For professional clients only, not suitable for retail clients.

Royal London Sterling Extra Yield Bond Fund

Quarterly Investment Report

31 March 2025

Quarterly Report

The fund as at 31 March 2025

The purpose of this report is to provide an update on the Royal London Sterling Extra Yield Bond Fund. The report has been produced by Royal London Asset Management. The report starts with a summary dashboard showing key information about the fund. A glossary is located at the end of the report covering the description of some of the more technical terms used within the report. All data is as at the report date unless otherwise stated.

Contents

The fund

Fund performance objective and benchmark

The investment objective of the fund is to achieve a high level of income. The fund seeks to achieve a gross redemption yield (GRY) of 1.25 times the gross redemption yield of the FTSE Actuaries British Government 15 Year index (the "Benchmark"). The Benchmark is being used by the Fund for performance comparison purposes only and the Fund does not intend to track the Benchmark.

Fund value

	Total £m
31 March 2025	1,647.38

Asset allocation

	Fund (%)
Conventional credit bonds	95.29
Index linked credit bonds	1.10
Other	3.62

Fund analytics

	Fund
Fund launch date	11 April 2003
Fund base currency	GBP
Benchmark	FTSE Actuaries British Government 15 years index
Duration (years)	4.02
Yield to worst (%)	7.69
Number of holdings	239
Number of issuers	189

Performance to 31 March 2025

Performance

	3 Month (%)	6 Month (%)	1 Year (%)	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.)
A Inc GBP	3.18	5.68	10.80	7.16	9.62	7.88
Z Inc GBP	3.17	5.68	10.79	7.16	9.61	7.06

Past performance is not a guide to future performance. Please refer to the Glossary for the basis of calculation and impact of fees. Source: Royal London Asset Management; Gross performance.

Performance based on RL Sterling Extra Yield Bond Fund (A Inc), since inception date of the share class is 11 April 2003 and RL Sterling Extra Yield Bond Fund (Z Inc), since inception date of the share class is 13 December 2013.

Performance commentary

Distributions in respect of the first quarter of 2025, payable at the end of May, are 1.85p, 1.82p, 1.72p and 1.71p respectively for the A, B, Y and Z class income shares. These amounts are a little lower than the 1.89p, 1.84p, 1.76p and 1.74p distributed for the fourth quarter of 2024.

In January, the prices of most of the holdings in the fund rose, complemented by strong income accrual. There were some notable sector and stock performances. Financials generally performed with insurers Esure and Just Group up in price in the month, with asset manager Abrdn and Rabobank also up.

Bonds of specialist bank Close Brothers Group were also up in the month, rebounding strongly after being subdued on concerns around their exposure to the motor finance business, while bonds of consumer finance company Vanquis rose. Within the water sector, bonds of Anglian Water were up in the wake of December's five-year price determination for the sector. In contrast bonds of Thames Water weakened in January, after moving up in price during the course of the fourth quarter of 2024, as the process of stabilising the company's finances continued.

February was another strong month for the fund, with most holdings up in price in the month, but there were a few areas of notable performance. These included some holdings in the financial sectors, with bonds of Santander and insurance company Bupa Finance and with subordinated bonds of Metrobank up on further reassessment of business prospects.

Bonds of Southern Water Services were up on the prospect of additional substantial equity investment in the business against a backdrop of improving sentiment on the prospect of a workable regulatory framework for the sector.

Within the energy sector, shares of services business DOF and of oil and gas production business Shamaran – with these having been received under terms of restructurings of these companies – had a volatile quarter. After a significant price rise in January, DOF suffered a dip in February - after the holding had been further reduced by sales early in the month and to a level still three times higher than at the start of trading now 18 months ago, while Shamaran shares continued higher on solid business performance and improving prospects of re-opening of the Kurdistan – Turkey pipeline while would markedly improve cash flow. The holding was progressively reduced in February to crystallise this performance in share price.

Performance to 31 March 2025

Performance commentary (continued)

As the quarter progressed, US government policy introduced heightened volatility into global markets and the fund was not immune from the deterioration in sentiment in bond markets. A number of holdings in the banking and insurance sectors were down in price during this period of increased volatility. The fund benefitted, however, from strong income generation, from low average duration and therefore modest exposure to long dated bonds which were more vulnerable to the rise in gilt yields, and the diversity in the holdings.

