ROYAL LONDON

INTERIM
SHORT REPORT

Royal London Bond Funds ICVC
Short Interim Report to 30 April 2014

ASSET MANAGEMENT

Contents

ECONOMIC BACKGROUND

Over the six months since November 2013, GDP growth in most advanced economies has continued to recover, although there is still a marked variation in performance between countries. Growth in the US was reasonably strong in the fourth quarter of 2013, at 2.6% annualised. However, severe weather hampered economic activity in the first quarter of 2014. The eurozone continued to grow, albeit at a subdued rate of 0.2% in both quarters. Economic growth in China slowed to 7.4% in the year to quarter one 2014, from 7.7% in quarter four 2013.

Activity in many emerging market (EM) economies has disappointed although, on average, their rate of growth continues to be higher than advanced economies. Volatility in EM financial markets rose in the early part of 2014, with renewed concern about economic fundamentals. Countries with higher inflation and wider current account deficits were most affected, highlighting risks related to sizable external funding needs and disorderly currency depreciations.

Inflation remains low in all major economies. Indeed, to some extent, there are concerns that inflation is too low. Longer term prospects for inflation will depend on actions by central banks to keep inflation expectations stable.

The US Federal Reserve (Fed) announced a tapering of their asset purchases from $85 billion a month to $75 billion in December 2013, and continued with this policy in subsequent months. In the UK, the Monetary Policy Committee kept its policy rate and the stock of purchased assets unchanged and amended its Forward Guidance. The European Central Bank (ECB) kept its main refi rate on hold at 0.25%, but has signalled that a further reduction is likely.

The recent crisis in Ukraine and the impact on financial markets in Russia has not yet had much direct effect on global economic activity. However, a prolonged crisis, or an escalation of tensions, would likely have a larger effect on global commodity prices and growth prospects.

Risks to the global economic outlook remain and the balance of risks is still on the downside: emerging market risks have increased, particularly in China; there are risks from lower-than-expected inflation in the Eurozone; and geopolitical risks have increased.

Financial market sentiment continued to be heavily dependent on investors' expectations of central bank policy. The prospect of a long period of low interest rates has supported all asset classes, although issues such as EM volatility, the crisis in Ukraine and concerns about eurozone deflation have tended to support fixed income assets more than equities.

UK

The Office for National Statistics estimated that UK GDP grew by 0.7% in the final quarter of 2013, with slower growth in domestic demand offset by a stronger contribution from net trade. During much of 2013, the pick-up in growth was driven by an increase in both household consumption and business investment growth, in part supported by declining savings in the household and corporate sectors, following sharp increases during the recession. UK GDP is estimated to have grown by 0.8% in the first quarter of 2014.

The fiscal deficit continued to narrow, but remains high by historic and international standards. The current account deficit increased, although this reflected weaker investment income flows rather than a marked deterioration in the UK's trade deficit.

ECONOMIC BACKGROUND (CONTINUED)

US

US GDP grew by 2.6% annualised in the closing quarter of 2013, and was flat in quarter one 2014. The weakness in early 2014 most likely reflects the effects of unusually cold weather, and growth is expected to rebound in quarter two. Employment growth has risen to a monthly average of 200,000 in recent months, while most survey indicators point to a further improvement in labour market conditions. Labour force participation has trended down, although this may be partly cyclical and, as the recovery proceeds, some of those who have left the labour market may decide to re-enter it. Looking ahead, we expect economic growth to pick up a little, although the rate will remain low relative to the pace of past recoveries.

At its December meeting, the Fed reduced its monthly rate of quantitative easing purchases from US$85 billion to US$75 billion and then to US$65 billion at its January meeting. This "tapering" was balanced by guidance that the federal funds rate was expected to remain on hold for some time. At its March meeting, the Federal Open Market Committee (FOMC) stated that, even after employment and inflation were near mandate-consistent levels, economic conditions may warrant keeping the target federal funds rate below normal levels.

Europe

GDP in the eurozone grew by 0.2% in the final quarter of 2013 and by a similar rate in quarter one 2014. This was somewhat weaker than expected, given signals from the main business surveys, which had pointed to improved confidence in quarter one. Periphery countries have made further progress in improving their external positions, with the latest data showing a move into current account surplus, while government deficits have continued to decline. Both these factors have led to a marked improvement in confidence in periphery bonds, with yields falling to pre euro crisis levels.

Headline CPI inflation has fallen to 0.7% in April and remains well below the ECB's definition of price stability of inflation below, but close to, 2%. Low inflation in part reflects volatile components such as energy and food prices. However, it also reflects low demand growth. Persistently low inflation will make the process of rebalancing within the euro area more difficult, since adjustments in relative competiveness are much harder to achieve against a backdrop of low nominal GDP growth.

Far East

China is still dealing with the aftermath of an infrastructure and property bubble, ignited by the 2008/9 yuan 4 trillion stimulus package, which has raised total debt levels in the economy. Over investment in the wake of this stimulus "front-loaded" many projects and has led to significant overcapacity problems. This overhang will need to be dealt with before the growth potential of further economic reform can come on stream. The major challenge will be how to rebalance the economy from investment to consumption, without allowing the overall growth rate to fall too far.

Risks stemming from China appear to have increased, with GDP growth slowing from 7.7% in the year to 2013 quarter four, to 7.4% in the year to 2014 quarter one. Vulnerabilities centre on the fallout from the rapid growth in credit in recent years and the associated expansion of the shadow banking system.

Japan

Japanese output grew by 0.1%, quarter on quarter, in the fourth quarter of 2013 and by 1.5% in the first quarter of 2014. Strong growth in quarter one most likely reflects a front loading of economic activity ahead of a large increase in consumption tax, and should be offset by weaker growth in quarter two. We retain our forecast of slowdown in growth during 2014, as the effect of the earlier fiscal and monetary stimulus begins to wane.

ROYAL LONDON CASH PLUS FUND

Investment Objective and Policy

The investment objective of the Fund is to produce an attractive level of capital growth and income mainly by investing in cash, deposits, money market instruments and short dated government securities.

Assets

To achieve this objective the Fund will invest mainly in cash, deposits, money market instruments and short dated government securities. It may also invest in transferable securities. It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

Over the period under review the fund returned 0.4% versus a 0.2% return for the 7 Day LIBID.

Market and Portfolio Commentary

The fund comprises certificates of deposit (CDs), held in high quality names with a minimum credit rating of A1/P1 or A (long term). The fund also invests in floating rate notes (FRNs), covered bonds, supranational debt and gilts, where appropriate, to add value on a strategic and tactical basis. As at the end of the reporting period, over 40% of the portfolio was invested in these bonds.

At the start of the period 10 year gilt yields were at 2.6% with economic data continuing to be stronger than expected. The US Federal Reserve (Fed) announced a US$10 billon per month tapering of their quantitative easing programme, albeit slightly sooner than market consensus while, in the UK, economic data was especially strong. The UK's 2013 growth forecast was upgraded by both the OECD and the UK's Office for Budget Responsibility, while the Monetary Policy Committee changed its forward guidance, previously based on the unemployment threshold of 7%, to suggest rates in the UK could rise sooner than 2016.

New money inflows during the closing months of 2013 were invested in one year CDs, given one year cash still looked attractive given our view of rates remaining on

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

hold, and in covered bonds, which, although at the tight end of the range of investment grade credit spreads, still offered an attractive yield pickup and security. Covered bonds lagged the wider sterling credit market, however, contributed positively to performance, given their additional yield.

Gilt yields fell sharply early in the new year following weaker economic data related to extreme winter weather in the US. Political tensions in Ukraine and volatility in emerging markets led to a flight to quality as the period progressed. Despite a near continuous flow of positive economic and survey data from the developed markets including the UK, rising geopolitical tensions resulted in gilt yields remaining volatile, but trending lower overall, to the end of the period.

Further cash inflows were invested in CDs and covered bonds, again supporting overall fund returns, and also highly-rated short-dated fixed corporate bonds and FRN's, which appeared attractive relative to what was priced in for interest rate moves. With credit bonds generally outperforming in the opening months of 2014, the exposure to corporate bonds contributed positively to performance.

Throughout the reporting period the fund tactically traded in short and medium dated gilts, incrementally enhancing performance.

Investment Outlook

Economic news continues to suggest strong momentum in the UK, although the level of output is still below the previous peak in 2008.

Headline inflation is low and underlying inflationary pressures appear contained, in particular thanks to global disinflationary pressure and stronger sterling.

We expect interest rates to remain on hold during 2014, although the Bank of England may use macro prudential tools to cool momentum in the housing market. The peak in base rates is likely to be much lower than usual during the current economic cycle, resulting in a flatter yield curve.

Our central case is for gilt yields to rise further over the next 12 months, although we expect some volatility around this trend.

Our 31 December 2014 forecasts for 5, 10 and 30 year conventional gilt yields are 2.2%, 3.1% and 3.9% respectively; current yields are 2.0%, 2.7% and 3.5% respectively.

The fund will continue to take advantage of the steep money curve by investing in safe names at the longer maturities. In addition the fund will continue to tactically trade in gilts to add value from volatility within gilt markets.

Craig Inches
Fund Manager
April 2014

ROYAL LONDON CASH PLUS FUND
(CONTINUED)

Fund Facts

	As at	M Inc Shares	Z Inc Shares	Z Acc Shares
Sedol Number		B545JR5	B4X2895	B4VPT26
Initial Charge		0.00%	0.00%	0.00%
Initial Commission		0.00%	0.00%	0.00%
Annual Management Charge (AMC)		0.25%	0.00%	0.00%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.28%	0.03%	0.03%
Portfolio Turnover Rate	30/04/14	n/a	n/a	n/a
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	1	1	1
Launch Date (See notes overleaf)		13/12/12	22/05/12	22/06/11
Fund Type				Authorised OEIC Fund
Domiciled				UK
Distribution Calculation Dates (XD)				1 May & 1 November
Distribution Payment Dates				30 June & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
M Inc Shares	174,364	101.63
Z Inc Shares	108,398	100.57
Z Acc Shares	531,827	102.64

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	M Inc Shares	101.89	101.66	0.21
	Z Inc Shares	100.92	100.63	0.31
	Z Acc Shares	102.69	102.39	0.32
2013	M Inc Shares	101.87	101.59	0.47
	Z Inc Shares	100.98	100.53	0.75
	Z Acc Shares	102.40	101.70	0.76
2012	M Inc Shares[2]	101.70	101.60	-
	Z Inc Shares[3]	101.70	100.00	0.43
	Z Acc Shares	101.70	100.00	1.04
2011[4]	Z Acc Shares	100.10	99.89	0.00

Single priced ICVC sub-fund

[1] To 30 April 2014

[2] From launch on 13 December 2012

[3] From launch on 22 May 2012

[4] From launch on 22 June 2011

ROYAL LONDON CASH PLUS FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %
Royal London Cash Plus Fund	0.69

The sub-fund was launched on 15 June 2011 and first priced on 16 June 2011.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
Yorkshire Building Society FRN 23/3/2016	3.23
Abbey National FRN 20/1/2017	2.74
Abbey National FRN 5/4/2017	2.68
Societe Generale 0.84% 24/12/2014	2.45
UBS 0.51% 27/6/2014	2.45
Standard Chartered 0.62% 29/9/2014	2.45
Network Rail Infrastructure Finance 1.125% 15/12/2016	2.45
Clydesdale Bank FRN 8/6/2015	2.43
National Australia Bank FRN 12/8/2016	2.40
Aareal Bank FRN 2/5/2016	2.08

Holding	31/10/13 % Holding
Yorkshire Building Society FRN 23/3/2016	6.68
Standard Chartered 0.5% 4/11/2013	3.78
Rabobank Nederland 0.74% 26/8/2014	3.77
Lloyds Banking Group FRN 22/3/2017	3.50
Coventry Building Society FRN 10/2/2015	3.47
Deutsche Bank 0.65% 7/5/2014	3.02
Muenchener Hypothekenbank FRN 25/4/2016	3.01
Abbey National FRN 5/4/2017	2.89
Royal Bank of Scotland 0.84% 19/3/2014	2.84
Barclays Bank 0.82% 19/3/2014	2.83

Sector Breakdown

	30/04/14 %	31/10/13 %
Certificates of Deposit	57.12	59.87
Corporate Bonds	42.62	38.05
Government Bonds	0.00	0.92
Cash and net other assets	0.26	1.16
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON CORPORATE BOND FUND

Investment Objective and Policy

The investment objective of the Fund is to maximise investment return (predominantly income with some capital growth) over the medium to long term from a portfolio comprising mainly of corporate fixed interest securities.

