the benchmark will generate outperformance.

CITYWIRE AA

Paola Binns

Head of Sterling Credit

CITYWIRE A

Eric Holt

Senior Fund Manager

Royal London Investment Grade Short Dated Credit Fund continued

Key views within the fund

The fund is well diversified in order to improve overall portfolio liquidity and to reduce the effect on overall performance of any deterioration in the creditworthiness of an individual holding.

It has a minimal weighting in supranational bonds, as we expect corporate debt to outperform over the medium term.

Fund duration was marginally longer than the benchmark at month end.

It has an overweight position in subordinated financial debt, where we believe yields are attractive.

The fund remains orientated towards structured debt, which benefits from a claim on assets and cashflows; secured issues in the asset-rich property and social housing sectors; and covered bonds (i.e. senior bank debt benefiting from a first claim on a specified over-collateralised pool of assets).

Royal London Short Duration Credit Fund

Portfolio commentary

The fund outperformed its benchmark, the ICE BofAML 1-5yr Sterling Non-Gilt All Stocks Index, in July. On a year-to-date basis, the fund has posted positive total returns and remains well ahead of the benchmark.

UK government bond yields fell in July, while credit spreads were flat, as a result the sterling credit market underperformed gilts over the month. Short-dated sterling credit slightly underperformed the broad sterling credit market over the month.

At a sector level, weakness in structured bonds, particularly water utilities, was the main negative. Conversely, our bank bonds performed relatively well and the underweight in supranationals was helpful.

The new issue market was very quiet during July – reflecting the normal lull in the market as we move into summer months. The new issue of note purchased during July was a secured bond from Asimi Funding, backed by consumer loans from Plata Finance.

Other activity was centred on the secondary market, with opportunities in the structured sector. We bought bonds for an existing whole business securitisation from UK pub operator Mitchells & Butlers at around 300bps over gilts and bonds from Telereal, secured on BT exchanges. We also added to exposure to Channel Link Enterprises – senior bonds with very low loan-to-value ratios – and Delmar – CMBS secured on Tesco store properties.

Investment outlook

In recent months, we have highlighted that we expected yields to remain sensitive to economic data, and unless there was a significant deterioration in underlying trends, we expected this to lead to range-bound yields. This is the scenario that unfolded over the quarter, with markets seeming to mark time until central banks – notably the Federal Reserve – start to cut rates. We expect a small fall in government bond yields in Q3.

Headline inflation is now significantly lower in the US, euro zone and UK compared to 2023. Base effects account for a material part of these falls. Beyond the headline figures, the likes of services inflation and wage growth remain higher than most central bankers would prefer. That said, we do expect to see more movement from central banks in the second half of the year, even if the quantum of those moves is less than many were forecasting earlier in the year.

Sterling investment grade yields are higher than they were at the start of the year, reflecting higher gilt yields, and are attractive both in absolute terms but also relative to government bonds. Despite the contraction in credit spreads seen in 2024 they continue to compensate investors for the risk of default.

We target – and achieve – a material yield premium over the market level in our sterling credit strategies. We mitigate the risks by maintaining highly diversified portfolios, with a bias towards bonds that offer greater security and downside protection. Our view remains that over the medium term our focus on delivering greater income than the benchmark will generate outperformance.

CITYWIRE AA

Paola Binns

Head of Sterling Credit

CITYWIRE A

Eric Holt

Senior Fund Manager

Royal London Short Duration Credit Fund continued

Key views within the fund

The fund is well diversified, in order to improve overall portfolio liquidity and to reduce the effect on overall performance of any deterioration in the creditworthiness of an individual exposure.

The fund has a significant underweight in supranational bonds, as we expect corporate debt to outperform over the medium term.

Fund duration was marginally longer than the benchmark at month end.

The fund has an overweight position in subordinated financial debt, where we believe yields are attractive.

The fund remains orientated towards secured bonds in the asset-rich investment trust, property, and social housing sectors, and towards structured issues, which benefit from a claim on assets and cashflows.

Royal London Sterling Credit Fund

Portfolio commentary

The fund underperformed its benchmark, the iBoxx Sterling Non-Gilts All Maturities Index, in July. This primarily reflected asset allocation; while security selection was beneficial. On a year-to-date basis, the fund has posted positive total returns and is well ahead of the benchmark.

UK government bond yields fell in July, while credit spreads were flat, as a result the sterling credit market underperformed gilts over the month.

At a sector level, weakness in structured bonds, particularly water utilities, was the main negative. Conversely, our bank bonds performed relatively well and the underweight in supranationals was helpful.

The new issue market was very quiet during July – reflecting the normal lull in the market as we move into summer months. The new issue of note purchased during July was South West Water, 17-year green bond that yielding 185bps over equivalent gilts.

Other activity was centred on the secondary market, with opportunities in the structured sector. We bought bonds for an existing whole business securitisation from UK pub operator Mitchells & Butlers at around 300bps over gilts and bonds from student accommodation provider UPP and breakdown services company RAC, at around 170bps and 200bps over gilts respectively. We also added to exposure to Eurotunnel operator Channel Link Enterprises Finance – senior bonds with very leverage and an attractive spread for risk – and Delmar – CMBS secured on Tesco stores and distribution centres, offering an attractive spread compared with Tesco unsecured lending.

Investment outlook

Last quarter we highlighted that we expected yields to remain sensitive to economic data, and unless there was a significant deterioration in underlying trends, we expected this to lead to range-bound yields. This is the scenario that unfolded over the quarter, with markets seeming to mark time until central banks – notably the Federal Reserve – start to cut rates. We expect a small fall in government bond yields in Q3.

Headline inflation is now significantly lower in the US, euro zone and UK compared to 2023. Base effects account for a material part of these falls. Beyond the headline figures, the likes of services inflation and wage growth remain higher than most central bankers would prefer. That said, we do expect to see more movement from central banks in the second half of the year, even if the quantum of those moves is less than many were forecasting earlier in the year.

Sterling investment grade yields are higher than they were at the start of the year, reflecting higher gilt yields, and are attractive both in absolute terms but also relative to government bonds. Despite the contraction in credit spreads seen in 2024 they continue to compensate investors for the risk of default.

We target – and achieve – a material yield premium over the market level in our sterling credit strategies. We mitigate the risks by maintaining highly diversified portfolios, with a bias towards bonds that offer greater security and downside protection. Our view remains that over the medium term our focus on delivering greater income than the benchmark will generate outperformance.

CITYWIRE AA

Paola Binns

Head of Sterling Credit

CITYWIRE A

Eric Holt

Senior Fund Manager

Royal London Sterling Credit Fund

Key views within the fund

Well diversified, with around 350 holdings, in order to improve overall portfolio liquidity and to reduce the effect on overall performance of any deterioration in the creditworthiness of an individual holding.

A significant underweight in supranational bonds, as we expect corporate bonds to outperform over the medium term.

Fund duration was broadly in line with the benchmark at month end.

Orientated towards subordinated financial debt, where we believe yields are attractive.

The fund remains orientated towards secured bonds in the asset-rich investment trust, property and social housing sectors, and structured bonds, which benefit from a claim on assets and cashflows.

Royal London Sterling Extra Yield Fund

Portfolio commentary

The fund recorded returns in July of 1.24%, 1.19%, 1.27% and 1.26% respectively for the A, B, Y and Z class shares. These bring 2024 year to date returns to 6.40%, 6.09%, 6.68% and 6.57% respectively for these share classes.