While this fund structure would have delivered a positive return for the fund in March, there was one stock-specific development which contributed some 0.34% to overall return in the month. During the pre-Covid years of low gilt yields the fund invested in shares of Care Reit – an asset rich, low leveraged owner of care homes in the UK which leased on long contracts to operators, and which offered an attractive yield with bond-like characteristics, namely attractive income, good visibility of future income and low business volatility. Income generation on the shares had risen from 6p to 7p over the past years and in March a US group announced a bid for the company at a 38% premium to its than prevailing share price, complementing the robust income generation of the investment while held in the fund with a capital gain on completion of the takeover.

Performance and activity

Top 10 holdings

	Weighting (%)
ELECTRICITE DE FRANCE SA 7.375 31 Dec 2079	2.67
CO-OPERATIVE GROUP HOLDINGS (2011) 7.5 08 Jul 2026	2.26
INTULN_13-11 8.75 06 Dec 2028	2.18
ABBEY NATIONAL PLC 10.0625 31 Dec 2079	2.13
SANTANDER UK % NON CUM PREF PLC	2.08
CENTRICA PLC 6.5 21 May 2055	1.87
M&G PLC 6.34 19 Dec 2063	1.73
PHOENIX GROUP HOLDINGS PLC 5.75 31 Dec 2079	1.73
CANARY WHARF GROUP INVESTMENT HOLD 3.375 23 Apr 2028	1.66
HEATHROW FINANCE PLC 4.125 01 Sep 2029	1.50
Total	**19.81**

Fund activity

The fund participated selectively in the steady flow of new issues at the start of the new year – investments included Dutch financial services group Achmea, which traded well after issue and were sold to crystallise a capital gain in the month, Scandinavian business services group SuperOffice, denominated in Norwegian krone and offering an initial yield of 8.25%, and most notably Motability, the A credit rated business offering car leasing under the UK's mobility allowance scheme – the 20-year bonds were issued near the high point of gilt yields at a yield of 6.25% and had risen in price. The fund then crystallised profits on the bond later in the quarter.

In quite a busy February, there were several other areas of investment activity. These included investment in new issues, including of AT1 bonds of both Lloyds and NatWest, each BBB rated and offering a yield of 7.5% to first call in 2030 and 2032 respectively; unrated AT1 bonds of specialist lender United Trust Bank offering 13% to first call in 2030. Purchases also included unrated bonds of ASP Data Center – offering a 11.5% yield for their three-year term with proceeds used for capital expenditure in growing business capacity, and Hofseth, the Norwegian salmon industry business again with proceeds used for business expansion and offering a 12% yield for their five-year term.

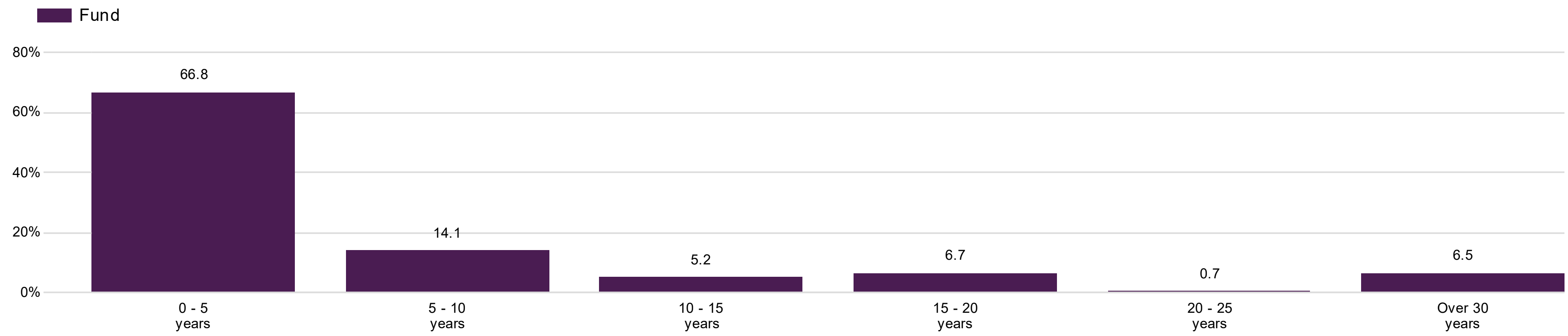
Towards the end of the quarter, the fund participated selectively in the flow of new issues, including BBB rated bonds of insurance company Aviva, offering a 7.75% yield to first call in 2032, bonds of energy companies DNO and Genel – each unrated, US dollar denominated and offering 8.5% and 11% respectively for their five-year terms with DNO calling existing bonds at a premium to their par value. New issues also included secured bonds of offshore service companies Geoquip Maritime, specialising in renewable energy, and Compagnie Maritime Monegasque, offering income of 9.25% and 14% respectively.