Assets

To achieve this objective the Fund may hold transferable securities, including Exchange Traded Funds (but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

Fund Performance

During the period under review the fund returned 2.1% versus a 1.2% return for the IMA Sterling Corporate Bond sector average.

Market and Portfolio Commentary

Towards the end of 2013, with gilt yields rising to their highest levels in 2013 as improving economic data continued to erode their 'safe haven' status, and as the initiation of the US Federal Reserve's quantitative easing tapering dampened investor sentiment, corporate bond returns were undermined. However, the average yield differential of sterling investment grade corporate bonds over gilts continued to fall, ending 2013 at 1.18%, near the year's lows.

The new year saw a sharp decline in gilt yields, largely a response to heightened concerns in emerging markets. Sterling investment grade corporate bond returns remained strong over the early months of 2014. However, as geopolitical tensions escalated in Ukraine and, following the ousting of pro-Russian Ukrainian President Viktor Yanukovych, Russia annexed the Crimea region of Ukraine, sterling investment grade corporate bonds underperformed gilts in March, the first such occurrence since mid-2013.

The closing weeks of the period saw sterling bond markets rally with the average yield differential between corporate bonds and their reference gilts narrowing; credit spreads tightened to end the reporting period at 1.12%, their tightest level since late 2007. While at pre-crisis levels, spread levels are wider than those required to compensate for default risk.

Portfolio duration (sensitivity to interest rates) began the reporting period marginally below that of the benchmark; the extent of this position was increased in the latter part of the period, to end April 0.3 years below benchmark. This stance reflected our view that underlying gilt yields would rise moderately over the course of 2014. Duration positioning detracted from fund performance.

Reflecting the long held RLAM view that secured debt is undervalued, and supporting performance over the period, the fund retained its bias towards bonds supported by a claim on assets or cash flows, highlighted by its weighting within the investment trust (3.3%), social housing (4.2%), property (7.4%) and structured (21.3%) sectors.

Equally, we maintained our preference for senior secured (covered) financial bonds over senior unsecured debt; these senior obligations of banks and building societies, backed by a first claim on a specific over-collateralised pool of prime, seasoned, fully performing UK residential mortgages, are typically AAA or AA rated, and made up 4.0% of the fund's weighting. Having rallied strongly over much of 2013, performance of covered bonds during the reporting period was more muted, underperforming senior unsecured financial bonds and the broader sterling credit market.

The fund also maintained an overweight exposure to subordinated financials securities, within both the insurance and banking sectors. Extending their phase of especially strong performance seen earlier in 2013, subordinated financial bonds continued to be the star performers and were a key driver of the relative outperformance over the period.

Believing that high profile consumer orientated bonds were unattractively priced relative to corporate debt, the fund also maintained an underweight exposure to these sectors, again benefitting overall fund returns as consumer orientated bonds lagged the broader credit market. Equally, we maintained a marked underweight in low-yielding bonds within the supranational sector, such as the AAA-rated European Investment Bank. Supranationals, although outperforming gilts, also continued to lag the broader credit market.

By credit rating, the bias of the fund was broadly unchanged over the period; at the end of the period, there remained a significant underweight to AAA rated securities, balanced by an off-benchmark position (12.1%) in unrated bonds and a high relative exposure to BBB rated securities (48.2%). Reflecting the impact of pension changes outlined in the Budget Statement, A-rated bond performance was adversely impacted; with AAA and AA rated securities also underperforming, the fund's bias towards BBB rated bonds was beneficial. By maturity, there was a noticeable underperformance of longer dated credit bonds, similarly a consequence of the pension changes and in particular the potential decline in demand for annuities; the fund's continued bias to medium dated credit bonds was again beneficial.

Sterling corporate bond issuance was relatively muted in the closing weeks of 2013, reflecting the usual year end slowdown, although 2014 saw a flurry of new deals offering attractive investment opportunities for the fund. Non-financials remained dominant amongst new issues with corporate hybrids and ultra-long dated corporate bonds featuring heavily. Purchases within the primary market included an inaugural 100 year bond from EDF, hybrid bonds from Orange and Italian integrated utility, Enel, and structured and secured bonds from Health Care REIT and Peabody, the social housing business. Although all new issues generally performed well post launch, benefitting fund performance, the EDF bonds performed exceptionally well.

The investment orientation of the fund remained focused on diversifying risk across a large number of holdings (221 as at 30 April 2014), thereby reducing the potential effect on overall fund performance of any individual bond.

Investment Outlook

We expect economic conditions in many developed nations to remain challenging over the medium term, although the performance of developing countries seems likely to underpin the growth in the global economy.

In the UK, we expect economic progress to be relatively subdued over the medium term, despite the support of

ROYAL LONDON CORPORATE BOND FUND
(CONTINUED)

loose monetary policy and the recent strong economic data. While public spending cuts are still in progress, political positioning ahead of the 2015 general election appears likely to gain momentum in the coming months. Meanwhile, we expect inflation to remain around target level, and we do not anticipate significant wage pressures developing.

Having fallen below our assessment of fair value, we expect a moderate move up in gilt yields over the medium term. Volatility seems likely to remain high.

We believe that the present pricing of corporate bonds is still very attractive over the medium term, while their level of income generation is also appealing with the prospect of short term interest rates staying low. While having improved markedly over the recent past, economic conditions in the UK seem likely to remain challenging and, in these circumstances, we believe bond characteristics which mitigate risk – structural enhancements or a claim on assets or cash flows – are an especially important aspect underlying investment performance over the medium term.

Sajiv Vaid
Fund Manager
April 2014

Fund Facts

	As at	A Inc Shares	M Inc Shares	M Acc Shares	Z Inc Shares
Sedol Number		B3P2K89	B6XZQT4	B87FJ40	B3MBXC4
Initial Charge		3.00%	0.00%	0.00%	0.00%
Initial Commission		3.00%	0.00%	0.00%	0.00%
Annual Management Charge (AMC)		0.90%	0.45%	0.45%	0.30%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.96%	0.51%	0.51%	0.37%
Portfolio Turnover Rate	30/04/14	21%	21%	21%	21%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	4	4	4	4
Launch Date (See notes overleaf)		30/04/10	01/05/12	26/11/12	30/04/10
Fund Type					Authorised OEIC Fund
Domiciled					UK
Distribution Calculation Dates (XD)					1 February, 1 May, 1 August & 1 November
Distribution Payment Dates					31 March, 30 June, 30 September & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/10/14 £'000	Net Asset Value per share as at 30/10/14 p
A Shares	289,836	91.64
M Inc Shares	63,315	109.11
M Acc Shares	41,248	107.00
Z Shares	112,203	93.87

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	A Shares	93.25	90.41	1.94
	M Inc Shares	111.00	107.50	2.27
	M Acc Shares	107.70	103.20	2.21
	Z Shares	95.49	92.43	1.97
2013	A Shares	95.86	88.81	3.86
	M Inc Shares	113.60	105.50	4.56
	M Acc Shares	106.40	99.78	3.94
	Z Shares	97.61	90.63	3.93
2012	A Shares	92.66	84.32	4.07
	M Inc Shares[2]	109.70	101.20	2.37
	M Acc Shares[3]	101.10	99.92	n/a
	Z Shares	94.16	85.25	4.11
2011	A Shares	86.27	82.08	4.31
	Z Shares	86.93	82.47	4.34
2010[4]	A Shares	87.97	82.07	2.14
	Z Shares	88.21	82.09	2.15

Single priced ICVC sub-fund
[1] To 30 April 2014
[2] From launch on 1 May 2012
[3] From launch on 26 November 2012
[4] From launch on 30 April 2010

ROYAL LONDON CORPORATE BOND FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %	3 years %	5 years %
Royal London Corporate Bond Fund A	1.18	7.52	12.02
IMA £ Corporate Bond sector average	-0.50	5.44	9.11
Relative Out-Performance	**+1.68**	**+2.08**	**+2.91**

The sub-fund was launched on 30 April 2010, however the performance track record and income information are linked to the previous merging unit trust the Royal London Corporate Bond Trust launched on 29 March 1999.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
Lloyds Banking Group 5.125% 7/3/2025	1.01
Electricite De France 6% variable perpetual	0.97
Co-operative Bank 4.75% 11/11/2021	0.95
Great Rolling Stock 6.875% 27/7/2035	0.92
Equity Release 5.7% 26/2/2031	0.88
Premiertel 6.175% 8/5/2032	0.86
Intu Debenture 5.562% 31/12/2027	0.80
Heathrow Funding 5.875% 13/5/2041	0.76
Goodman Australia 9.75% 16/7/2018	0.74
Aspire Defence Finance 4.674% 31/3/2040	0.72

Holding	31/10/13 % Holding
Lloyds Banking Group 5.125% 7/3/2025	1.32
Electricite De France 6% variable perpetual	1.01
Equity Release 5.7% 26/2/2031	0.95
Great Rolling Stock 6.875% 27/7/2035	0.88
Imperial Tobacco 9% 17/2/2022	0.88
Heathrow Funding 5.875% 13/5/2041	0.81
AA Bond 6.269% 2/7/2043	0.79
Commonwealth Bank of Australia 3% 4/9/2026	0.78
Premiertel 6.175% 8/5/2032	0.76
Porterbrook Rail Finance 5.5% 20/4/2019	0.76

Sector Breakdown

	30/04/14 %	31/10/13 %
Corporate Bonds	96.65	98.17
Commercial Mortgage Backed Securities	1.33	1.32
Government Bonds	0.29	0.00
Cash and net other assets	1.73	0.51
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON DURATION HEDGED CREDIT FUND

Investment Objective and Policy

The Fund aims to achieve a positive absolute return over the medium (5 years) to long (7 years) term in all market conditions. The Fund does not offer any element of capital protection or guarantee that this return will be achieved. The Fund will be actively managed, with the majority of assets in investment grade corporate bonds across a range of maturities. Derivatives will be used to protect against interest rate risk and a duration of zero years will be targeted.

Assets

To achieve this objective the Fund will invest the majority of its assets in investment grade corporate bonds. It may also invest in UK government securities, other sovereign bonds, other debt securities (including securities such as residential mortgage backed securities, commercial mortgage backed securities, floating rate notes and whole business securitisations), other transferable securities, cash, near cash, collective investment schemes and money market instruments. It may hold derivatives for the purposes of EPM.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

Over the period under review the fund returned 2.8% versus a 0.3% return for the 3 month LIBOR.

Market and Portfolio Commentary

Towards the end of 2013, with gilt yields rising to their highest levels in 2013 as improving economic data continued to erode their 'safe haven' status, and as the initiation of the US Federal Reserve's quantitative easing tapering dampened investor sentiment, corporate bond returns were undermined. However, the average yield differential of sterling investment grade corporate bonds over gilts continued to fall, ending 2013 at 1.18%, near the year's lows.