Fixed interest markets performed well against a generally benign economic backdrop, with the prospect of lower interest rates increasing – and culminating for the UK on a ¼% rate cut on the first day of August – the 5¼% rate having been in place for almost exactly one year. The corresponding move in gilt yields was quite sharp, particularly at shorter maturities – over the course of July the yield of the five-year gilt fell from 4.05% to 3.76% while the move on the 30 year gilt was less, down from 4.66% to 4.53% – albeit price performance reflected duration; the 30-year gilt was up 2.3% in price, compared to the five-year gilt's 1.6% price performance in July. Sterling investment grade corporate bonds further benefitted from this environment, with the average yield differential over reference gilts falling from 1.00% to 0.98%. Overall gilts posted an index return for the month of 1.59%, while sterling investment grade corporate bonds performed better, posting an index return of 1.87% in July. Euro and global sub-investment grade bonds also posted robust index returns, of 1.25% and 1.76% respectively. 2024 year-to-date index returns to end July for these four asset classes, gilts, sterling investment grade corporate bonds, euro and global sub-investment grade bonds were -1.11%, 1.51%, 4.41% and 5.19% respectively.

While the vast majority of holdings in the fund rose in price in the month, in addition to robust income generation, the most notable area of markedly strong performance was the financial sectors of banking and insurance, especially the latter, with bonds of insurers Allianz, Aviva, Esure, M&G and Phoenix each up around 3% on the month while banks including BNP, NatWest, Rabobank and Santander UK were up around 2% in price in July. This strength reflected both the financial sectors' sensitivity to the supportive market sentiment and their longer average duration than the fund, thus tending to benefit more from the decline in yields in the month. The most significant detractor from performance in the month was the investment in Thames Water, where bonds fell by about 20% in the month as markets reacted to adverse news flow, encompassing the regulator OFWAT's initial price determination for the sector for the prospective five-year period and credit rating agency downgraded Thames Water bonds to below investment grade. This fall in price detracted 0.12% from overall fund performance in the month. In contrast there were two holdings which delivered particularly strong performance in July; Amadeo Air, the aircraft leasing business with Emirates as the major operating counterparty, posted a 14% return in the month as air traffic volumes continue to strengthen, which DOF shares, received at the cyclical low of the offshore services sector, were up depths of as part of a restructuring were up a further 16% in July, to a level four times that when trading in the shares commenced in June last year.

In markets where activity reflected the summer holiday period, the fund participated in three new issues the month; BioCirc, the Danish renewable energy business offering four-year unrated floating rate euro-denominated bonds at an initial yield of 9.7%; Lime Petroleum, the North Sea Norwegian sector energy business offering three-year unrated floating rate Norwegian krone denominated bonds at an initial yield of 14%; and Stonegate Pub Company, the largest UK pub operator who issued five-year B rated euro-denominated floating rate bonds at a margin of 6.6% over three-month money market rates – this last new issue was part of a refinancing of the business elements of which were the pending early repayments at attractive pricing of shorter dated bonds in the business and of a tranche of senior secured and structured bonds, both held within the fund. Market purchases included bonds of Altera Shuttle Tankers and agriculture business R.E.A, in each case making small additions to existing holdings, together with AT1 bonds of Barclays, at an 8.3%

CITYWIRE A

Rachid Semaoune

Senior Fund Manager

CITYWIRE A

Eric Holt

Senior Fund Manager

Royal London Sterling Extra Yield Fund continued

yield to first call in 2029, and bonds of Belong, the care home business operating in the North West of England with structured bonds issued on the Retail Charity Bond platform and bought at a 12% yield to maturity in 2026. Sales in the month included Royal Bank of Canada US dollar denominated AT1 bonds, crystallising a 4% capital profit from issue in April, and further reducing the holding of shares in DOF, mentioned above, after their sharp rise in price. Finally activity in the month in short-dated gilts reflected liquidity management.

Key views within the fund

The fund's objective is to achieve a high level of income by seeking attractive investments across a broad spectrum of fixed income opportunities, encompassing investment grade, sub-investment grade and unrated bonds.

The fund mitigates stock-specific risk by holding a diversified portfolio of investments, so that no individual investment can in isolation have an undue impact on overall performance. In addition, where possible within the yield objective of the fund, investments are focused on bonds where risk is mitigated by structure or a claim on assets or cashflows.

Royal London Asset Management Government Bond Fund Performance

	1 month (%)	Rolling 12 months (%)
RL Global Index Linked Bond Fund Z Inc	**1.34**	**3.62**
Bloomberg World Government Inflation-Linked Bond Index – Total Return (GBP Hedged)	1.88	3.32
Gobal Inflation Linked Bond Sector	1.25	3.38
RL Index Linked Bond Fund M Inc	**1.39**	**2.46**
FTSE Actuaries UK Index-Linked All Stocks Index	1.94	2.04
IA UK Index Linked Gilts Sector	1.40	1.81
RL Short Duration Gilt Fund Z Inc	**0.97**	**6.59**
FTSE Actuaries UK Conventional Gilts up to 5 Years Index	0.94	6.12
IA UK Gilts Sector	1.34	5.88
RL Short Duration Global Index Linked Bond Fund Z Inc	**1.32**	**5.12**
RL Short Duration Global Index Linked Composite Benchmark[1]	1.39	5.11
Global Inflation Linked Bond Sector	1.25	3.38
RL UK Government Bond Fund Z Inc	**1.36**	**6.65**
FTSE Actuaries UK Conventional Gilts All Stocks Index	1.75	5.78
IA UK Gilts Sector	1.34	5.88

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.

Source: Royal London Asset Management and FE, correct as of 31 July 2024. Returns quoted are net of fees. Please note the fund returns are based on mid-day pricing, and benchmark returns are priced at end of day. Please note that with effect from 1 February 2024 RLAM are using peer group comparisons provided by Morningstar. Prior to this peer comparisons were provided by Lipper so there may be some differences compared to the data provided historically. All IA sector performance shown is for the median. [1] The composite benchmark consists of: 30% Bloomberg UK government Inflation Linked Bond 1-10 year index, 70% Bloomberg World Government Inflation Linked Bond (Ex UK) 1-10 year index (GBP Hedged).

Government Bond Market Review

Market highlights

July saw global government bond yields fall across regions: US Treasury 10-year yields fell to 4.0% from 4.37%, while German bund 10-year yields fell to 2.24% from 2.46%. In the UK, 10-year gilt yields fell to 3.97% from 4.17%, with the FTSE UK Conventional Gilt All-Stocks index returning 1.8% for July.

Data released during the month again painted a mixed picture of economic activity. Of note, year-on-year June CPI inflation was marginally stronger than expected (having been expected to fall a touch to 1.9%), remaining at the Central Banks 2% target. Core inflation was also a tenth higher than expected – steady at 3.5% year-on-year. Services inflation followed a similar pattern, but remains a concern for the Bank of England at an elevated 5.7% year on year. There was no Bank of England meeting in July, but by month end market expectations for a cut at the August meeting had risen to just above 50%.

Aside from macro economic data, the Labour Party won the UK's general election, winning a sizeable majority in parliament. The new Chancellor, Rachael Reeves, identified addition government spending required for 2024-25, to be addressed with some spending cuts and by further measures ("difficult decisions across tax and spending") to be announced in the Autumn Budget.