Sales in the quarter included senior 2028 bonds of Principality Building Society, issued 18 months earlier and sold at a price above 108, and taking profits on some recent new issues that had performed well, including motoring services business Circular Tire Services, marine technology company G&O, and logistics business MacGregor.

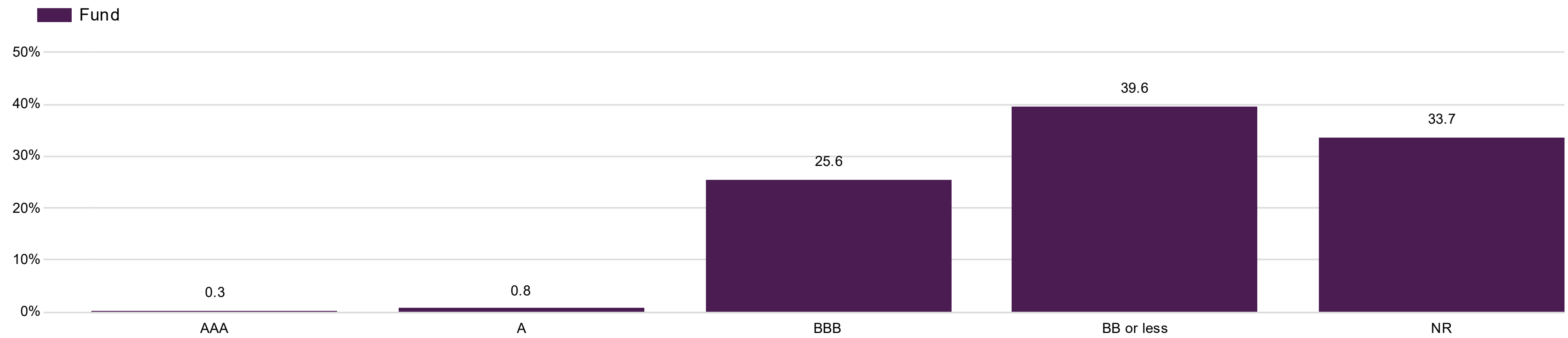
Fund liquidity was also increased by the return of capital from aircraft leasing business Doric Nimrod Air 2, and the partial repayment from excess cash flow of bonds of oil company Shamaran under the bond's set terms. Sales also included insurers Allianz, ASR Nederland and Phoenix after recent strong performance in the sector, and of Spanish bank Banco Bilbao Vizcaya and Co-op Bank, the latter recently taken over by Coventry Building Society. Shipping company Altera Shuttle Tankers announced the early redemption of the bonds at a price of 108, after paying 9% p.a. income from issue in February last year.