The new year saw a sharp decline in gilt yields, largely a response to heightened concerns in emerging markets. Sterling investment grade corporate bond returns remained strong over the early months of 2014. However, as geopolitical tensions escalated in Ukraine and, following the ousting of pro-Russian Ukrainian President Viktor Yanukovych, Russia annexed the Crimea region of Ukraine, sterling investment grade corporate bonds underperformed gilts in March, the first such occurrence since mid-2013.

The closing weeks of the period saw sterling bond markets rally with the average yield differential between corporate bonds and their reference gilts narrowing; credit spreads tightened to end the reporting period at 1.12%, their tightest level since late 2007. While at pre-crisis levels, spread levels are wider than those required to compensate for default risk.

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Source: Royal London Asset Management

The duration of the fund is managed to be as close as possible to the benchmark (3 month LIBOR) through the use of interest rate swaps. The interest rate sensitivity of the fund is therefore minimal and had no material impact on performance over the reporting period.

Reflecting the long held RLAM view that secured debt is undervalued, and supporting performance over the period, the fund retained its bias towards bonds supported by a claim on assets or cash flows, highlighted by its weighting within the investment trust (10.0%), social housing (3.6%), property (6.9%) and structured (24.1%) sectors.

Within the fund's financial holdings, we maintained a bias to subordinated securities, within both the insurance and banking sectors. Extending their phase of especially strong performance seen earlier in 2013, subordinated financial bonds continued to be the star performers and overweight exposure was a key driver of the strong performance over the period.

Believing that high profile consumer orientated bonds were unattractively priced relative to corporate debt, the fund also maintained a low exposure to these sectors, again benefitting overall fund returns as consumer orientated bonds lagged the broader credit market. Equally, we have maintained a minimal exposure to low-yielding bonds within the supranational sector, such as of the AAA-rated European Investment Bank. Supranationals, although outperforming gilts, also continued to lag the broader credit market.

By credit rating, the bias of the fund was broadly unchanged over the period; there remains a low weighting to AAA (1.5%) and AA (12.6%) rated securities with a strong bias to A (25.3%) and BBB (40.2%) rated bonds. The fund has also maintained a noticeable exposure to unrated (16.8%) bonds. Reflecting the impact of pension changes outlined in the Budget Statement, A-rated bond performance was adversely impacted; with AAA and AA rated securities also underperforming, the fund's high weighting in BBB rated bonds was beneficial.

Sterling corporate bond issuance was relatively muted in the closing weeks of 2013, reflecting the usual year end slowdown, although 2014 saw a flurry of new deals offering attractive investment opportunities for the fund. Non-financials remained dominant amongst new issues with corporate hybrids and ultra-long dated corporate bonds featuring heavily. Purchases within the primary market included an inaugural 100 year bond from EDF, hybrid bonds from Orange and Italian integrated utility, Enel, and structured and secured bonds from AA, the vehicle rescue services business, and Bedford Pilgrim Housing Association, the social housing business. Another notable new issue was the fund's purchase of an inaugural AT1 (additional tier 1) issue from Nationwide. Although all new issues generally performed well post launch, benefitting fund performance, the EDF bonds performed exceptionally well.

The investment orientation of the fund remained focused on diversifying risk across a large number of holdings (270 as at 30 April 2014), thereby reducing the potential effect on overall fund performance of any individual bond.

ROYAL LONDON DURATION HEDGED CREDIT FUND
(CONTINUED)

Investment Outlook

We expect economic conditions in many developed nations to remain challenging over the medium term, although the performance of developing countries seems likely to underpin the growth in the global economy.

In the UK, we expect economic progress to be relatively subdued over the medium term, despite the support of loose monetary policy and the recent strong economic data. While public spending cuts are still in progress, political positioning ahead of the 2015 general election appears likely to gain momentum in the coming months. Meanwhile, we expect inflation to remain around target level, and we do not anticipate significant wage pressures developing.

Having fallen below our assessment of fair value, we expect a moderate move up in gilt yields over the medium term. Volatility seems likely to remain high.

We believe that the present pricing of corporate bonds is still very attractive over the medium term, while their level of income generation is also appealing with the prospect of short term interest rates staying low. While having improved markedly over the recent past, economic conditions in the UK seem likely to remain challenging and, in these circumstances, we believe bond characteristics which mitigate risk – structural enhancements or a claim on assets or cash flows – are an especially important aspect underlying investment performance over the medium term.

Paola Binns
Fund Manager
April 2014

Fund Facts

	As at	Z Acc Shares
Sedol Number		B4K6P77
Initial Charge		0.00%
Initial Commission		0.00%
Annual Management Charge (AMC)		0.50%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.55%
Portfolio Turnover Rate	30/04/14	83%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	7
Launch Date (See notes overleaf)		24/09/12
Fund Type		Authorised OEIC Fund
Domiciled		UK
Distribution Calculation Dates (XD)		1 February, 1 May, 1 August & 1 November
Distribution Payment Dates		31 March, 30 June, 30 September & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
Z Shares	147,806	110.30

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	Z Shares	111.00	108.70	1.65
2013	Z Shares	108.90	101.80	2.95
2012[2]	Z Shares	102.30	99.77	0.29

Single priced ICVC sub-fund,

[1] To 30 April 2014

[2] From launch on 24 September 2012

ROYAL LONDON DURATION HEDGED CREDIT FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %
Royal London Duration Hedged Credit Z Acc	5.12

The sub-fund was launched on 24 September 2012 and first priced on 25 September 2012.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
Treasury 2.75% 22/1/2015	6.88
Electricite De France 6% 23/1/2114	1.47
Finance for Residence Social Housing 8.369% 4/10/2058	1.37
Equity Release 5.7% 26/2/2031	1.13
Telereal Securitisation FRN 10/12/2031	1.11
Residential Mortgage Securities FRN 16/12/2050	1.08
Scottish Mortgage Investment Trust 12% 30/6/2026	0.99
Barclays SLCSM Funding 6.14% variable perpetual	0.94
HSBC 5.75% 20/12/2027	0.92
Law Debenture 6.125% 12/10/2034	0.87

Holding	31/10/13 % Holding
Treasury 4.25% 7/3/2014	5.38
Finance for Residence Social Housing ‘A1’ 11.126% 5/10/2058	1.65
Telereal Securitisation FRN 10/12/2031	1.34
Law Debenture 6.125% 12/10/2034	1.16
Juturna Euro Loan Conduit 5.0636% 10/8/2033	0.85
Premier Transport 5.2022% 31/3/2030	0.84
Barclays Bank 10% 21/5/2021	0.83
Temple Bar Investment Trust 9.875% 31/12/2017	0.83
Co-operative Bank 4.75% 11/11/2021	0.81
South East Water 5.6577% 30/9/2019	0.81

Sector Breakdown

	30/04/14 %	31/10/13 %
Corporate Bonds	86.99	92.49
Government Bonds	7.18	5.38
Commercial Mortgage Backed Securities	4.49	1.27
Interest Rate Swaps	(1.59)	(2.48)
Cash and net other assets	2.93	3.34
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON ETHICAL BOND FUND

Investment Objective and Policy

The investment objective of the Fund is to maximise income and maintain capital over the medium to long term by investing in mainly Sterling denominated fixed interest securities issued by companies and organisations which meet the Fund's predefined ethical criteria. (A full specification of the ethical criteria is available from the ACD upon request).

Assets

To achieve this objective the Fund may hold transferable securities, government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may hold derivatives for the purposes of EPM only.

Ethical Criteria

A full specification of the ethical criteria is available from the Manager upon request.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

Fund Performance

During the period under review the fund returned 1.9% compared to a 1.2% average return for funds in the IMA Sterling Corporate Bond sector.

The fund invests predominantly in investment grade UK corporate bonds which meet predefined ethical criteria.

Market and Portfolio Commentary

Towards the end of 2013, with gilt yields rising to their highest levels in 2013 as improving economic data continued to erode their 'safe haven' status, and as the initiation of the US Federal Reserve's quantitative easing tapering dampened investor sentiment, corporate bond returns were undermined. However, the average yield differential of sterling investment grade corporate bonds over gilts continued to fall, ending 2013 at 1.18%, near the year's lows.

The new year saw a sharp decline in gilt yields, largely a response to heightened concerns in emerging markets. Sterling investment grade corporate bond returns remained strong over the early months of 2014. However, as geopolitical tensions escalated in Ukraine and, following the ousting of pro-Russian Ukrainian President Viktor Yanukovych, Russia annexed the Crimea region of Ukraine, sterling investment grade corporate bonds underperformed gilts in March, the first such occurrence since mid-2013.

The closing weeks of the period saw sterling bond markets rally with the average yield differential between corporate bonds and their reference gilts narrowing; credit spreads tightened to end the reporting period at 1.12%, their tightest level since late 2007. While at pre-crisis levels, spread levels are wider than those required to compensate for default risk.

Portfolio duration (sensitivity to interest rates) began the reporting period marginally above that of the benchmark; the extent of this position was reduced in the latter part of the period, to end April broadly in line with the benchmark. This stance reflected our view that underlying gilt yields would rise moderately further over the course of 2014. Duration positioning was a small contributor to fund performance.

Reflecting the long held RLAM view that secured debt is undervalued, and supporting performance over the period, the fund retained its bias towards bonds supported by a claim on assets or cash flows, highlighted by its weighting within the investment trust (7.1%), social housing (9.2%), property (6.4%) and structured (21.3%) sectors.

Equally, we maintained our preference for senior secured (covered) financial bonds over senior unsecured debt; these senior obligations of banks and building societies, backed by a first claim on a specific over-collateralised pool of prime, seasoned, fully performing UK residential mortgages, are typically AAA or AA rated, and made up 4.4% of the fund's weighting. Having rallied strongly over much of 2013, performance of covered bonds during the reporting period was more muted, underperforming senior unsecured financial bonds and the broader sterling credit market.

The fund also maintained an overweight exposure to subordinated financials securities, within both the insurance and banking sectors. Extending their phase of especially strong performance seen earlier in 2013, subordinated financial bonds continued to be the star performers and were a key driver of the relative outperformance over the period.

Believing that high profile consumer orientated bonds were unattractively priced relative to corporate debt, the fund also maintained an underweight exposure to these sectors, again benefitting overall fund returns as consumer orientated bonds lagged the broader credit market. Equally, we maintained a marked underweight in low-yielding bonds within the supranational sector, such as the AAA-rated European Investment Bank. Supranationals, although outperforming gilts, also continued to lag the broader credit market.

By credit rating, the bias of the fund was broadly unchanged over the period; at the end of the period, there remained a significant underweight to AAA and AA rated securities, balanced by an off-benchmark position (17.0%) in unrated bonds and overweight exposure to BBB rated securities (35.9%). Reflecting the impact of pension changes outlined in the Budget Statement, A-rated bond performance was adversely impacted; with AAA and AA rated securities also underperforming, the fund's bias towards BBB rated bonds was beneficial. By maturity, there was a noticeable underperformance of longer dated credit bonds, similarly a consequence of the pension changes and in particular the potential decline in demand for annuities; the fund's continued bias to medium dated credit bonds was again beneficial.

Sterling corporate bond issuance was relatively muted in the closing weeks of 2013, reflecting the usual year end slowdown, although 2014 saw a flurry of new deals offering attractive investment opportunities for the fund. Non-financials remained dominant amongst new issues with corporate hybrids and ultra-long dated corporate bonds featuring heavily. Purchases within the primary market included an inaugural 100 year bond from EDF, hybrid bonds from Orange, Telefonica and Italian integrated utility, Enel, and structured and secured bonds from Health Care REIT along with social housing businesses Bedford Pilgrim Housing Association and Peabody. Although all new issues generally performed well post launch, benefitting fund performance, the EDF bonds performed exceptionally well.