In the US, the Federal Reserve kept rates on hold as expected, but moved a step closer to a September cut. Data was mixed over the month, but confirmed a solid pace of growth in Q2 GDP and with inflation data again relatively reassuring from a Fed perspective. June CPI fell 0.1% month-on-month whilst core rose 0.1%. Overall, data releases looked broadly consistent with a 2% year-on-year inflation target. June non-farm payrolls were stronger than expected but there was a sizeable downward back revision and the unemployment rate rose slightly to 4.1%. Activity data over the month were mixed, but Q2 GDP rose a robust 2.8% quarter-on-quarter after 1.4%. President Biden dropped out of the running for the next election and endorsed Vice President Harris for the Democrat nomination.

In the euro area, the European Central Bank left rates unchanged, having cut rates in June, with President Lagarde describing September as "wide open." Several ECB speakers (including Lagarde) have pointed out that they will have much more data to go on by the September meeting. July CPI and core CPI were both slightly stronger than expected. Activity data released over the month were mixed: Q2 GDP growth at 0.3% quarter-on-quarter again was a touch stronger than expected. The French election resulted in a hung parliament.

The sterling investment grade market (iBoxx) produced positive returns in July, with a return of 1.55%, aided by the fall in government bond yields. The average investment grade credit spread (the average extra yield available from a corporate bond compared with government debt of equal maturity) widened marginally from 1.03% to 1.04%.

Royal London Global Index Linked Bond Fund

Portfolio commentary

Net of fund management fees, the fund produced positive returns in July, albeit behind benchmark returns. It should be noted that returns can be distorted by the differing valuation points of the fund and index. On a like-for-like basis, the fund outperformed the index over the month.

Bond yields remained volatile in June but ended the month lower as softer data in the US sparked expectations of rate cuts. We also saw cuts from the European Central Bank (ECB) and the Bank of Canada during the month. Yields in the US ended the month lower falling by around 40bps having started the month at 4.4%, There was no real catalyst for the move – data was generally supportive, increasing speculation that rates would be cut soon.

Yield curves steepened globally as interest rates were cut in the euro zone and Canada while the Federal Reserve sent a doveish message with rates expected to be cut in September. Breakeven rates in G3 were weaker over the course of the month with the exception of Japan where breakeven rates remained around the 1.50% level after the Bank of Japan raised interest rates by 25bps.

Duration positioning was the main positive for the fund over the month. We had a long position at the start of the month, and this was positive in a falling yield environment. We took profits on the position into falling yields early in the month, partially rebuilding this in the second half as yields retraced some of the earlier falls.

Cross-market positioning was also positive. US and Australia overweights helped as these outperformed. The underweight in Japan was also helpful, with yields rising in anticipation of further rate hikes from the Bank of Japan. We trimmed the Australia position following better-than-expected inflation data, which we feel decreases the potential for further rate hikes from the RBA. We also trimmed France holdings, these bonds having rallied somewhat after the second round of the election. Finally in the US, we continued to trade TIPS tactically, with the UK / US spread remaining volatile.

Curve effects were negative over the month. The fund was positioned for flatter curves, but with markets pricing in substantial rate cuts, short-dated yields fell more sharply, leading to steeper curves. Curve-related activity in the month was driven by relative value trades – for instance switching 15-year and 30-year bonds into 2046 bonds after the latter had underperformed due to a number of 2045 syndications in July. We were happy to trim 30-year bonds with the next syndication likely to be the 2054. We also remain underweight in gilts favoured by European insurance companies for asset swap purposes such as the 2047 issue.

Investment outlook

We expect markets to remain volatile around economic data points and envisage continuing to trade duration tactically. However we feel valuations in certain markets have now reached valuations that look attractive enough to hold a long duration position on a more strategic basis. We will also use supply events to trade positions, We have moved from peak optimism at the end of 2023 where economists were calling for 5-6 rate cuts in the US in 2024. We then reached peak pessimism where the same economists were calling for just one cut. We still expect the Fed, ECB and Bank of England to cut rates in 2024 and rates to fall more aggressively in 2025. This we believe will lead to lower yields and steeper curves particularly in the UK and dollar markets. Softer data of late has added to this

Paul Rayner

Head of Alpha Strategy

Gareth Hill

Senior Fund Manager

Royal London Global Index Linked Bond Fund continued

expectation, however in the short term with four US cuts priced in for the remainder of 2024, we believe markets have become too optimistic.

Key views within the fund

The portfolio has a long duration position, as we expect rate cuts in the second half of 2024, as seen with both the ECB and Bank of Canada cutting rates in recent months.

The fund has no strategic curve position, but with inflation data improving, we have a broad preference to hold 5-10 year bonds over short-dated bonds.

The fund has no strategic breakeven positions, but on a tactical basis, we believe that breakevens are cheap in the US and Europe, with the UK looking fair value. We continue to like US breakevens, which effectively act as a hedge against possible economic impact of a Trump presidency.

The fund is underweight in Japan and Europe. On the former, we are expecting more rate hikes, while in the latter, political uncertainty in France means an inability to tackle the budget deficit.

Royal London Index Linked Bond Fund

Portfolio commentary

Net of fund management fees, the fund produced positive returns in July, albeit behind benchmark returns. It should be noted that returns can be distorted by the differing valuation points of the fund and index. On a like-for-like basis, the fund outperformed the index over the month.

Bond yields remained volatile in June but ended the month lower as softer data in the US sparked expectations of rate cuts. We also saw cuts from the European Central Bank (ECB) and the Bank of Canada during the month. Yields in the US ended the month lower falling by around 40bps having started the month at 4.4%, There was no real catalyst for the move – data was generally supportive, increasing speculation that rates would be cut soon.

Yield curves steepened globally as interest rates were cut in the euro zone and Canada while the Federal Reserve sent a doveish message with rates expected to be cut in September. Breakeven rates in G3 were weaker over the course of the month with the exception of Japan where breakeven rates remained around the 1.50% level after the Bank of Japan raised interest rates by 25bps.

Duration positioning was the main positive for the fund over the month. We had a long position at the start of the month, and this was positive in a falling yield environment. We took profits on the position into falling yields early in the month, partially rebuilding this in the second half as yields retraced some of the earlier falls.

Cross-market positioning was also positive. US and Australia positions helped as these outperformed. We trimmed the Australia position following better-than-expected inflation data, which we feel decreases the potential for further rate hikes from the RBA. We also sold our France holdings early in the month, these bonds having rallied somewhat after the second round of the election. Finally in the US, we continued to trade TIPS tactically, with the UK / US spread remaining volatile.

Curve effects were negative over the month. The fund was positioned for flatter curves, but with markets pricing in substantial rate cuts, short-dated yields fell more sharply, leading to steeper curves. Curve-related activity in the moth was driven by relative value trades – for instance switching 15-year and 30-year bonds into 2046 bonds after the latter had underperformed due to a number of 2045 syndications in July. We were happy to trim 30-year bonds with the next syndication likely to be the 2054. We also remain underweight in gilts favoured by European insurance companies for asset swap purposes such as the 2047 issue.

Investment outlook

We expect markets to remain volatile around economic data points and envisage continuing to trade duration tactically. However we feel valuations in certain markets have now reached valuations that look attractive enough to hold a long duration position on a more strategic basis. We will also use supply events to trade positions,

We have moved from peak optimism at the end of 2023 where economists were calling for 5-6 rate cuts in the US in 2024. We then reached peak pessimism where the same economists were calling for just one cut. We still expect the Fed, ECB and Bank of England to cut rates in 2024 and rates to fall more aggressively in 2025. This we believe will lead to lower yields and steeper curves particularly in the UK and dollar markets. Softer data of late has added to this expectation, however in the short term with four US cuts priced in for the remainder of 2024, we believe markets have become too optimistic.