Fund breakdown

Maturity profile

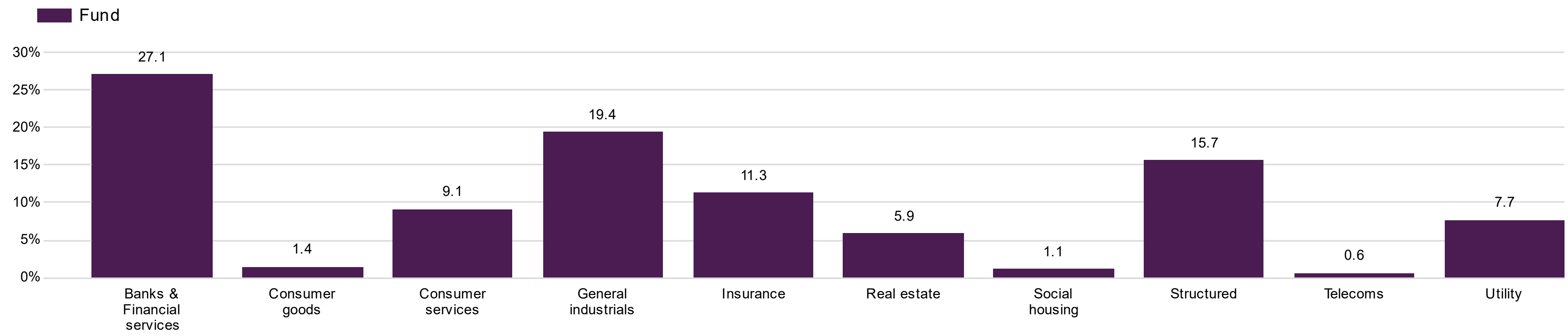


Credit Ratings

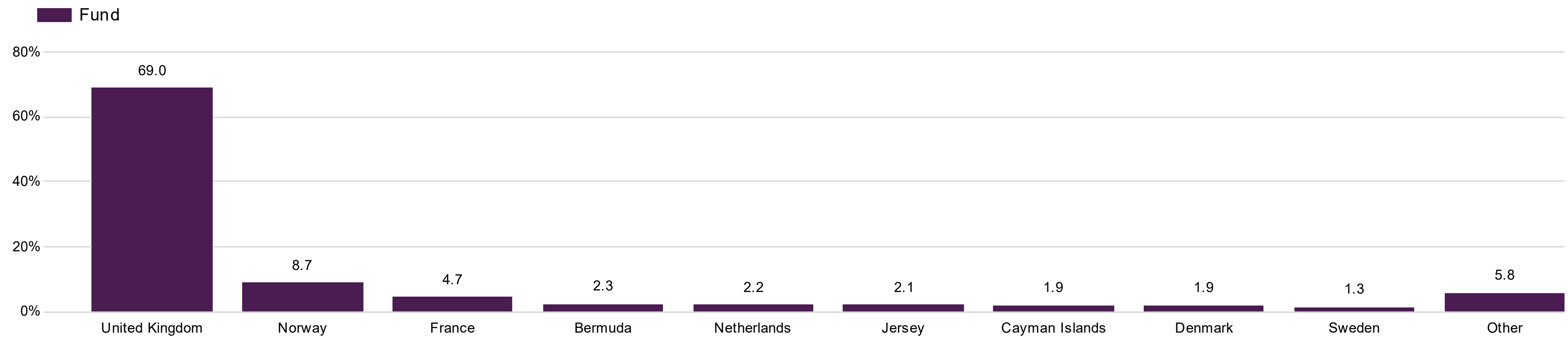


Fund breakdown

Sector breakdown



Geographical breakdown



Fund Engagement

Engagement definition

Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence positive change, with defined objectives and demonstrable outcomes.

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	6	21
Number of engagements	10	52

This is an estimate. Some engagements at the issuer level may not have been attributed to the specific bond held in the fund, resulting in a lower number of engagement activities.

Total engagements by theme and topic

Biodiversity	**1**
Climate	**7**
Climate - Transition Risk	5
Climate - Physical Risk	2
Environment	**3**
Governance	**1**
Remuneration	1
Health	**1**
Health - Community	1
Social & Financial Inclusion	**2**
Just transition	2

The numbers of engagements and themes/topics discussed may differ where a single engagement covers multiple themes/topics.

Engagement focus

Firm-wide engagement activity is centred around six themes which we have identified in consultation with our clients. These are: climate change; nature and biodiversity; health; governance and corporate culture; social and financial inclusion; innovation, technology and society. Portfolio level engagements are not thematic and are focussed on issues specific to managing the portfolio and meeting the investment objective.

Engagement data represents all engagements undertaken at both firm and portfolio level across Royal London Asset Management, and may not be limited to those undertaken solely for the purpose of managing the fund.

Fund Engagement

Engagement outcomes

Wessex Water Ltd – Water project

Purpose:

Wessex Water responded to our request for a meeting following the release of its updated company scores which were derived from our scoring methodology based on public disclosures and company engagement in 2024. The meeting provided an opportunity to discuss areas for improvement, including pollution management, antimicrobial resistance (AMR), biodiversity, and climate-related physical risks.