The investment orientation of the fund remained focused on diversifying risk across a large number of holdings (277 as at 30 April 2014), thereby reducing the potential effect on overall fund performance of any individual bond.

Investment Outlook

We expect economic conditions in many developed nations to remain challenging over the medium term, although the performance of developing countries seems likely to underpin the growth in the global economy.

ROYAL LONDON ETHICAL BOND FUND
(CONTINUED)

In the UK, we expect economic progress to be relatively subdued over the medium term, despite the support of loose monetary policy and the recent strong economic data. While public spending cuts are still in progress, political positioning ahead of the 2015 general election appears likely to gain momentum in the coming months. Meanwhile, we expect inflation to remain around target level, and we do not anticipate significant wage pressures developing.

Having fallen below our assessment of fair value, we expect a moderate move up in gilt yields over the medium term. Volatility seems likely to remain high.

We believe that the present pricing of corporate bonds is still very attractive over the medium term, while their level of income generation is also appealing with the prospect of short term interest rates staying low. While having improved markedly over the recent past, economic conditions in the UK seem likely to remain challenging and, in these circumstances, we believe bond characteristics which mitigate risk – structural enhancements or a claim on assets or cash flows – are an especially important aspect underlying investment performance over the medium term.

Eric Holt
Fund Manager
April 2014

Fund Facts

	As at	A Inc Shares	M Inc Shares	M Acc Shares	Z Inc Shares
Sedol Number		B4WSJK2	B7MT2J6	B8K6PK8	B4TDBC6
Initial Charge		3.00%	0.00%	0.00%	0.00%
Initial Commission		3.00%	0.00%	0.00%	0.00%
Annual Management Charge (AMC)		0.90%	0.45%	0.45%	0.30%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.96%	0.51%	0.51%	0.36%
Portfolio Turnover Rate	30/04/14	1%	1%	1%	1%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	4	4	4	4
Launch Date (See notes overleaf)		30/10/09	01/05/12	26/11/12	30/10/09
Fund Type					Authorised OEIC Fund
Domiciled					UK
Distribution Calculation Dates (XD)					1 February, 1 May, 1 August & 1 November
Distribution Payment Dates					31 March, 30 June, 30 September & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
A Shares	19,481	101.13
M Inc Shares	21,495	108.62
M Acc Shares	10,522	105.97
Z Shares	150,877	102.54

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	A Shares	102.90	99.72	1.89
	M Inc Shares	110.60	107.10	2.10
	M Acc Shares	106.90	102.40	2.03
	Z Shares	104.40	101.00	2.02
2013	A Shares	105.90	98.31	3.81
	M Inc Shares	113.50	105.50	4.27
	M Acc Shares	106.10	99.43	3.70
	Z Shares	107.10	99.51	4.10
2012	A Shares	102.50	93.21	4.03
	M Inc Shares[2]	109.76	100.35	2.18
	M Acc Shares[3]	101.00	99.90	n/a
	Z Shares	103.50	93.90	4.30
2011	A Shares	94.42	89.55	4.29
	Z Shares	94.97	89.91	4.54
2010	A Shares	95.61	86.91	4.41
	Z Shares	95.95	86.99	4.64
2009[4]	A Shares	87.82	85.93	n/a
	Z Shares	87.86	85.93	n/a

Single priced ICVC sub-fund

[1] To 30 April 2014

[2] From launch on 1 May 2012

[3] From launch on 26 November 2012

[4] From launch on 30 October 2009

ROYAL LONDON ETHICAL BOND FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %	3 years %	5 years %
Royal London Ethical Bond Fund A	0.53	7.48	11.5
IMA £ Corporate Bond sector average	-0.50	5.44	9.11
Relative Out-Performance	**+1.03**	**+2.04**	**+2.39**

The sub-fund was launched on 30 October 2009, however the performance track record and income information are linked to the previous merging unit trust the Royal London Ethical Bond Trust launched on 30 January 2007.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
Finance for Residence Social Housing 8.369% 4/10/2058	1.13
First Hydro Finance 9% 31/7/2021	1.09
Equity Release 5.7% 26/2/2031	1.05
Electricite De France 6% variable perpetual	0.93
THFC Funding 5.2% 11/10/2043	0.91
Housing Finance Corporation 8.625% 13/11/2023	0.89
Peabody Capital 5.25% 17/3/2043	0.85
Electricite De France 6% 23/1/2114	0.85
Scottish Mortgage Investment Trust 12% 30/6/2026	0.76
Eversholt Funding 6.697% 22/2/2035	0.74

Holding	31/10/13 % Holding
First Hydro Finance 9% 31/7/2021	1.22
Equity Release 5.7% 26/2/2031	1.20
Finance for Residence Social Housing 'A1' 11.126% 5/10/2058	1.14
Electricite De France 6% variable perpetual	1.02
Housing Finance Corporation 8.625% 13/11/2023	1.01
THFC Funding 5.2% 11/10/2043	1.00
Peabody Capital 5.25% 17/3/2043	0.96
Longstone Finance 4.791% 19/4/2036	0.85
Eversholt Funding 6.697% 22/2/2035	0.85
Nationwide Building Society 5.625% 28/1/2026	0.80

Sector Breakdown

	30/04/14 %	31/10/13 %
Corporate Bonds	93.45	95.90
Commercial Mortgage Backed Securities	2.42	1.25
Corporate Preference Shares	0.39	0.47
Cash and net other assets	3.74	2.38
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON EUROPEAN CORPORATE BOND FUND

Investment Objective and Policy

The investment objective of the Fund is to maximise investment return (including income and capital growth) over the medium to long term from a portfolio comprising primarily investment grade corporate fixed-interest securities denominated in Euros.

Assets

To achieve this objective, the Fund will invest primarily in euro denominated investment grade debt securities issued by companies, although it may also invest in subinvestment grade securities. It may also invest in debt securities issued by European governments, government agencies and supra-nationals as well as other transferable securities, deposits and cash. It may hold derivatives for the purpose of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

The fund achieved a return of 0.3% versus an IMA Global Bonds Sector Average return of -1.4%.

Market and Portfolio Commentary

European corporate bonds, supported by strong core and peripheral European government bond markets, continued their rally over the period, with only one month of negative absolute performance and one month of underperformance versus government bonds. Over the entire period, the eurozone credit bond market returned 2.95%; returns in all sectors were positive.

Eurozone credit bonds outperformed government bonds by 1.85% over the period. Credit spreads narrowed in the early part of the quarter before geopolitical issues in emerging markets caused risk assets to weaken and spreads to widen from a low in early January 2014 of 1.08% to 1.18% by the end of January. From there, however, credit spreads tightened as sentiment recovered. All sectors saw a narrowing of credit spreads, led by subordinated financials; auto sector bonds were the laggards. At the end of the period, the average credit spread was 1.01% above government bond yields, 0.25% below the spread level prevailing at the start of the period.

Having started the period with a broadly neutral duration position, sensitivity to interest rates was increased to above that of the benchmark index in to the closing months of 2013. This stance was maintained through the remainder of the period and enabled the fund to participate fully in the continued recovery of euro corporate bond markets. The fund's long duration stance reflected our view that underlying government bond yields would rise moderately over the course of 2014. Duration positioning supported fund performance.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

By credit rating, the bias of the fund remained towards lower rated investment grade bonds with an underweight exposure to A and AA securities. The magnitude of this stance was increased over the period, predominantly driven by purchases of new issues. With higher rated bonds underperforming the broader euro credit market, the bias to BBB securities was beneficial to the fund as this was the best performing.

Over the period, the broad sector positioning of the fund was maintained. Exposure to industrial bonds was reduced marginally, a result of stock specific considerations as opposed to a broader change in our macro outlook, along with the fund's weighting to senior secured (covered) bank bonds. Core European covered bonds appeared fully valued, driving sales in the sector with proceeds invested in to new issues. The fund retained a significant underweight to senior financial bonds, both within the banking and insurance sectors, with a corresponding overweight to subordinated debt. Across corporate bond sectors there was little dispersion between returns over the period, with subordinated financial bonds the clear exception, supported by an insatiable appetite for the "new-style" subordinated structures, which continued to support the legacy subordinated bonds as investors anticipate further buy backs. Extending their period of especially strong returns, subordinated financial outperformed the broader euro credit market with the overall fund's credit sector positioning benefitting performance.

Issuance remained robust over much of the period offering attractive opportunities for the fund. Noteworthy was the higher proportion of US borrowers accessing the Euro market as funding levels became more attractive for them and the increase in issuance of over ten year maturity bonds as demand for longer dated corporates increased amongst investors. New issue purchases over the period included subordinated financial bonds from the Dutch insurer Aegon, a debut euro-denominated lower tier 2 (Coco) transaction from UBS and a debut placing from NN Group, the insurance arm of ING. Outside the financial sectors, we participated in new twelve year issues from the UK tobacco company Imperial Tobacco Finance and the US telecom operator Verizon Communications, a debut issue from German media company, Prosieben Media along with a debut issue from the integrated oil & gas producer GALP Energia, domiciled in Portugal with significant interest in Brazil and Africa. New issues were generally significantly oversubscribed and rallied post launch in the secondary market, supporting fund performance.

The relentless compression in European peripheral corporates continued, supported by ongoing signs of recovery in the previously tainted sovereigns despite another political change in Italy with a new Prime Minister. During the period, both Portugal and Greece returned to the capital markets with their first bond issues since the implementation of EU aid programs in 2010 and 2011 respectively. The fund's weighting to peripheral corporate bonds was maintained marginally above benchmark, supporting overall returns.

The fund remained diversified throughout the period, with 231 holdings as at 30 April, limiting the potential impact on the overall portfolio should any individual holding's performance be particularly disappointing.

Investment Outlook

We expect economic conditions in many developed nations to remain challenging over the medium term, although the performance of developing countries seems likely to underpin the growth in the global economy.

ROYAL LONDON EUROPEAN CORPORATE BOND FUND (CONTINUED)

The impact of the eurozone crisis on market sentiment has waned over the past eighteen months, as the European Central Bank's (ECB) Outright Monetary Transactions policy has reduced the immediate threat of countries exiting the euro area. Underlying issues remain unsolved in what is still a diverse monetary union, and a return to a cycle of crisis summits remains possible, although this is not part of our base case.

Eurozone interest rates are set to remain low for some time, with the ECB acknowledging weak inflation levels. If and when interest rates do move higher in the eurozone and other developed economies, we expect them to plateau at a very low level when compared with recent history.

Reflecting weakness in core government bond markets, we expect core eurozone government bond yields to rise by the end of the year. However, markets should remain reasonably well supported given the weak economic situation and the prospect of further easing from the ECB.