CITYWIRE A

Paul Rayner

Head of Alpha Strategy

CITYWIRE A

Ben Nicholl

Senior Fund Manager

Royal London Index Linked Bond Fund continued

Key views within the fund

The portfolio has a long duration position, as we expect rate cuts in the second half of 2024, as seen with both the ECB and Bank of Canada cutting rates in recent months.

The fund has no strategic curve position, but with inflation data improving, we have a broad preference to hold 5-10 year bonds over short-dated bonds.

The fund has no strategic breakeven positions, but on a tactical basis, we believe that breakevens are cheap in the US and Europe, with the UK looking fair value. We continue to like US breakevens, which effectively act as a hedge against possible economic impact of a Trump presidency.

Royal London Short Duration Gilts Fund

Portfolio commentary

Net of fees, the fund broadly tracked its benchmark in July but it should be noted that returns can be distorted by the differing valuation points of the fund (12:00) and index (16:15). On a like-for-like timing basis, the fund outperformed the index.

The market rallied in July, with 10-year gilts yields falling, with the drop coming into month-end following rate decisions from the Bank of Japan and the US Federal Reserve. While the BoJ decision to hike rates was priced in by the market, the timing of the decision may have caught markets off guard slightly.

The Fed meeting during the month was much more in line with expectations, but Chair Jerome Powell's press conference following the release of the decision to stay put indicated a slight softening in tone. This softening offered a more balanced view on the bank's dual mandate to keep inflation in control and grow the US economy.

Following the Fed decision, the market now expects a cut for the September meeting – with the size of the cut now being debated.

Although there was no Bank of England decision in July, there was market movement around price expectations of upcoming decisions. The market moved to price in a cut for either of the bank's August or September meetings with base rate expectations seeing a downward shift. For the end of 2024, the market is now pricing in around two and a half cuts, with base rates to be about 3.7% for the end of 2025.

The fund started July 0.4 of a year long and ended the month at 0.25 of a year long as we trimmed the position following the market rally. Our long position was the main driver of performance as 5-year gilt yields fell in the month.

In the beginning part of the month, we traded around market volatility, then reduced our long position into month-end as 5-year gilts yields hit their lowest levels since February as markets moved to price in three rate cuts from the Bank of England.

Our relative value position hurt performance in July, with our overweighting in certain 2027 and 2029 bonds proving a drag on performance as they underperformed versus neighbouring bonds. The fund remains biased towards the higher yielding high coupon bonds at the front end of the yield curve.

The fund has no inflation exposure.

The fund retains a small position in 7-year maturity Australian government bonds.

Investment outlook

We believe that inflation will rise into the end of the year, before falling back towards target during 2025. Shallow recessions are possible but are unlikely to be deep enough at this stage to ease the excessive tightness seen in labour markets. As we move through the second half of 2024, central banks are likely to start reducing rates, but with yields below base rates in all markets, this is well priced.

Citywire AA

Craig Inches

Head of Rates and Cash

Citywire A

Ben Nicholl

Senior Fund Manager

Royal London Short Duration Gilts Fund continued

In the UK, the market is now assuming base rates have peaked at 5.25%, with the first cut expected in August 2024, and falling to a terminal level of around 3.5% by late-2025.

Supply will remain high for the next few years, with around £200bn per annum forecast over each of the next five years. Alongside quantitative tightening (where the BoE is selling its gilt holdings back into the market), this could represent a headwind for gilts. However, when considering gilts in a global context, we believe the gilt market is somewhat priced for this, with the UK curve much steeper than both the US and German bonds.

Key views within the fund

The portfolio's duration is long of the benchmark, including the impact of cash holdings on duration.

The portfolio has allocations to high quality corporate bonds, which we expect to outperform gilts.

Royal London Short Duration Global Index Linked Bond Fund

Portfolio commentary

Net of fund management fees, the fund produced positive returns in July, broadly in line with benchmark returns. It should be noted that returns can be distorted by the differing valuation points of the fund and index. On a like-for-like basis, the fund outperformed the index over the month.

Bond yields remained volatile in June but ended the month lower as softer data in the US sparked expectations of rate cuts. We also saw cuts from the European Central Bank (ECB) and the Bank of Canada during the month. Yields in the US ended the month lower falling by around 40bps having started the month at 4.4%, There was no real catalyst for the move – data was generally supportive, increasing speculation that rates would be cut soon.

Yield curves steepened globally as interest rates were cut in the euro zone and Canada while the Federal Reserve sent a doveish message with rates expected to be cut in September. Breakeven rates in G3 were weaker over the course of the month with the exception of Japan where breakeven rates remained around the 1.50% level after the Bank of Japan raised interest rates by 25bps.

Duration positioning was the main positive for the fund over the month. We had a long position at the start of the month, and this was positive in a falling yield environment. We took profits on the position into falling yields early in the month, partially rebuilding this in the second half as yields retraced some of the earlier falls.

Cross-market positioning was also positive. US and Australia overweights helped as these outperformed. The underweight in Japan was also helpful, with yields rising in anticipation of further rate hikes from the Bank of Japan. We trimmed the Australia position following better-than-expected inflation data, which we feel decreases the potential for further rate hikes from the RBA. We also trimmed France holdings, these bonds having rallied somewhat after the second round of the election. Finally in the US, we remained underweight in 10-year US TIPS where we felt valuations looked stretched compared to the UK

Curve effects were negative over the month. The fund was positioned for flatter curves, but with markets pricing in substantial rate cuts, short-dated yields fell more sharply, leading to steeper curves. Curve-related activity in the month was limited.

Investment outlook

We expect markets to remain volatile around economic data points and envisage continuing to trade duration tactically. However we feel valuations in certain markets have now reached valuations that look attractive enough to hold a long duration position on a more strategic basis. We will also use supply events to trade positions,

We have moved from peak optimism at the end of 2023 where economists were calling for 5-6 rate cuts in the US in 2024. We then reached peak pessimism where the same economists were calling for just one cut. We still expect the Fed, ECB and Bank of England to cut rates in 2024 and rates to fall more aggressively in 2025. This we believe will lead to lower yields and steeper curves particularly in the UK and dollar markets. Softer data of late has added to this expectation, however in the short term with four US cuts priced in for the remainder of 2024, we believe markets have become too optimistic.

Paul Rayner

Head of Alpha Strategy

Gareth Hill

Senior Fund Manager

Royal London Short Duration Global Index Linked Bond Fund continued

Key views within the fund

The portfolio has a long duration position, as we expect rate cuts in the second half of 2024, as seen with both the ECB and Bank of Canada cutting rates in recent months.

The fund has no strategic curve position, but with inflation data improving, we have a broad preference to hold 5-10 year bonds over short-dated bonds.

The fund has no strategic breakeven positions, but on a tactical basis, we believe that breakevens are cheap in the US and Europe, with the UK looking fair value. We continue to like US breakevens, which effectively act as a hedge against possible economic impact of a Trump presidency.

The fund is underweight in Japan and Europe. On the former, we are expecting more rate hikes, while in the latter, political uncertainty in France means an inability to tackle the budget deficit.

Royal London UK Government Bond Fund

Portfolio commentary

Net of fees, the fund was behind its benchmark in July but it should be noted that returns can be distorted by the differing valuation points of the fund (12:00) and index (16:15). On a like-for-like timing basis, the fund outperformed the index.