Outcome:

The company highlighted its pollution control efforts, including the use of machine learning to detect sewer changes during rain and the importance of predictive analytics in preventing spills. Wessex Water also addressed antimicrobial resistance (AMR), emphasising its participation in the Chemicals Investigations Programme, a UK water industry initiative that investigates trace chemical substances in the water environment to comply with current and emerging legislation, and the need for green prescribing, which supports people to engage in nature-based interventions and activities to improve their mental and physical health.

Wessex Water discussed its approach to managing Sites of Special Scientific Interest (SSSIs) and the challenges posed by nutrient programmes. The company outlined the near-term opportunities and risks associated with its £850m total expenditure. The discussion also covered physical climate risks, particularly the importance of sustainable drainage to manage increased rainfall. Wessex Water plans to initiate the funding process for 2025-2030 and conduct a double materiality assessment, with updates to be provided in the next investor roadshow.

Market commentary

Market overview

After initial stability, following a turbulent fourth quarter of 2024, the global economy saw modest growth and central banks eased monetary policy as inflation remained well below the peak levels of recent years. As the quarter progressed, however, stability gave way to volatility, primarily due to elevated policy uncertainty in the US, with President Donald Trump pivoting away from Europe; the spectre of aggressive tit-for-tat tariffs; and Europe's fiscal regime change, led by Germany looking to alter decades of fiscal policy stability and ramp up spending, principally in relation to defence.

The increasingly uncertain US policy backdrop and related disruptions to global trade seem likely to weigh on growth in the US and beyond. Fiscal stimulus may provide something of a shield in economies like the euro area and China. Gradual and careful rate cuts are likely in major economies (except in Japan), but the US inflation outlook is uncertain enough that US rate hikes can't be ruled out either.

This result of this was weakness in global equity indices as US tech stocks saw a dramatic sell-off following news of Chinese competitor, DeepSeek. European and UK stocks fared much better, posting positive total returns for the three months.

Most major central banks are running with interest rates slightly above neutral. If growth remains positive and inflation remains moderate, then central banks can continue to cut towards neutral. But stickier than expected inflation, substantial policy uncertainty, and rates being closer to neutral suggests that at least some slowing of the pace makes sense beyond just the US.

Government bond markets suffered heightened volatility over the quarter, amid ongoing political noise across Europe and the US. Gilt yields rose at the long end over the quarter, with the short end falling, resulting in a steepening of the curve. Benchmark 10-year gilt yields increased to 4.68% from 4.57%. In the US, 10-year treasury yields fell to 4.21% from 4.57%, while German 10-year bunds yields rose to 2.70% from 2.36%.

The sterling investment grade credit market (iBoxx non-gilt index) returned 0.70% over the quarter, with the average sterling investment grade credit spread (the average extra yield available from non-gilt bonds compared with government debt of equal maturity) widening over the period from 0.85% to 0.95% (iBoxx). Most sectors saw positive returns, with the exceptions of utilities, consumer services and social housing driven more by the greater exposure to long-dated bonds than issues with the sectors themselves.

After a quarter point cut in early February, in March, as expected, the Bank of England's Monetary Policy Committee voted to keep rates on hold at 4.50%, with an 8-1 vote in favour of keeping rates steady. The bank continues to see a "gradual and careful approach to the further withdrawal of monetary policy restraint" as appropriate. The BoE has noted that not much in the domestic picture has changed for them. On inflation, although inflation has been a touch stronger than expected, they see domestic and wage pressures as moderating (but remaining elevated) and they still expect inflation to fall back after an expected rise in CPI in coming months. But – as with other central banks – they are dealing with significant external sources of uncertainty. The minutes from March's meeting flagged increased trade uncertainty, tariff, geopolitical uncertainty, a global rise in financial market volatility and Germany's fiscal plans.

Chancellor Rachel Reeves delivered her Spring Statement towards the end of the quarter, with the main headline being the country will need to spend less to meet fiscal rules. The Office of Budget Responsibility revised down their growth forecasts for this year by 1.0% (to 1.0%). They revised up their forecasts for bond yields. Neither of those things were good news for their forecasts for public finances. The Debt Management Office announced that this coming fiscal year will see a net financing requirement of £304bn of which £299bn will be gilt sales. It would not be a surprise to see more fiscal tightening action from Reeves at the Budget in the Autumn. February CPI came in lower than expected at 2.8% year-on-year after 3.0% for January, with consensus for 3.0%, as did core at 3.5% year-on-year after 3.7% and consensus 3.6%. January GDP was weaker than expected, but that follows the stronger than expected December print. GDP fell 0.1% month-on-month after rising 0.4% in December. Consensus expectations had been for a 0.1% month-on-month rise in January. Taking the last couple of months together, the data fits the picture of a flattish UK economy – as has been painted by recent PMI business surveys.