Sajiv Vaid
Fund Manager
April 2014

Fund Facts

	As at	M Inc Shares	Z Inc Shares
Sedol Number		B8CWHS6	B7TFLF6
Initial Charge		0.00%	0.00%
Initial Commission		0.00%	0.00%
Annual Management Charge (AMC)		0.50%	0.35%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.55%	0.40%
Portfolio Turnover Rate	30/04/14	84%	84%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	3	3
Launch Date (See notes overleaf)		13/08/12	13/08/12
Fund Type			Authorised OEIC Fund
Domiciled			UK
Distribution Calculation Dates (XD)			1 May & 1 November
Distribution Payment Dates			30 June & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
M Shares	100	111.73
Z Shares	162,144	112.04

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	M Shares	114.40	110.10	1.47
	Z Shares	114.70	110.30	1.47
2013	M Shares	116.70	107.60	2.99
	Z Shares	116.80	107.70	2.99
2012[2]	M Shares	108.81	99.03	0.58
	Z Shares	108.87	99.03	0.58

Single priced ICVC sub-fund,

[1] To 30 April 2014

[2] From launch on 13 August 2012

ROYAL LONDON EUROPEAN CORPORATE BOND FUND (CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %
Royal London European Corporate Bond Fund Z	1.68
IMA Global Bonds	-4.81
Relative Out-Performance	**+6.49**

The sub-fund was launched on 13 August 2012 and first priced on 14 August 2012.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
General Electric Capital 4.62% 15/9/2066	0.95
Barclays Bank 6.625% 30/3/2022	0.94
ING 6.125% variable 29/5/2023	0.92
Lloyds Banking Group 3.5% 11/1/2017	0.91
Bureau Veritas SA 3.125% 21/1/2021	0.89
Leeds Building Society 2.625% 1/4/2021	0.89
Australia Pacific Airport 3.125% 26/9/2023	0.89
Rabobank Nederland 4.125% 14/9/2022	0.89
Caja Ahorros Barcelona 2.375% 9/5/2019	0.81
Svenska Handelsbanken 2.656% variable 15/1/2024	0.78

Holding	31/10/13 % Holding
Lloyds Banking Group 3.5% 11/1/2017	1.18
Australia Pacific Airport 3.125% 26/9/2023	1.05
Royal Bank of Scotland 3.375% 23/11/2016	0.96
Allianz Finance 5.75% 8/7/2041	0.92
General Electric Capital 4.62% 15/9/2066	0.92
Bank of America 2.5% 27/7/2020	0.91
ING 6.125% variable 29/5/2023	0.90
Rabobank Nederland 4.125% 14/9/2022	0.85
Nordea Bank 2.25% 3/5/2019	0.85
Nordea Bank 4% 11/7/2019	0.85

Sector Breakdown

	30/04/14 %	31/10/13 %
Corporate Bonds	98.36	99.80
Commercial Mortgage Backed Securities	0.27	0.22
Cash and net other assets/ (liabilities)	1.37	(0.02)
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON GLOBAL INDEX LINKED FUND

Investment Objective and Policy

The Fund seeks to maximise total investment return (including income and capital growth) over the medium to long term by investing mainly in global index linked bonds.

Assets

To achieve this objective the Fund may hold transferable securities (including Exchange Traded Funds which are closed ended funds, but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

Fund Performance

The fund returned 0.4% versus a return of -1.4% for the IMA Global Bond sector average.

Market and Portfolio Commentary

Government bond yields rose on a global basis towards the end of 2013, as the market brought forward its expectations of medium term base rate hikes following the US Federal Reserve's (Fed) decision to taper its quantitative easing bond purchase programme by US$10 billion per month and improving economic data continued to erode the 'safe haven' status of core government bond markets. However, weak eurozone inflation prompted the European Central Bank (ECB) to reduce its benchmark rate from 0.50% to a record low of 0.25% and supporting European government bonds relative to other markets.

Extreme winter weather in the US distorted local economic data in to the new year, and although employment data remained moderately firm, the Fed continued to taper their quantitative easing programme. Together with isolated local geopolitical issues, this sparked a sell off across some emerging markets. The Turkish Central Bank aggressively raised rates in response to populace-led instability and a weakening currency, and the South Africa Reserve Bank and India's central bank both unexpectedly raised interest rates. Government bond markets rallied with yields falling globally, and with continued weak inflation, European bonds outperformed marginally.

Towards the end of the period, initial weakness in government bond markets was reversed as developments in Ukraine unfolded and the Russian annexing of Crimea did not result in a full scale invasion of Ukraine. However, despite strong data from the US and UK, developments in Ukraine continued to create uncertainty over the country's near term future and weighed on markets.

Peripheral European government debt spreads versus Germany declined noticeably over the period supported by ongoing signs of recovery in the previously tainted sovereigns despite another political change in Italy with a new Prime Minister. During the period, both Portugal and Greece returned to the capital markets with their first bond issues since the implementation of EU aid programs in 2010 and 2011 respectively.

Believing government bond markets were broadly fair value, though had rallied far over 2013, we actively managed the fund's duration position, initially increasing the short duration stance before returning the fund to neutral in to year end. Duration was reduced early in the new year as disappointing global economic data and rising geopolitical tensions caused government bond yields to fall. The fund ended the period 0.4 years below the benchmark. Over the reporting period, the predominantly short duration stance had a positive impact on fund returns.

Initially the fund maintained a bias towards medium dated US index linked bonds and switched shorter dated German bonds longer. The impact on performance was muted as medium dated bonds in these markets performed in line with other maturities. Later in the period, an initial overweight exposure to longer dated US government bonds was switched in to shorter dated maturities which was positive for fund performance as the real yield curve flattened following the Fed's changed stance on the 6.5% unemployment rate target for base rate rises.

The fund was active in cross market positioning throughout the period, starting with an underweight exposure to the UK market, offset by overweight exposures to Sweden, Germany and the US. With a 3.0% yield over inflation, we felt New Zealand inflation linked assets offered excellent value. We purchased a new issue of 2030 debt, having a muted impact on overall fund performance as real yields remained broadly unchanged. The underweight in index linked UK bonds was removed, also not materially influencing fund returns, although an off-benchmark exposure to conventional UK bonds at the expense of ultra-long dated UK index linked bonds established during the period proved beneficial as conventional government bonds outperformed their index linked counterparts.

The fund also established an overweight exposure in Swedish bonds. Having provided an attractive alternative to German government bonds and outperforming over the period, the position was closed profitably prior to year end. The fund ended 2013 with an off-benchmark exposures to index linked New Zealand and conventional UK government bonds and an underweight exposure to European and US assets.

In to the new year, holdings of UK conventional gilts continued to support fund returns as the asset class outperformed in to an index linked 2068 gilt syndication with the position closed profitably shortly after. Equally, the underweight exposure to long dated UK inflation linked assets was reduced into the syndication, also reducing the fund's overall underweight exposure to the UK. Believing French index linked bonds were expensive compared to US equivalents, US bonds were switched in to French bonds as the fund's initial underweight exposure to French government bonds was reduced. An underweight exposure to French government bonds was then re-established as French bonds underperformed.

At the end of the period the fund was positioned with underweights in the UK, Europe and the US and an overweight to New Zealand inflation linked government bonds.

Investment Outlook

We expect the current recovery from global recession to remain relatively slow and vulnerable to setbacks; however we do not expect a relapse into renewed recession.

ROYAL LONDON GLOBAL INDEX LINKED FUND
(CONTINUED)

The potency of the euro crisis for market sentiment has waned over the past year, as the ECB's Outright Monetary Transactions policy has reduced the immediate threat of countries exiting the euro area. However, the underlying problems remain unsolved and a return to a cycle of crisis summits remains very possible.

In the wake of a very deep recession and slow recovery, we do not see an immediate threat of sustained inflation, unless economic growth turns out to be much faster than we expect.

We expect only moderate changes in base rates from major central banks over the next two years, and when they do rise, we expect them to plateau at a low level.

Bond yields have moved higher in response to stronger economic data. However, given our view that global inflationary pressures remain low and that we are some way off a tightening in monetary policy settings, we expect only a moderate rise from current levels and bond markets to broadly reflect fair value.

George Henderson
Fund Manager
April 2014

Fund Facts

	As at	A Inc Shares	M Inc Shares	Z Inc Shares
Sedol Number		B530C83	B772RM8	B53R4H7
Initial Charge		4.00%	0.00%	0.00%
Initial Commission		4.00%	0.00%	0.00%
Annual Management Charge (AMC)		0.70%	0.40%	0.30%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.81%	0.51%	0.41%
Portfolio Turnover Rate	30/04/14	367%	367%	367%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	4	4	4
Launch Date (See notes overleaf)		27/01/10	01/05/12	27/01/10
Fund Type				Authorised OEIC Fund
Domiciled				UK
Distribution Calculation Dates (XD)				1 May & 1 November
Distribution Payment Dates				30 June & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
A Shares	2,930	111.85
M Shares	8,842	99.64
Z Shares	21,970	114.07

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	A Shares	112.50	108.20	0.08
	M Shares	100.10	96.25	0.00
	Z Shares	114.70	110.20	0.08
2013	A Shares	120.40	107.60	1.28
	M Shares	106.90	95.55	1.16
	Z Shares	122.30	109.40	1.30
2012	A Shares	116.80	111.40	0.73
	M Shares[2]	103.81	99.95	0.24
	Z Shares	118.60	112.70	0.79
2011	A Shares	112.00	101.40	2.34
	Z Shares	113.20	101.90	2.22
2010[3]	A Shares	106.87	99.01	1.68
	Z Shares	107.30	99.03	1.67

Single priced ICVC sub-fund

[1] To 30 April 2014

[2] From launch on 1 May 2012

[3] From launch on 27 January 2010

ROYAL LONDON GLOBAL INDEX LINKED FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %	3 years %
Royal London Global Index Linked Fund A	-5.38	3.45
IMA Global Bonds	-4.81	2.32
Relative Out-Performance	**-0.57**	**+1.13**

The sub-fund was launched on 27 January 2010 and first priced on 28 January 2010.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
US Treasury 2.375% 15/1/2027	7.74
US Treasury 0.125% 15/1/2023	7.64
US Treasury 2.375% 15/1/2025	6.88
US Treasury 1.375% 15/1/2020	6.63
Deutschland 1.5% 15/4/2016	6.55
US Treasury 2.125% 15/1/2019	6.49
Treasury 1.75% 22/1/2017	5.90
US Treasury 1.625% 15/1/2018	4.04
Treasury 0.375% 22/3/2062	3.20
Government of New Zealand 3% 20/9/2030	2.96

Holding	31/10/13 % Holding
US Treasury 0.125% 15/1/2023	12.94
Treasury 2.5% 26/7/2016	7.89
US Treasury 2.375% 15/1/2025	7.33
US Treasury 0.75% 15/2/2042	4.89
Swedish Government 0.25% 1/6/2022	4.76
Swedish Government 4% 1/12/2020	4.30
US Treasury 2.125% 15/1/2019	3.53
Treasury 1.875% 22/11/2022	3.35
Government of France 1% 25/7/2017	2.88
Government of New Zealand 3% 20/9/2030	2.86

Sector Breakdown

	30/04/14 %	31/10/13 %
Government Index Linked Bonds	88.13	95.44
Government Bonds	6.97	3.21
Forward Currency Contracts	0.97	(0.31)
Cash and net other assets	3.93	1.66
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON INDEX LINKED FUND

Investment Objective and Policy

The investment objective of the Fund is to maximise total investment return (income and capital growth) over the medium to long term by investing mainly in index linked securities.

Assets

To achieve this objective the Fund may hold transferable securities, including Exchange Traded Funds (but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

The fund returned 1.2% versus a return of 0.9% for the IMA UK Index Linked Gilt sector average.

Market and Portfolio Commentary

The fund began the period neutral duration versus the benchmark index and positioned for a flattening of the real yield curve - a relative outperformance by longer dated bonds. The fund was overweight in ultra-long dated bonds and had an overweight exposure to US, Canadian and German index linked government bonds. Overseas government bond holdings continued to benefit the fund as index linked gilts underperformed over the reporting period; the fund took tactical off-benchmark exposures, supporting fund returns.

Towards the end of 2013, bond yields rose as economic data continued to be stronger than expected. The US Federal Reserve announced a US$10 billon per month tapering of their quantitative easing programme, albeit slightly sooner than market consensus. Meanwhile, in the UK, the unemployment rate continued to fall reaching levels last seen in early 2009, the Consumer Price Inflation (CPI) index also edged lower. Against this backdrop, and after a significant flattening of the yield curve, 10 year bonds were purchased after a period of underperformance and ultra-long dated bonds were sold ahead of an expected steepening of the yield curve early in 2014 prior to a 2068 index linked gilt syndication in January.