The market rallied in July, with 10-year gilts yields falling, with the drop coming into month-end following rate decisions from the Bank of Japan and the US Federal Reserve. While the BoJ decision to hike rates was priced in by the market, the timing of the decision may have caught markets off guard slightly.

The Fed meeting during the month was much more in line with expectations, but Chair Jerome Powell's press conference following the release of the decision to stay put indicated a slight softening in tone. This softening offered a more balanced view on the bank's dual mandate to keep inflation in control and grow the US economy.

Following the Fed decision, the market now expects a cut for the September meeting – with the size of the cut now being debated.

Although there was no Bank of England decision in July, there was market movement around price expectations of upcoming decisions. The market moved to price in a cut for either of the bank's August or September meetings with base rate expectations seeing a downward shift. For the end of 2024, the market is now pricing in around two and a half cuts, with base rates to be about 3.7% for the end of 2025.

The fund started the month 0.55 of a year long, ending the period 0.3 of a year long. For the first part of the month, we traded around market volatility, while maintaining a broadly similar long position, but looked to trim this into month-end as the market rallied.

Our duration position was the main positive contributor to performance. In reducing the position, we sold 5-year and 30-year gilts.

We maintain a steepening bias, with the fund overweight 3-year and 5-year gilts versus the 10-15-year portion of the curve. This position was beneficial for performance as the curve steepened during the month.

From 15 years out, the fund maintains a flattening bias, holding an overweight position in 30-year gilts – which was detrimental to performance in July. Overall, our curve positioning was broadly neutral for performance.

Likewise, our cross-market positioning was also broadly neutral. Our holdings in US dollar markets was beneficial, with our 7-year US Treasurys and 30-year TIPS both outperforming gilts. Our Aussie dollar positioning, however, hindered performance. We hold an overweight position in 30-year Aussie bonds, which underperformed gilts.

In July, we took part in the 2035 Aussie syndication, which we then sold in the month taking profit.

We also took part in the UK index-linked syndication in the month, then selling the bonds taking profit.

CITYWIRE AA

Craig Inches

Head of Rates and Cash

CITYWIRE A

Ben Nicholl

Senior Fund Manager

Royal London UK Government Bond Fund continued

Investment outlook

We believe that inflation will rise into the end of the year, before falling back towards target during 2025. Shallow recessions are possible but are unlikely to be deep enough at this stage to ease the excessive tightness seen in labour markets. As we move through the second half of 2024, central banks are likely to start reducing rates, but with yields below base rates in all markets, this is well priced.

In the UK, the market is now assuming base rates have peaked at 5.25%, with the first cut expected in August 2024, and falling to a terminal level of around 3.5% by late-2025.

Supply will remain high for the next few years, with around £200bn per annum forecast over each of the next five years. Alongside quantitative tightening (where the BoE is selling its gilt holdings back into the market), this could represent a headwind for gilts. However, when considering gilts in a global context, we believe the gilt market is somewhat priced for this, with the UK curve much steeper than both the US and German bonds.

Key views within the fund

The portfolio's duration is long versus the index, including the impact of cash holdings on duration, although we continue to trade around this as market volatility provides opportunities to add value.

The fund retains an exposure to steepening via its overweight in 5-year maturity bonds versus 10-year maturity bonds, but then a flattening bias thereafter due to an overweight in 30-year maturity bonds.

The fund holds positions in overseas government bonds, both nominal and inflation linked bonds.

The portfolio has a small allocation to high quality corporate bonds which provide additional yield for the portfolio.

Royal London Asset Management Global High Yield Fund Performance

	1 month (%)	Rolling 12 months (%)
RL Global High Yield Bond Fund M Inc	**1.43**	**9.07**
RL Global High Yield Bond Fund Z Inc	**1.45**	**9.30**
ICE BofA ML BB-B Global Non-Financial High Yield Constrained Index	1.55	10.58
IA Sterling High Yield Sector	1.38	10.78
RL Short Duration Global High Yield Bond Fund A Inc	**0.90**	**7.22**
RL Short Duration Global High Yield Bond Fund M Inc	**0.92**	**7.64**
RL Short Duration Global High Yield Bond Fund Z Inc	**0.92**	**7.76**
Sterling Overnight Index Average Rate (SONIA)[1]	0.43	5.20
IA Sterling High Yield Sector	1.38	10.78

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.

Source: RLAM and Morningstar, as at 31 July 2024. Returns quoted are net of fees. Please note that with effect from 1 February 2024 RLAM are using peer group comparisons provided by Morningstar. Prior to this peer comparisons were provided by Lipper so there may be some differences compared to the data provided historically. All IA sector performance shown is for the median.

Royal London Global High Yield Bond Fund

Portfolio commentary

The fund returned 1.50% (gross of fess) in July versus the benchmark, the ICE BofA Merrill Lynch BB-B Global Non-Financial High Yield Constrained Index (100% GBP hedged), return of 1.55%. Net of fees (Z Inc) the fund returned 1.45%. Against the fund's objective, outperforming its benchmark by 1% per annum over rolling thee-year periods, it is behind of the benchmark, gross of fees (0.05% versus 0.57%).

For the third consecutive month the global high yield market produced a positive return. In July, the market produced a GBP-hedged monthly return of 1.55% with the primary contributor being the government yield curve which fell 36 basis points during the month. The government yield curve has now fallen 66bps over the last three months. Global high yield spreads (BB-B index) widened 6bps during the month. The high yield market is now yielding 6.67% (YTW) with a duration of 3.5 years.

The fund's FX-adjusted yield stood at 7.27% at the end of July with a duration of 3.8 years.

With the government curve falling, the month of July saw a continuation with the amount of global high yield new issuance at $37.7bn - doubled the amount issued in July 2023. This brings the year-to-date figure to $295.4bn, up 79% as compared with this period in 2023.

The US high yield default rate inched lower in July, falling to 1.8% from 1.9% in June. July's rate is now the lowest mark since February 2023. The US high yield default rate has now been sitting in a range between 1.7% and 2.6% since February 2023. For comparison, during the GFC the default rate was seen over 20% and it was over 7% during the Covid pandemic. The global high yield rate fell to 2.2% from 2.5% in June and is lower than the 3.2% seen in July last year.

These default levels would be entirely normal in an historic context, but the nature of the economic backdrop and strong company balance sheets means we expect default rates to grind higher, instead of sharply spiking.

In the fund, total returns were broad based, with the utility sector the main laggard seeing negative returns. Relative to the benchmark, our media and services holdings were the strongest contributors while the energy and utility sectors lagged. By rating, our overweight position in B rated bonds contributed strongly during the month while our BB holdings were behind the benchmark. While outside the benchmark, both our BBB & Above and CCC & Below holdings contributed positively. By region, all areas saw a positive total performance, with our US holdings the relative outperformer.

For the market, all regions produced positive and comparable returns during the month. With respect to sectors, all sectors produced positive returns, with media being a relative outperformer.

***Yield-to-worst refers to the redemption date that produces the lowest return**

Investment outlook

High yield fundamentals are well supported and that has resulted in a very moderate default climate up to now. Current US high yield default rates are very low, sitting below 2%, with global defaults below 3%. While companies are relatively comfortable with the position that credit spreads are not going to be too volatile, and they have a good handle on the strength of their balance sheets, we can see a scenario where current tight spreads tighten further – with not many new issues and yields remaining high.