In the US, at its final meeting of the quarter, the Federal Reserve, as expected, kept rates on hold with the Fed Funds target range at 4.25-4.50%. With the Fed seeing the US economy as "strong overall", the central bank feels they are in a good place, and Chair Powell noted that they are in a position where the bank can cut or they can hold (perhaps notably not mentioning a possible hike) interest rates. FOMC participant forecasts still have two rate cuts in them for 2025. Broader Fed commentary continued to indicate that they are not in a hurry to cut rates. In a very uncertain environment, it makes sense to wait until things are clearer and "we'll be adapting as we go," said Powell.

US activity growth indicators have been mixed of late, with sentiment and survey indicators typically soft but worries about tariffs featuring in much of the commentary. The February US Employment Report didn't surprise by much but was a bit softer than expected overall. Non-farm payrolls rose 151K, so not far from consensus at 160K or the average increase of the past 12

Market commentary

months (168K). February's US CPI came in lower than expected at 0.2% month-on-month from 0.5%. Core was also 0.2% month-on-month after 0.4%. Both figures were a tenth less than expected and a bit more inflation target friendly. The data was likely somewhat reassuring, but with tariffs being implemented and likely to impact with a bit of a lag – alongside plenty of other US policy uncertainty – the most recent inflation data is unlikely to alter the Fed's thinking at this stage.

There are risks on all sides to the US outlook with President Trump bringing policy upheaval on multiple dimensions. To the extent that the surprisingly robust growth picture of the last couple of years was fiscal spending and immigration assisted, there are additional reasons to worry with the early targets for Trump's team including cutting Federal spending and immigration, alongside raising/threatening tariffs.

At its final meeting in the quarter, the European Central Bank cut rates 25bps, to 2.50% on the deposit rate, which was very much as expected. The ECB continues to describe the disinflation process as well on track and continues to "follow a data-dependent and meeting-by-meeting approach" without pre-committing to a particular path. They still see the skew of risks to growth as to the downside. Uncertainty was a recurring theme for the March press conference. ECB staff revised down their forecasts for euro area growth, but President Christine Lagarde admitted that staff had not had chance to incorporate any effects of increased fiscal stimulus. She was clear that, should the additional defence spending/infrastructure spending in Germany come through, that would be a positive for aggregate demand. In comments in late March, however, President Lagarde flagged ECB analysis suggesting that a 25% US tariff on EU imports would lower euro area GDP growth by about 0.3% with more if retaliatory measures follow.

Euro area growth petered out at the end of last year, with the focus now on three drivers of growth: the consumer - where (ongoing) rate cuts and positive real income growth are supportive; fiscal policy, where again things are looking positive; and, Trump and the external environment - where slower global trade, higher tariffs and greater trade policy uncertainty all have the potential to weigh on activity. CPI inflation surprised a little on the upside, but services inflation finally fell more significantly from the 3.9%-4.0 range it has been stuck in for a while.

Outlook

Amidst global geopolitical and macroeconomic uncertainties affecting global government bond markets, corporate bonds still offer attractive sources of value for those prepared to look carefully. In a diversified portfolio, we believe that we can generate good levels of income by taking appropriate levels of risk but ensuring, where possible, mitigation of those risks.

Despite the uncertain outlook at present, a characteristic of the fund is the scope to invest across a wide range of assets, encompassing investment grade, high yield and unrated bonds, diversified by sector and across both sterling and non-sterling bonds. This, together with a process orientated towards mitigating risk by investment in bonds where structure or a claim on assets or on cash flows, and with a focus on income generation, has been the basis of the fund's strong performance over the longer term. While the state and challenges of economic and market conditions change over time, we believe the fund is well positioned to continue to deliver attractive returns to investors.

Further Information

Please click on the links below for further information:

Stewardship and responsible investment at RLAM

Royal London Sterling credit ESG analysis

TCFD climate report

Find out more

In an uncertain geopolitical and economic environment, we recognise the importance of keeping our clients updated on our current investment thinking.