The views expressed are the authors' own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

In the new year, real yields initially rose but weaker economic data related to extreme winter weather in the US, political tensions in Ukraine and volatility in emerging markets led to a flight to quality. Initially, with the yield curve at its flattest level in over a year, longer dated bonds were switched shorter but, as the real yield curve steepened, this position was reversed, benefitting fund performance, and the fund duration shortened to around 0.6 years below that of the benchmark.

The UK Budget Statement in March included a decision to allow members of pension schemes the flexibility of not having to buy annuities at retirement. The announcement of a consultation regarding the ability of defined benefit scheme members to transfer to defined contribution schemes, sparked some fears that pension fund demand for inflation linked bonds may wane.

Despite a near continuous flow of positive economic and survey data from the developed markets including the UK, developed market government bond yields moved lower over the final weeks of the reporting period as Ukraine fears intensified. UK CPI fell again, reaching 1.6% in April, the third consecutive month it had been below the Bank of England's 2.0% target, while GDP rose by 3.1% on the year.

The fund maintained a short duration stance in to the end of the reporting period, ending April 0.4 years short duration and detracting from fund returns as yields fell. However, throughout the period, on-going market volatility around auctions and syndications continued to offer opportunities to position the fund around specific stocks, supporting fund performance.

Investment Outlook

Our central case is for gilt yields to rise over the next 12 months. We remain cautious on the outlook for global growth as the deleveraging process will take several years. Recent improvement in UK growth is encouraging, but the economy still remains some way below the long term trend.

We expect gilt market volatility to continue, given the continued high levels of global supply, political concerns and concerns over the impact of fiscal and monetary tightening on future growth.

We believe interest rates will remain low by past standards as we expect inflation will not be a major threat over the next few years. As a result, the peak in base rates will be much lower than usual during the current economic cycle, resulting in a flatter yield curve.

We still believe UK real yields look expensive on a global basis and expect overseas bonds to outperform gilts on a currency hedged basis.

Our real yield forecasts for 10 and 30 year index linked gilts at the end of 2014 are 0.3% and 0.6% respectively, significantly higher than at the end of 2013. We expect that inflation in the UK will average around 2.5% over the longer term.

Paul Rayner & Craig Inches
Fund Managers
April 2014

ROYAL LONDON INDEX LINKED FUND
(CONTINUED)

Fund Facts

	As at	A Inc Shares	M Inc Shares	M Acc Shares
Sedol Number		B3MYR65	B3MZ207	B8DDWW7
Initial Charge		4.00%	0.00%	0.00%
Initial Commission		4.00%	0.00%	0.00%
Annual Management Charge (AMC)		0.40%	0.25%	0.25%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.45%	0.30%	0.30%
Portfolio Turnover Rate	30/04/14	1323%	1323%	1323%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	4	4	4
Launch Date (See notes overleaf)		30/04/10	30/04/10	26/11/12
Fund Type				Authorised OEIC Fund
Domiciled				UK
Distribution Calculation Dates (XD)				1 May & 1 November
Distribution Payment Dates				30 June & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
A Shares	170,785	188.76
M Inc Shares	251,191	188.70
M Acc Shares	3,052	106.10

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	A Shares	191.30	180.80	0.46
	M Inc Shares	191.40	180.70	0.57
	M Acc Shares	107.30	101.30	0.32
2013	A Shares	200.40	178.20	1.04
	M Inc Shares	200.40	178.20	1.26
	M Acc Shares	111.60	99.27	0.66
2012	A Shares	185.80	174.10	1.20
	M Inc Shares	185.80	174.10	1.41
	M Acc Shares[2]	102.17	99.78	n/a
2011	A Shares	183.60	147.80	1.29
	M Shares	183.60	147.80	1.48
2010[3]	A Shares	154.20	139.10	0.72
	M Shares	154.30	142.30	0.93

Single priced ICVC sub-fund

[1] To 30 April 2014

[2] From launch on 26 November 2012

[3] From launch on 30 April 2010

ROYAL LONDON INDEX LINKED FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %	3 years %	5 years %
Royal London Index Linked Fund A	-3.38	7.52	8.16
IMA UK Index Linked Gilt	-4.59	7.77	8.35
Relative Out-Performance	**+1.21**	**-0.25**	**-0.19**

The sub-fund was launched on 30 April 2010 , however the performance track record and income information are linked to the previous merging unit trust the Royal London Index Linked Trust class A launched on 15 February 1990.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
Treasury 2.5% 16/4/2020	8.01
Treasury 4.125% 22/7/2030	7.78
Treasury 0.125% 22/3/2068	6.19
Treasury 0.125% 22/3/2029	6.09
Treasury 1% 7/9/2017	5.95
Treasury 1.125% 22/11/2037	5.91
Treasury 0.625% 22/11/2042	5.81
Treasury 0.75% 22/11/2047	5.45
Treasury 2.5% 17/7/2024	4.89
Treasury 5% 7/9/2014	4.82

Holding	31/10/13 % Holding
Treasury 2.5% 26/7/2016	10.79
Treasury 2.5% 17/7/2024	9.67
Treasury 1.25% 22/11/2055	8.14
Treasury 0.75% 22/11/2047	7.02
Treasury 0.125% 22/11/2019	6.00
Treasury 1.125% 22/11/2037	6.00
Treasury 2% 26/1/2035	5.29
Treasury 0.75% 22/3/2034	5.22
Treasury 0.125% 22/3/2044	4.58
Treasury 4.125% 22/7/2030	4.54

Sector Breakdown

	30/04/14 %	31/10/13 %
Government Index Linked Bonds	89.21	97.51
Government Bonds	10.77	2.00
Forward Currency Contracts	0.12	(0.02)
Cash and net other (liabilities)/assets	(0.10)	0.51
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON INTERNATIONAL GOVERNMENT BOND FUND

Investment Objective and Policy

The Fund seeks to maximise total investment return (both income and capital growth) over the medium to longer term by investing primarily in international government bonds.

Assets

To achieve this objective, the Fund will invest primarily in investment grade international government bonds. It may also invest in UK government bonds, investment grade non-government bonds, other transferable securities, deposits and cash. It may hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

The fund returned 1.4% versus a return of -1.4% for the IMA Global Bond sector average.

Market and Portfolio Commentary

Government bond yields rose on a global basis towards the end of 2013, as the market brought forward its expectations of medium term base rate hikes following the US Federal Reserve's (Fed) decision to taper its quantitative easing bond purchase programme by US$10 billion per month and improving economic data continued to erode the 'safe haven' status of core government bond markets. However, weak eurozone inflation prompted the European Central Bank (ECB) to reduce its benchmark rate from 0.50% to a record low of 0.25% and supporting European government bonds relative to other markets.

Extreme winter weather in the US distorted local economic data in to the new year, and although employment data remained moderately firm, the Fed continued to taper their quantitative easing programme. Together with isolated local geopolitical issues, this sparked a sell off across some emerging markets. The Turkish Central Bank aggressively raised rates in response to populace-led instability and a weakening currency, and the South Africa Reserve Bank and India's central bank both unexpectedly raised interest rates. Government bond markets rallied with yields falling globally, and with continued weak inflation, European bonds outperformed marginally.

Towards the end of the period, initial weakness in government bond markets was reversed as developments in Ukraine unfolded and the Russian annexing of Crimea did not result in a full scale invasion of Ukraine. However, despite strong data from the US and UK, developments in Ukraine continued to create uncertainty over the country's near term future and weighed on markets.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

Peripheral European government debt spreads versus Germany declined noticeably over the period supported by ongoing signs of recovery in the previously tainted sovereigns despite another political change in Italy with a new Prime Minister. During the period, both Portugal and Greece returned to the capital markets with their first bond issues since the implementation of EU aid programs in 2010 and 2011 respectively.

Believing government bond markets were broadly fair value, though had rallied far over 2013, we actively managed the fund's duration position, initially increasing the short duration stance before returning the fund to neutral in to year end. Duration was reduced early in the new year as disappointing global economic data and rising geopolitical tensions caused government bond yields to fall. The fund ended the period 0.4 years below the benchmark. Over the reporting period, the predominantly short duration stance had a positive impact on fund returns.

Initially the fund maintained a bias towards bonds in the ten year maturity range. Following an underperformance by five year bonds subsequent to the tapering announcement, the fund partially reduced this underweight through direct purchases and switches between the five and ten year maturities.

The fund was active in cross market positioning with an underweight position in Europe and Japan, an overweight in Sweden, Australia and off-benchmark positions in conventional UK and Slovenian bonds and New Zealand inflation linked bonds early in the period. With a 3.0% yield over inflation, the New Zealand inflation linked assets offered excellent value, while shorter dated UK conventional bonds were priced on a rate hike in December, which we believed was unlikely. The Slovenian conventional government bonds were held as an attractive alternative to peripheral Eurozone debt and outperformed while New Zealand bond holdings had no material influence on performance although UK bonds underperformed.

In to year end, conventional Japanese bonds were purchased, removing the fund's underweight in this market, as well as of off-benchmark medium dated conventional UK bonds, partially offsetting the underweight to European assets. Having provided an attractive alternative to German government bonds and outperforming over the period, the fund sold its off-benchmark position in Euro-denominated Swedish government bonds. The fund ended 2013 with off-benchmark exposures to inflation linked New Zealand and conventional UK bonds and an underweight exposure to European and US assets.

In to the new year we maintained the underweight to Europe and off-benchmark exposure to UK government bonds as the asset class looked cheap, especially on a relative basis to German government bonds. UK government bonds continued to underperform. Following an outperformance of long dated US bonds, assets in this area were sold in the closing weeks of the period with the proceeds invested into Canadian government bonds maintaining the fund's underweight in the US. Canadian bonds outperformed their US equivalents and supported overall fund returns.

Investment Outlook

We expect the current recovery from global recession to remain relatively slow and vulnerable to setbacks; however we do not expect a relapse into renewed recession.

The potency of the euro crisis for market sentiment has waned over the past year, as the ECB's Outright Monetary Transactions policy has reduced the immediate threat of countries exiting the euro area. However, the underlying problems remain unsolved and a return to a cycle of crisis summits remains very possible.

ROYAL LONDON INTERNATIONAL GOVERNMENT BOND FUND (CONTINUED)

In the wake of a very deep recession and slow recovery, we do not see an immediate threat of sustained inflation, unless economic growth turns out to be much faster than we expect.

We expect only moderate changes in base rates from major central banks over the next two years, and when they do rise, we expect them to plateau at a low level.

Bond yields have moved higher in response to stronger economic data. However, given our view that global inflationary pressures remain low and that we are some way off a tightening in monetary policy settings, we expect only a moderate rise from current levels and bond markets to broadly reflect fair value.