As spreads tighten, there become a perception that the high yield market is risky for investors, but we feel this does not tell the full story. The fundamentals in the market are considerably better than previously with the quality of names improving. We believe that the

Azhar Hussain

Head of Global Credit

Stephen Tapley

Senior Fund Manager

Royal London Global High Yield Bond Fund continued

combination of attractive valuations, robust fundamentals, and the fact that macro headwinds have abated with the US monetary tightening cycle coming to an end, provides a constructive environment for 2024 and 2025.

In our view, the way through markets is to focus on those risks that you can control and know what you own. We will keep spread duration low and focus on the quality of issuers' financials, rather than relying on third-party ratings: at a sectoral level, cashflows are the key factor, meaning we need to know about on- and off-balance sheet leverage. We prefer not to wait for defaults as the recovery process can take time: however, should they occur, the key is to have an adequate solvency cushion.

We still believe 2024 should play out similarly to 2023: maturity wall concerns being overplayed; companies holding high liquidity; private debt markets eating the bottom cohort of public markets; public markets remaining open, with solid issuance levels. As long as public markets stay open, any maturity wall concerns will be swept away. And, as long as private markets are taking away the weakest parts of public markets, we believe defaults should stay low.

Key views within the fund

The fund's objective is to achieve a combination of capital growth and income. The fund seeks to achieve its investment objective by outperforming its benchmark, the BofA Merrill Lynch BB-B Global Non-Financial High Yield Constrained index, 100% hedged to sterling, by 1% per annum over rolling three-year periods.

The fund seeks to mitigate stock-specific risk by holding a diversified portfolio of investments, so that no individual investment can, in isolation, have an excessive adverse impact on overall fund performance. Currency risk associated with holdings of bonds is hedged through the use of forward currency transactions.

We expect market volatility to continue due to market expectations surrounding Federal Reserve monetary policy. As such, we believe bonds with near-term catalysts, which mitigate market risk, are an important attribute underpinning investment performance over the medium term.

Royal London Short Duration Global High Yield Bond Fund

Portfolio commentary

The monthly return was 0.96%, gross of fees, in July, while the benchmark returned 0.43%. Net of fees (Z Inc), the fund returned 0.92%.

For the third consecutive month the global high yield market produced a positive return. In July, the market produced a GBP-hedged monthly return of 1.55% with the primary contributor being the government yield curve which fell 36 basis points during the month. The government yield curve has now fallen 66bps over the last three months. Global high yield spreads (BB-B index) widened 6bps during the month. The high yield market is now yielding 6.67% (YTW) with a duration of 3.5 years.

The fund's GBP-expected FX-adjusted yield decreased by 13bps to 6.91% with an expected duration of 1.1 years.

With the government curve falling, the month of July saw a continuation with the amount of global high yield new issuance at $37.7bn - doubled the amount issued in July 2023. This brings the year-to-date figure to $295.4bn, up 79% as compared with this period in 2023.

The US high yield default rate inched lower in July, falling to 1.8% from 1.9% in June. July's rate is now the lowest mark since February 2023. The US high yield default rate has now been sitting in a range between 1.7% and 2.6% since February 2023. For comparison, during the GFC the default rate was seen over 20% and it was over 7% during the Covid pandemic. The global high yield rate fell to 2.2% from 2.5% in June and is lower than the 3.2% seen in July last year.

These default levels would be entirely normal in an historic context, but the nature of the economic backdrop and strong company balance sheets means we expect default rates to grind higher, instead of sharply spiking.

For the market, all regions produced positive and comparable returns during the month. With respect to sectors, all sectors produced positive returns, with media being a relative outperformer.

Decomposing the funds' assets: all regions produced positive returns with all regions producing similar returns. By rating, the fund's small exposure to CCC assets outperformed BB and single B assets. All of which produced positive returns. During the month all sectors also produced positive returns. Media was the relative outperformer, while automotive was the laggard. Asset composition by region and rating were both broadly unchanged on the month.

Asset composition by region and rating were both broadly unchanged on the month.

With the continued high level of new issuance witnessed in the market, the fund's holdings in several names were redeemed during the month including Cinemark, GEMS and AA (the British motoring association). Other positions were called later in the month and are set to be redeemed in July such as Constellium and SM Energy. New positions were added in Infopro Digital, Lorca Telecommunications and Teamsystem. Cash was also spent on adding to existing holdings.

Overall, the cash level was 1.2% at end of the month.

Fund NAV was £1.24bn (-£13m on the month).

***Yield-to-worst refers to the redemption date that produces the lowest return**

CITYWIRE +

Azhar Hussain

Head of Global Credit

Stephen Tapley

Senior Fund Manager

Royal London Short Duration Global High Yield Bond Fund continued

Investment outlook

High yield fundamentals are well supported and that has resulted in a very moderate default climate up to now. Current US high yield default rates are very low at around 2-3%, with global defaults not much higher, and we expect this to track to 3%-5% over the course of next year. We expect that most high yield issuers will wait for interest rates to recede from their relatively high levels before returning to the tap markets. They are relatively comfortable with the position that credit spreads are not going to be too volatile, and they have a good handle on the strength of their balance sheets.

Companies are becoming less focused on the US Federal Reserve as they adapt to the 'higher for longer' environment. With monetary policy lags appearing longer than they used to be there is some recognition by central banks that policy tightening needs time to work and that the impacts of policy tightening are still feeding through. This is causing spreads to tighten as investors are now convinced the fallout won't be coming until late 2024 or early 2025.

In our view, the way through difficult markets is to focus on those risks that you can control and know what you own. We will keep spread duration low and focus on the quality of issuers' financials, rather than relying on third-party ratings: at a sectoral level, cashflows are the key factor, meaning we need to know about on- and off-balance sheet leverage. We prefer not to wait for defaults as the recovery process can take time: however, should they occur, the key is to have an adequate solvency cushion.

We still believe 2024 should play out similarly to 2023: maturity wall concerns being overplayed; companies holding high liquidity; private debt markets eating the bottom cohort of public markets; public markets remaining open, with solid issuance levels. As long as public markets stay open, any maturity wall concerns will be swept away. And, as long as private markets are taking away the weakest parts of public markets, we believe defaults should stay low.

With yields at current levels and appealing potential returns, we will be paid sufficiently for maintaining a lower-risk position for at least another quarter until there is more clarity about the outlook. In keeping with the core focus of the strategy, we will keep duration low and focus on the quality of issuers' financials, rather than relying on third-party ratings. At a sectoral level, cashflows are the key factor and we continue to favour companies with contracted revenues. With regards to geography, our global outlook provides diversification away from country-specific risks.

Key views within the fund

The fund's objective is to provide income. The manager seeks to achieve this by outperforming the benchmark, SONIA, by 2% per annum over rolling three-year periods.

The fund is diversified in order to improve overall portfolio liquidity and to reduce the effect on overall fund performance of any deterioration in the creditworthiness of an individual holding.

We expect market volatility to continue due to market expectations surrounding Federal Reserve monetary policy. As such, we believe bonds with near-term catalysts, which mitigate market risk, are an important attribute underpinning investment performance over the medium term. There seems little chance of a near-term resolution of the conflict in Ukraine – this also has significant implications for the global economy, particularly if ongoing higher energy prices and supply chain disruption exacerbate a global economic slowdown.

Disclaimers

Important information

For professional clients only, not suitable for retail clients.

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.

Issued in August 24 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.