Articles, videos, podcasts and webinars giving the latest views of our investment experts can be found in the Our Views section of www.rlam.com, including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

Disclaimers

Important information

For professional clients only, not suitable for retail clients.

This is a financial promotion and is not investment advice.

Telephone calls and written communications may be recorded and monitored. For further information please see the Privacy Policy at www.rlam.com.

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

The Fund is a sub-fund of Royal London 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 FundRock Management Company SA, Registered office: Airport Center Building, 5 Heienhaff, L-1736 Senningerberg, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

The Investment Manager is Royal London Asset Management Limited.

The Prospectus and Key Investor Information Document (KIID) are available in English via the relevant Fund Information page on www.rlam.com. A summary of investor rights is also available in English, and can be accessed at www.rlam.com/uk/policies-and-regulatory

RLAM may terminate the arrangements made for marketing of the fund pursuant to Article 93a of Directive 2009/65/EC.

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.

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.

Risks 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.

Credit risk

Credit risk is the potential for loss due to a borrower, debtor or debt issuer defaulting on agreed obligations to make interest or capital repayments. Credit ratings are independent assessments of the credit risk of a debtor or an individual debt security. Securities that have a lower credit rating have a higher risk of default.

EPM techniques risk

The Fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Fund to increased price volatility.

Exchange rate risk

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

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.

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.

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.

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.

Performance to 31 March 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years
A Inc GBP (gross)	3.18	5.68	10.80	23.07	58.31
A Inc GBP (net)	2.97	5.24	9.87	20.01	51.80
Z Inc GBP (gross)	3.17	5.68	10.79	23.06	58.29
Z Inc GBP (net)	3.02	5.37	10.15	20.94	53.77

Annualised (%)

3 Years (p.a.)	5 Years (p.a.)
7.16	9.62
6.26	8.70
7.16	9.61
6.54	8.98

Year on year performance (%)

	31/03/2024 - 31/03/2025	31/03/2023 - 31/03/2024	31/03/2022 - 31/03/2023	31/03/2021 - 31/03/2022	31/03/2020 - 31/03/2021
A Inc GBP (gross)	10.80	12.81	(1.53)	4.38	23.23
A Inc GBP (net)	9.87	11.86	(2.36)	3.51	22.20
Z Inc GBP (gross)	10.79	12.81	(1.54)	4.38	23.23
Z Inc GBP (net)	10.15	12.16	(2.11)	3.77	22.52

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 March 2025. All figures are mid-price to mid-price in GBP.

Glossary

Asset allocation

Breakdown of the assets by asset classes. Based on RLAM asset classification scheme.

Credit ratings

Credit ratings are based on RLAM composite ratings which uses a hierarchy of S&P, Moody's and then the Fitch rating.

Duration

Measure of sensitivity of a Fixed Income instrument to changes in interest rates, indicating the potential impact of interest rate fluctuations on the value of the investment.

Fund analytics

All figures exclude cash. Credit bonds include non-sterling bonds and CDs where held within the fund or benchmark.
This is applicable to the following sections: fund Asset Allocation, Duration, Yield curve, Sector breakdown, Financial holdings, Credit ratings.

Fund value

Total value of the fund as of the last business day of the calendar month. The fund value is as at close of business and on a mid-price basis.

Income yield

Income yield reflects the annualised income net of expenses of the Fund as a percentage (calculated in accordance with the relevant accounting standards). Yield to Worst and Income Yield are calculated as a percentage of the mid- price of the Fund as at the date shown and are month end snap shots of the portfolio on that day and do not include any preliminary charges. Investors may be subject to tax on distributions.

Number of holdings

Total number of unique holdings of the Fund excluding cash, currency and derivatives.

Number of issuers

Number of unique issuers of all assets held by the Fund, excluding cash, currency and derivatives.

Performance

Performance is calculated using the signed off NAV per share. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces the return.

Sector breakdown

Breakdown of the fixed income assets, excluding derivatives and cash by RLAM's internal industry sector classification scheme. Figures are subject to rounding.

Yield to worst

The lowest potential yield that can be received on a bond without the issuer defaulting. The yield shown for the Fund is the average for its individual holdings, weighted by their current market value, net of relevant fund management costs and gross of tax.