George Henderson
Fund Manager
April 2014

Fund Facts

	As at	M Inc Shares
Sedol Number		B45XHL1
Initial Charge		0.00%
Initial Commission		0.00%
Annual Management Charge (AMC)		0.45%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.51%
Portfolio Turnover Rate	30/04/14	282%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	3
Launch Date (See notes overleaf)		01/11/11
Fund Type		Authorised OEIC Fund
Domiciled		UK
Distribution Calculation Dates (XD)		1 May & 1 November
Distribution Payment Dates		30 June & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
M Shares	111,846	104.10

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	M Shares	104.80	102.40	0.51
2013	M Shares	105.30	101.40	1.15
2012	M Shares	103.90	100.40	0.89
2011[2]	M Shares	100.80	99.18	n/a

Single priced ICVC sub-fund,
[1] To 30 April 2014
[2] From launch on 4 November 2011

ROYAL LONDON INTERNATIONAL GOVERNMENT BOND FUND (CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %
Royal London International Government Bond Fund	0.44
IMA Global Bonds sector average	-4.81
Relative Out-Performance	**+5.25**

The sub-fund was launched on 1 November 2011 and first priced on 2 November 2011.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
US Treasury 1.25% 31/10/2019	11.19
US Treasury 1.375% 31/12/2018	9.62
US Treasury 3.25% 31/5/2016	8.40
Treasury 4.5% 7/3/2019	7.37
Bundesschatzanweisungen 0% 12/12/2014	4.32
Government of Japan 0.8% 20/12/2022	3.96
Government of Japan 0.6% 20/9/2023	3.03
Deutschland 1.5% 15/4/2016	3.00
Government of Japan 1.7% 20/12/2032	2.66
Government of Japan 0.4% 20/9/2016	2.61

Holding	31/10/13 % Holding
US Treasury 3.25% 31/5/2016	8.72
Treasury 2.25% 7/3/2014	6.02
US Treasury 2% 15/7/2014	5.53
Government of Japan 1.9% 20/6/2016	5.08
Government of Japan 0.8% 20/12/2022	4.20
US Treasury 1.75% 15/5/2023	3.75
Bundesschatzanweisungen 0% 13/6/2014	3.68
Deutschland 1.5% 15/4/2016	3.05
Bundesschatzanweisungen 0% 12/12/2014	3.01
US Treasury 6.875% 15/8/2025	2.99

Sector Breakdown

	30/04/14 %	31/10/13 %
Government Bonds	89.72	87.66
Government Index-Linked	8.65	11.72
Forward Currency Contracts	1.45	(0.42)
Cash and net other assets	0.18	1.04
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON SHORT DURATION CREDIT FUND

Investment Objective and Policy

The Fund seeks to maximise investment return through income but with some capital growth over the medium to long term.

Assets

To achieve this objective the Fund will invest predominantly in UK short dated corporate fixed interest securities. The Fund may also invest in other debt securities such as UK corporate bonds with longer maturities, non-UK corporate bonds, floating rate notes, government and public securities and money market instruments, and also in other transferable securities, cash, near cash and collective investment schemes as the Investment Adviser deems appropriate. The debt securities in which the Fund invests may be investment grade or non-investment grade. It may also hold derivatives for the purpose of Efficient Portfolio Management only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

Fund Performance

The Fund launched on the 7 November 2013. During the period from launch until the 30 April 2014, the fund returned 1.4% versus a return of 1.9% for the IMA Sterling Corporate Bond sector average.

Market and Portfolio Commentary

Towards the end of 2013, with gilt yields rising to their highest levels in 2013 as improving economic data continued to erode their 'safe haven' status, and as the initiation of the US Federal Reserve's quantitative easing tapering dampened investor sentiment, corporate bond returns were undermined. However, the average yield differential of sterling investment grade corporate bonds over gilts continued to fall, ending 2013 at 1.18%, near the year's lows.

The new year saw a sharp decline in gilt yields, largely a response to heightened concerns in emerging markets. Sterling investment grade corporate bond returns remained strong over the early months of 2014. However, as geopolitical tensions escalated in Ukraine and, following the ousting of pro-Russian Ukrainian President Viktor Yanukovych, Russia annexed the Crimea region of Ukraine, sterling investment grade corporate bonds underperformed gilts in March, the first such occurrence since mid-2013.

The closing weeks of the period saw sterling bond markets rally with the average yield differential between corporate bonds and their reference gilts narrowing; credit spreads tightened to end the reporting period at 1.12%, their tightest level since late 2007. While at pre-crisis levels, spread levels are wider than those required to compensate for default risk.

The fund was launched in November with duration (sensitivity to interest rates) 0.3 years above that of the benchmark; the extent of this position was reduced in early 2014, to end April broadly neutral with the benchmark. This stance reflects our view that underlying gilt yields will rise moderately further over the course of 2014. Duration positioning supported fund performance.

Reflecting the long held RLAM view that secured debt is undervalued, and supporting performance over the period, the fund was launched with a bias towards bonds supported by a claim on assets or cash flows, highlighted by its weighting within the investment trust (15.0%), social housing (3.8%), property (5.3%) and structured (21.9%) sectors. This stance was maintained post launch.

Equally, we have maintained a preference for senior secured (covered) financial bonds over senior unsecured debt; these senior obligations of banks and building societies, backed by a first claim on a specific over-collateralised pool of prime, seasoned, fully performing UK residential mortgages, are typically AAA or AA rated, and currently makes up 3.0% of the fund's weighting. Performance of covered bonds during the reporting period was muted, underperforming senior unsecured financial bonds and the broader sterling credit market.

The fund's initial overweight exposure to subordinated financials, within both the insurance and banking sectors, was also maintained. Subordinated financial bonds were the star performers and overweight exposure was a key driver of the relative outperformance over the period.

Believing that high profile consumer orientated bonds were unattractively priced relative to corporate debt, the fund was established with an underweight exposure to these sectors, again benefitting overall fund returns as consumer orientated bonds lagged the broader credit market. Equally, we maintained a marked underweight in low-yielding bonds within the supranational sector, such as the AAA-rated European Investment Bank. Supranationals, although outperforming gilts, also continued to lag the broader credit market.

By credit rating, the bias of the fund was broadly unchanged over the period; there remains a significant underweight to AAA rated securities, balanced by an off-benchmark position (25.6%) in unrated bonds. With AAA and AA rated securities underperforming over the period, the fund's underweight exposure to these sectors was beneficial.

Activity in the fund post launch was focused on investing significant cash inflows and finalising the desired portfolio structure. With few suitable new sterling corporate bond issues launched, activity in primary markets was muted. However, the fund participated in a new issue from Unilever which was unusual in that it was targeted at "green" investors. Within secondary markets we purchased subordinated financial bonds from a range of issuers, including Danske Bank, Generali Finance, RSA Insurance and Scottish Widows, as well as structured bonds from Telereal Securitisation (secured on telephone exchanges operated by British Telecom), Arsenal Securities (secured on the premiership team's stadium and ticket sales revenue) and Arkle Master Issue (secured on prime residential mortgages).

The investment orientation of the fund was focused on diversifying risk across a large number of holdings (131 as at 30 April 2014), thereby reducing the potential effect on overall fund performance of any individual bond.

Investment Outlook

We expect economic conditions in many developed nations to remain challenging over the medium term, although the performance of developing countries seems likely to underpin the growth in the global economy.

In the UK, we expect economic progress to be relatively subdued over the medium term, despite the support of loose monetary policy and the recent strong economic

ROYAL LONDON SHORT DURATION CREDIT FUND
(CONTINUED)

data. While public spending cuts are still in progress, political positioning ahead of the 2015 general election appears likely to gain momentum in the coming months. Meanwhile, we expect inflation to remain around target level, and we do not anticipate significant wage pressures developing.

Having fallen below our assessment of fair value, we expect a moderate move up in gilt yields over the medium term. Volatility seems likely to remain high.

We believe that the present pricing of corporate bonds is still very attractive over the medium term, while their level of income generation is also appealing with the prospect of short term interest rates staying low. While having improved markedly over the recent past, economic conditions in the UK seem likely to remain challenging and, in these circumstances, we believe bond characteristics which mitigate risk – structural enhancements or a claim on assets or cash flows – are an especially important aspect underlying investment performance over the medium term.

Paola Binns
Fund Manager
April 2014

Fund Facts

	As at	M Inc Shares	Z Inc Shares
Sedol Number		BD05094	BD050B6
Initial Charge		0.00%	0.00%
Initial Commission		0.00%	0.00%
Annual Management Charge (AMC)		0.25%	0.20%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.42%	0.36%
Portfolio Turnover Rate	30/04/14	210%	210%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	4	4
Launch Date (See notes overleaf)		7/11/13	7/11/13
Fund Type			Authorised OEIC Fund
Domiciled			UK
Distribution Calculation Dates (XD)			1 May & 1 November
Distribution Payment Dates			30 June & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
M Inc Shares	8	99.70
Z Inc Shares	17,900	99.78

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	M Inc Shares	101.40	99.59	1.29
	Z Inc Shares	101.50	99.66	1.30
2013[2]	M Inc Shares	100.00	99.53	n/a
	Z Inc Shares	100.10	99.59	n/a

Single priced ICVC sub-fund,

[1] To 30 April 2014

[2] From launch on 7 November 2013

ROYAL LONDON SHORT DURATION CREDIT FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

The sub-fund launched on 8 November 2013. As the fund does not have a year's track record, no performance data can be shown.

Top Ten Holdings

Holding	30/04/14 % Holding
Witan Investments 8.5% 1/10/2016	3.29
F&C Commercial 5.23% variable 30/6/2017	1.83
Permanent Master Issuer 4.805% 15/7/2017	1.80
BUPA Care Homes 1991 11.8% 30/6/2014	1.66
Holmes Master 4.009% 15/10/2054	1.48
Temple Bar Investment Trust 9.875% 31/12/2017	1.32
Telereal Securitisation FRN 10/12/2031	1.31
Keystone Investment Trust 7.75% 1/10/2020	1.30
Royal Bank of Scotland 6.625% 17/9/2018	1.30
Fleming America 6.875% 8/6/2018	1.27

Sector Breakdown

	30/04/14 %
Corporate Bonds	97.39
Commercial Mortgage Backed Securities	0.66
Government Bonds	0.36
Cash and net other assets	1.59
Total[1]	**100.00**

[1] Subject to rounding

ROYAL LONDON SHORT DURATION GILTS FUND

Investment Objective and Policy

The Fund seeks to maximise investment return through both income and capital growth over the medium to long term.

Assets

To achieve this objective the Fund will invest predominantly in short dated UK government bonds. The Fund may also invest in other debt securities such as overseas government bonds, UK and overseas corporate bonds, floating rate notes and money market instruments, and also in other transferable securities, cash, near cash and collective investment schemes as the Investment Adviser deems appropriate. The debt securities in which the Fund invests may be investment grade or non-investment grade. It may also hold derivatives for the purpose of Efficient Portfolio Management only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

Fund Performance

The Fund launched on the 7 November 2013. During the period from launch until the 30 April 2014, the fund returned -0.03% versus a return of 1.3% for the IMA UK Gilt sector average.

Market and Portfolio Commentary

The fund was launched in November and comprised of a portfolio of short dated gilts; towards the end of the year the gilts were complemented by purchases of highly rated, short dated covered bonds and five year supranational bonds from the European Investment Bank which offered good value versus gilts and our profile for the path of interest rates. At launch, with 5 year gilt yields at 1.5% and economic data continuing to be stronger than expected, the fund duration was 0.4 years below benchmark in anticipation of rising government bond yields.

The US Federal Reserve (Fed) announced a US$10 billon per month tapering of its quantitative easing programme, albeit slightly sooner than market consensus, while in the UK economic data was especially strong. The UK's 2013 growth forecast was upgraded by both the OECD and the UK's Office for Budget Responsibility, while the Monetary Policy Committee changed its forward guidance, previously based on the unemployment threshold of 7%, to suggest rates in the UK could rise sooner than 2016. The extent of the fund's short duration exposure was subsequently reduced as five year gilt yields rose to 1.9%. The fund ended 2013 neutral duration. The off-benchmark holdings covered and supranational bonds were beneficial as credit bonds generally outperformed gilts.

Yields fell sharply early in the new year following weaker economic data related to extreme winter weather in the US and political tensions in Ukraine and volatility in emerging markets led to a flight to quality as the period progressed. We used the strength in gilt markets to re-establish the fund's short duration position as 5 year gilt yields reached 1.88%.

Despite a near continuous flow of positive economic and survey data from the developed markets including the UK, rising geopolitical tensions resulted in gilt yields remaining volatile in to the end of the period. 5 year gilt yields oscillated between 1.88% and 2.04%, allowing tactical duration positioning around a predominantly short bias of 0.6 years below benchmark. This tactical activity around the overall strategic positioning offset the negative impact of the duration short. The fund ended the period 0.7 years below benchmark. The fund maintained an off-benchmark exposure to highly rated covered and supranational bonds which continued to outperform gilts and support overall fund returns.