RL Corporate Bond Fund, RL Investment Grade Short Dated Credit Fund, RL Sterling Credit Fund, RL Global Index Linked Fund, RL UK Government Bond fund, RL Index Linked, RL Short Duration Global Index Linked Fund and RL Short Duration Gilts Fund

The Funds 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 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.

RL Ethical Bond Fund, RL Short Duration Credit Fund

The Funds are sub-funds of RL 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 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.

RL Global Bond Opportunities Fund, RL Sterling Extra Yield Bond Fund, RL Global High Yield, RL Short Duration Global High Yield Fund

The Funds are sub-funds of Royal London Asset Management Funds plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds. 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 FundRockManagement Company SA, Registered office: 33 rue de Gasperich, L –5826 Hesperange, Luxembourg and is authorised and regulated by the Commission de Surveillance du SecteurFinancier (CSSF). The Investment Manager is Royal London Asset Management Limited. 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. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available.

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.

ICE indexes and data are the intellectual property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its Third-Party Suppliers and has been licensed for use by Royal London Asset Management. ICE Data and its Third-Party Suppliers accept no liability in connection with its use. See https://www.theice.com/market-data/disclaimer for a full copy of the Disclaimer.

Bloomberg® is a trademark and service mark of Bloomberg Finance L.P. (collectively with its affiliates, "Bloomberg"). Barclays® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices.

Neither Bloomberg nor Barclays approve or endorse this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

FTSE indexes and data are an intellectual property of FTSE International Limited ("FTSE"). "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. The Index is calculated by FTSE or its agent.

FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Royal London Asset Management.

FTSE indexes and data are an intellectual property of FTSE International Limited ("FTSE"). "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. The Index is calculated by FTSE or its agent. FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Royal London Asset Management.

FC RLAM PD 0029 RH

Risk and Warnings

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.

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.

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.

Derivative risk

The fund may undertake transactions in derivatives and forward transactions (both on exchange and over the counter (OTC)). These may include interest rate swaps and interest rate futures for the purposes of meeting the investment objective, protecting the risk to capital, duration and credit management, as well as for hedging. While the discerning use of derivatives can be beneficial, derivatives also involve specific risks. These risks relate specifically to market risk, management risk, credit risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices. The use of derivative instruments may from time to time alter the economic exposure of the fund causing it to deviate significantly from the performance of the market as a whole. The use of these derivatives will be within the parameters allowed for linked funds by the Financial Conduct Authority and Prudential Regulation Authority.

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.

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.

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.

Exchange rate risk

Changes in currency exchange rates may affect the value of your investment.

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.

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.

Risk and Warnings

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.

Sub-investment grade investment risk

Lower rated investment grade securities may have large uncertainties or major risk exposures to adverse conditions. The market value of securities in lower rated investment grade categories is more volatile than that of higher quality securities, and the markets in which these securities are traded are less liquid than those in which higher rated securities are traded.

Unrated bond risk

Non-rated bonds may have the characteristics of either investment or sub-investment grade bonds. Market activity in unrated securities and instruments may be low for a considerable period of time and this may impact on liquidity.

Performance to 31 July 2024 - Credit

Cumulative (%) / Annualised (%)

		3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a)	5 Years (p.a)
RL Corporate Bond Fund Z Inc	Gross	3.43	4.09	12.24	-2.70	10.05	-0.91	1.93
RL Corporate Bond Fund Z Inc	Net	3.33	3.91	11.82	-3.86	7.86	-1.30	1.52
RL Ethical Bond Fund Z Inc	Gross	3.03	3.76	11.62	-6.29	4.76	-2.14	0.93
RL Ethical Bond Fund Z Inc	Net	2.93	3.56	11.17	-7.40	2.69	-2.53	0.53
RL Global Bond Opportunities Fund Z Inc	Gross	3.27	4.69	11.61	10.69	23.91	3.44	4.38
RL Global Bond Opportunities Fund Z Inc	Net	3.16	4.47	11.08	9.02	20.88	2.92	3.86
RL Investment Grade Short Dated Credit Fund Z Inc	Gross	2.80	3.46	9.99	3.02	8.74	1.00	1.69
RL Investment Grade Short Dated Credit Fund Z Inc	Net	2.74	3.33	9.72	2.28	7.44	0.75	1.44
RL Short Duration Credit Fund Z Inc	Gross	3.13	4.85	11.36	7.10	15.30	2.31	2.89
RL Short Duration Credit Fund Z Inc	Net	3.05	4.69	11.01	6.11	13.53	2.00	2.57
RL Sterling Credit Fund Z Inc	Gross	3.35	4.09	12.18	-4.32	7.49	-1.46	1.45
RL Sterling Credit Fund Z Inc	Net	3.26	3.91	11.79	-5.32	5.63	-1.80	1.10
RL Sterling Extra Yield Bond Fund A Inc	Gross	3.27	5.71	13.35	14.30	27.00	4.55	4.89
RL Sterling Extra Yield Bond Fund A Inc	Net	3.05	5.27	12.40	11.45	21.85	3.68	4.03
RL Sterling Extra Yield Bond Fund B Inc	Gross	3.27	5.71	13.34	14.28	26.98	4.55	4.89
RL Sterling Extra Yield Bond Fund B Inc	Net	2.92	5.01	11.82	9.75	18.76	3.15	3.50
RL Sterling Extra Yield Bond Fund Y Inc	Gross	3.27	5.72	13.34	14.30	27.00	4.55	4.89
RL Sterling Extra Yield Bond Fund Y Inc	Net	3.17	5.51	12.89	12.93	24.55	4.13	4.48
RL Sterling Extra Yield Bond Fund Z Inc	Gross	3.27	5.71	13.34	14.29	26.99	4.55	4.89
RL Sterling Extra Yield Bond Fund Z Inc	Net	3.12	5.41	12.68	12.32	23.43	3.94	4.30

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.
Source: RLAM as at 31 July 2024. All figures are mid-price to mid-price in GBP unless otherwise stated.

Performance to 31 July 2024 - Credit

Year on year performance (%)

		30/06/2023 – 30/06/2024	30/06/2022 – 30/06/2023	30/06/2021 – 30/06/2022	30/06/2020 – 30/06/2021	30/06/2019 – 30/06/2020
RL Corporate Bond Fund Z Inc	Gross	12.24	-2.02	-11.50	7.35	5.34
RL Corporate Bond Fund Z Inc	Net	11.82	-2.42	-11.86	6.91	4.91
RL Ethical Bond Fund Z Inc	Gross	11.62	-5.06	-12.19	5.58	6.03
RL Ethical Bond Fund Z Inc	Net	11.17	-5.43	-12.54	5.16	5.61
RL Global Bond Opportunities Fund Z Inc	Gross	11.61	5.49	-6.57	12.90	-0.87
RL Global Bond Opportunities Fund Z Inc	Net	11.08	4.94	-7.06	12.31	-1.29
RL Investment Grade Short Dated Credit Fund Z Inc	Gross	9.99	-1.76	-6.22	3.68	2.21
RL Investment Grade Short Dated Credit Fund Z Inc	Net	9.72	-2.00	-6.45	3.43	1.96
RL Short Duration Credit Fund Z Inc	Gross	11.36	0.54	-5.36	5.46	2.49
RL Short Duration Credit Fund Z Inc	Net	11.01	0.23	-5.65	5.13	2.17
RL Sterling Credit Fund Z Inc	Gross	12.18	-3.42	-12.28	6.81	5.24
RL Sterling Credit Fund Z Inc	Net	11.79	-3.76	-12.59	6.44	4.87
RL Sterling Extra Yield Bond Fund A Inc	Gross	13.35	2.55	-3.03	16.01	-3.90
RL Sterling Extra Yield Bond Fund A Inc	Net	12.40	1.69	-3.84	15.04	-4.64
RL Sterling Extra Yield Bond Fund B Inc	Gross	13.34	2.54	-3.03	16.00	-3.92
RL Sterling Extra Yield Bond Fund B Inc	Net	11.82	1.17	-4.33	14.44	-5.12
RL Sterling Extra Yield Bond Fund Y Inc	Gross	13.34	2.55	-3.04	16.01	-3.89
RL Sterling Extra Yield Bond Fund Y Inc	Net	12.89	2.14	-3.43	15.55	-4.22
RL Sterling Extra Yield Bond Fund Z Inc	Gross	13.34	2.55	-3.04	16.01	-3.90
RL Sterling Extra Yield Bond Fund Z Inc	Net	12.68	1.95	-3.60	15.34	-4.39

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.
Source: RLAM as at 31 July 2024. All figures are mid-price to mid-price in GBP unless otherwise stated.

Performance to 31 July 2024 – Government Bond

		Cumulative (%)					Annualised (%)	
		3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a)	5 Years (p.a)
RL Global Index Linked Bond Fund Z Inc	Gross	2.98	2.63	4.00	-11.40	0.83	-3.95	0.17
RL Global Index Linked Bond Fund Z Inc	Net	2.88	2.45	3.62	-12.35	-0.97	-4.30	-0.19
RL Index Linked Bond Fund M Inc	Gross	2.61	3.23	2.77	-33.01	-24.76	-12.49	-5.52
RL Index Linked Bond Fund M Inc	Net	2.53	3.08	2.46	-33.64	-25.99	-12.76	-5.84
RL Short Duration Gilt Fund Z Inc	Gross	2.21	2.13	6.83	2.38	3.77	0.79	0.74
RL Short Duration Gilt Fund Z Inc	Net	2.15	2.02	6.59	1.71	2.64	0.56	0.52
RL Short Duration Global Index Linked Bond Fund Z Inc	Gross	2.49	2.35	5.35	3.28	12.07	1.08	2.30
RL Short Duration Global Index Linked Bond Fund Z Inc	Net	2.43	2.24	5.12	2.60	10.85	0.86	2.08
RL UK Government Bond Fund Z Inc	Gross	3.66	2.13	6.92	-19.97	-14.50	-7.15	-3.08
RL UK Government Bond Fund Z Inc	Net	3.59	2.01	6.65	-20.62	-15.79	-7.40	-3.37

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.
Source: RLAM as at 31 July 2024. All figures are mid-price to mid-price in GBP unless otherwise stated.

Performance to 31 July 2024 – Government Bond

Year on year performance (%)

		30/06/2023 – 30/06/2024	30/06/2022 – 30/06/2023	30/06/2021 – 30/06/2022	30/06/2020 – 30/06/2021	30/06/2019 – 30/06/2020
RL Global Index Linked Bond Fund Z Inc	Gross	4.00	-4.11	-8.15	3.22	7.47
RL Global Index Linked Bond Fund Z Inc	Net	3.62	-4.46	-8.48	2.86	7.09
RL Index Linked Bond Fund M Inc	Gross	2.77	-14.35	-19.32	-3.67	11.77
RL Index Linked Bond Fund M Inc	Net	2.46	-14.61	-19.59	-4.02	11.37
RL Short Duration Gilt Fund Z Inc	Gross	4.28	-2.95	-2.48	-0.16	1.82
RL Short Duration Gilt Fund Z Inc	Net	4.05	-3.16	-2.70	-0.37	1.60
RL Short Duration Global Index Linked Bond Fund Z Inc	Gross	4.78	-0.56	-0.51	4.50	3.09
RL Short Duration Global Index Linked Bond Fund Z Inc	Net	4.55	-0.78	-0.73	4.27	2.86
RL UK Government Bond Fund Z Inc	Gross	6.92	-12.07	-13.57	-5.78	11.96
RL UK Government Bond Fund Z Inc	Net	6.65	-12.29	-13.85	-6.11	11.56

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.

Source: RLAM as at 31 July 2024. All figures are mid-price to mid-price in GBP unless otherwise stated.

Performance to 31 July 2024 – Global High Yield

Cumulative (%)

		3 Month	6 Month	1 Year	3 Years	5 Years
RL Global High Yield Bond Fund M Inc	Gross	3.51	3.38	9.96	0.15	14.01
RL Global High Yield Bond Fund M Inc	Net	3.31	2.96	9.07	-2.31	9.45
RL Global High Yield Bond Fund Z Inc	Gross	3.51	3.38	9.93	0.14	14.09
RL Global High Yield Bond Fund Z Inc	Net	3.37	3.09	9.30	-1.58	10.89
RL Short Duration Global High Yield Bond Fund A Inc	Gross	2.46	3.45	8.29	11.20	15.67
RL Short Duration Global High Yield Bond Fund A Inc	Net	2.20	2.94	7.22	7.94	10.15
RL Short Duration Global High Yield Bond Fund M Inc	Gross	2.44	3.43	8.27	11.18	15.65
RL Short Duration Global High Yield Bond Fund M Inc	Net	2.29	3.13	7.64	9.23	12.35
RL Short Duration Global High Yield Bond Fund Z Inc	Gross	2.44	3.44	8.28	11.18	15.65
RL Short Duration Global High Yield Bond Fund Z Inc	Net	2.32	3.19	7.76	9.59	12.97

Annualised (%)

3 Years (p.a)	5 Years (p.a)
0.05	2.65
-0.77	1.82
0.05	2.67
-0.53	2.09
3.60	2.95
2.58	1.95
3.59	2.95
2.98	2.35
3.59	2.95
3.10	2.47

Year on year performance (%)

		30/06/2023 – 30/06/2024	30/06/2022 – 30/06/2023	30/06/2021 – 30/06/2022	30/06/2020 – 30/06/2021	30/06/2019 – 30/06/2020
RL Global High Yield Bond Fund M Inc	Gross	9.96	5.71	-15.11	15.15	-0.56
RL Global High Yield Bond Fund M Inc	Net	9.07	4.83	-15.82	14.20	-1.32
RL Global High Yield Bond Fund Z Inc	Gross	9.93	5.71	-15.11	15.23	-0.56
RL Global High Yield Bond Fund Z Inc	Net	9.30	5.10	-15.60	14.57	-1.07
RL Short Duration Global High Yield Bond Fund A Inc	Gross	8.29	8.91	-6.13	5.86	-1.67
RL Short Duration Global High Yield Bond Fund A Inc	Net	7.22	7.83	-7.06	4.82	-2.57
RL Short Duration Global High Yield Bond Fund M Inc	Gross	8.27	8.91	-6.13	5.87	-1.68
RL Short Duration Global High Yield Bond Fund M Inc	Net	7.64	8.27	-6.69	5.25	-2.19
RL Short Duration Global High Yield Bond Fund Z Inc	Gross	8.28	8.91	-6.13	5.86	-1.67
RL Short Duration Global High Yield Bond Fund Z Inc	Net	7.76	8.38	-6.58	5.35	-2.08

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.
Source: RLAM as at 31 July 2024. All figures are mid-price to mid-price in GBP unless otherwise stated.