Investment Outlook

Economic news continues to suggest strong momentum in the UK, although the level of output is still below the previous peak in 2008. Headline inflation is low and underlying inflationary pressures appear contained, in particular thanks to global disinflationary pressure and stronger sterling.

We expect interest rates to remain on hold during 2014, although the Bank of England may use macro prudential tools to cool momentum in the housing market. The peak in base rates is likely to be much lower than usual during the current economic cycle, resulting in a flatter yield curve.

Our central case is for gilt yields to rise further over the next 12 months, although we expect some volatility around this trend.

Our 31 December 2014 forecasts for 5, 10 and 30 year conventional gilt yields are 2.2%, 3.1% and 3.9% respectively; current yields are 2.0%, 2.7% and 3.5% respectively.

Craig Inches
Fund Manager
April 2014

ROYAL LONDON SHORT DURATION GILTS FUND
(CONTINUED)

Fund Facts

	As at	M Inc Shares	Z Inc Shares
Sedol Number		BD050C7	BD050D8
Initial Charge		0.00%	0.00%
Initial Commission		0.00%	0.00%
Annual Management Charge (AMC)		0.20%	0.15%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.31%	0.26%
Portfolio Turnover Rate	30/04/14	405%	405%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	4	4
Launch Date (See notes overleaf)		7/11/13	7/11/13
Fund Type			Authorised OEIC Fund
Domiciled			UK
Distribution Calculation Dates (XD)			1 May & 1 November
Distribution Payment Dates			30 June & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
M Inc Shares	8	99.64
Z Inc Shares	21,631	99.69

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	M Inc Shares	100.10	99.54	0.31
	Z Inc Shares	100.10	99.54	0.31
2013[2]	M Inc Shares	100.00	99.47	n/a
	Z Inc Shares	100.00	99.47	n/a

Single priced ICVC sub-fund,

[1] To 30 April 2014

[2] From launch on 7 November 2013

ROYAL LONDON SHORT DURATION GILTS FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

The sub-fund launched on 7 November 2013. As the fund does not have a year's track record, no performance data can be shown.

Top Ten Holdings

Holding	30/04/14 % Holding
Treasury 2.75% 22/1/2015	26.06
Treasury 5% 7/9/2014	18.68
Treasury 2% 22/1/2016	8.86
Treasury 1% 7/9/2017	7.76
Treasury 1.75% 22/1/2017	6.31
Treasury 4% 7/9/2016	6.12
Treasury 5% 7/3/2018	4.71
Japan Bank For International Cooperation 2.625% 15/12/2020	4.62
Yorkshire Building Society FRN 23/3/2016	4.04
Bank of Scotland 4.875% 8/11/2016	2.99

Sector Breakdown

	30/04/14 %
Corporate Bonds	13.80
Government Bonds	85.78
Cash and net other assets	0.42
Total[1]	**100.00**

[1] Subject to rounding

ROYAL LONDON SHORT-TERM MONEY MARKET FUND

Investment Objective and Policy

The investment objective of the Fund is to provide stability of principal and to provide an income in line with money market rates by investing wholly in money markets.

Assets

To achieve this objective the Fund may hold money market instruments, cash and deposits. It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

Fund Performance

Over the period under review the fund returned -0.1% versus an IMA Short Term Money Market return of 0.0%

Economic and market background

Bank of England base rate remained unchanged at 0.50% through the period under review and has now remained at the same low level for over five years. We have not witnessed such a prolonged period of unaltered and exceptionally low rates for over half a century. This situation has been enforced by the Bank of England as part of its on-going experiment to prevent the worst of the financial crisis of 2007-2009 from spilling over into the real economy.

At the beginning of the last six month period, it was the view of the Bank of England's Governor, Mark Carney, that rates would not increase until 2016. However, in the last six months the UK's economy has gone from strength to strength; unemployment is now down to 6.8%, a figure not seen for over five years, and the annual GDP standing at 3.1%. These results are forecast to continue into the future and will therefore have a significant impact on the likely timing of any rate rises. It is now considered likely that the first rate rise will come in early 2015, or maybe even late 2014.

Money market rates for maturities up to three months are largely unaltered from a year ago while longer maturities up to twelve months have risen in the last month or so, showing some firmness in the market, and may be pricing in a possible rate rise before their maturity date. However, the generally low short and medium term certificates of deposit (CDs) rates means that the actual return on the fund will remain historically low for some time to come.

Portfolio commentary and outlook

The majority of the fund continues to be invested in certificates of deposit of different maturities and short dated deposits, although there has been a move towards longer dated CDs to enhance the yield whilst not impacting on the liquidity of the fund. The fund is diversified across fifteen banks.

Our investment policy means that we continue to only lend to counterparties that are highly rated in their own right and who additionally have the potential backing of credible governments although we are aware that governments are likely to be less willing and able to provide support to banks in any future crisis.

In an environment where there is still a great deal of uncertainty we will continue to manage the Fund so that it provides security and liquidity as well as investment performance. Our primary objective is to maintain the capital value of the fund while providing a return in line with money market rates.

Tom Meade
Fund Manager
April 2014

ROYAL LONDON SHORT-TERM MONEY MARKET FUND (CONTINUED)

Fund Facts

	As at	A Inc Shares	A Acc Shares
Sedol Number		B3P2RZ5	B8XYYQ8
Initial Charge		0.00%	0.00%
Initial Commission		0.00%	0.00%
Annual Management Charge (AMC)		0.25%	0.25%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.48%	0.48%
Portfolio Turnover Rate	30/04/14	n/a	n/a
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	2	2
Launch Date (See notes overleaf)		30/04/10	26/11/12
Fund Type			OEIC
Domiciled			UK
Distribution Calculation Dates (XD)			1 November & 1 May
Distribution Payment Dates			31 December & 30 June

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
A Inc Shares	7,700	97.77
A Acc Shares	851	99.89

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	A Inc Shares	98.04	97.98	0.19
	A Acc Shares	99.97	99.91	0.20
2013	A Inc Shares	98.51	97.99	0.41
	A Acc Shares	100.02	99.95	0.38
2012	A Inc Shares	99.66	98.42	0.80
	A Acc Shares[2]	100.00	100.00	n/a
2011	A Shares	99.55	98.90	0.77
2010[3]	A Shares	99.84	99.47	0.32

Single priced ICVC sub-fund,

[1] To 30 April 2014

[2] From launch on 26 November 2012

[3] From launch on 30 April 2010

ROYAL LONDON SHORT-TERM MONEY MARKET FUND (CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %	3 years %	5 years %
Royal London Short-Term Money Market Fund	-0.09	0.14	0.19
IMA Short Term Money Market	0.07	0.15	0.15
Relative Out-Performance	**-0.16**	**-0.01**	**+0.04**

The sub-fund was launched on 30 April 2010, however the performance track record and income information are linked to the previous merging unit trust the Royal London Cash Trust launched on 22 July 1999.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
Lloyds London 0.46% 14/7/2014	17.54
Svenska Handelsbanken 0.48% 5/6/2014	8.18
Nordea Bank 0.52% 12/8/2014	7.60
BNP Paribas 0.50% 14/5/2014	7.02
CACIB 0.52% 12/5/2014	7.02
DZ Bank 0.59% 6/8/2014	7.02
Bank of Montreal 0.47% 21/7/2014	4.68
Barclays Bank 0.49% 18/6/2014	4.68
Deutsche Bank 0.52% 30/6/2014	4.68
ING 0.51% 7/5/2014	4.68

Holding	31/10/13 % Holding
Lloyds London 0.44% 13/1/2014	16.60
Nordea Bank 0.50% 29/11/2013	8.85
Bank of America 0.48% 4/11/2013	8.30
BNP Paribas 0.47% 14/11/2013	8.30
Credit Agricole 0.52% 2/12/2013	6.64
Barclays Bank 0.44% 1/11/2013	4.43
Standard Chartered 0.50% 15/11/2013	4.43
Svenska Handelsbanken 0.48% 13/11/2013	4.43
ING 0.51% 3/1/2014	4.43
Societe Generale 0.50% 31/12/2013	4.43

Sector Breakdown

	30/04/14 %	31/10/13 %
Certificates of deposits	70.74	67.51
Time deposits	17.54	16.60
Cash and net other assets	11.72	15.89
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON STERLING CREDIT FUND

Investment Objective and Policy

The Fund seeks to maximise long term returns mainly through investment in sterling fixed interest securities. UK government bonds or non-sterling bonds may be held as the Investment Adviser deems appropriate.

Assets

To achieve this objective the Fund may hold transferable securities (including Exchange Traded Funds which are closed-ended funds), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

Fund Performance

The fund returned 2.4% versus a return of 1.2% for the IMA Sterling Corporate Bond sector average.

Market and Portfolio Commentary

Towards the end of 2013, with gilt yields rising to their highest levels in 2013 as improving economic data continued to erode their 'safe haven' status, and as the initiation of the US Federal Reserve's quantitative easing tapering dampened investor sentiment, corporate bond returns were undermined. However, the average yield differential of sterling investment grade corporate bonds over gilts continued to fall, ending 2013 at 1.18%, near the year's lows.

The new year saw a sharp decline in gilt yields, largely a response to heightened concerns in emerging markets. Sterling investment grade corporate bond returns remained strong over the early months of 2014. However, as geopolitical tensions escalated in Ukraine and, following the ousting of pro-Russian Ukrainian President Viktor Yanukovych, Russia annexed the Crimea region of Ukraine, sterling investment grade corporate bonds underperformed gilts in March, the first such occurrence since mid-2013.

The closing weeks of the period saw sterling bond markets rally with the average yield differential between corporate bonds and their reference gilts narrowing; credit spreads tightened to end the reporting period at 1.12%, their tightest level since late 2007. While at pre-crisis levels, spread levels are wider than those required to compensate for default risk.

Portfolio duration (sensitivity to interest rates) began the reporting period marginally below that of the benchmark; the extent of this position was increased in the latter part of the period, to end April 0.3 years below benchmark. This stance reflected our view that underlying gilt yields would rise moderately further over the course of 2014. Duration positioning detracted from fund performance.

Reflecting the long held RLAM view that secured debt is undervalued, and supporting performance over the period, the fund retained its bias towards bonds supported by a claim on assets or cash flows, highlighted by its weighting within the investment trust (4.1%), social housing (6.1%), property (5.2%) and structured (26.1%) sectors.

Equally, we maintained our preference for senior secured (covered) financial bonds over senior unsecured debt; these senior obligations of banks and building societies, backed by a first claim on a specific over-collateralised pool of prime, seasoned, fully performing UK residential mortgages, are typically AAA or AA rated, and made up 3.7% of the fund's weighting. Having rallied strongly over much of 2013, performance of covered bonds during the reporting period was more muted, underperforming senior unsecured financial bonds and the broader sterling credit market.

The fund also maintained an overweight exposure to subordinated financial securities, within both the insurance and banking sectors. Extending their phase of especially strong performance seen earlier in 2013, subordinated financial bonds continued to be the star performers and were a key driver of the relative outperformance over the period.

Believing that high profile consumer orientated bonds were unattractively priced relative to corporate debt, the fund also maintained an underweight exposure to these sectors, again benefitting overall fund returns as consumer orientated bonds lagged the broader credit market. Equally, we maintained a marked underweight in low-yielding bonds within the supranational sector, such as the AAA-rated European Investment Bank. Supranationals, although outperforming gilts, also continued to lag the broader credit market.

By credit rating, the bias of the fund was broadly unchanged over the period; at the end of the period there remained a significant underweight to AAA rated securities, balanced by an off-benchmark position (11.2%) in unrated bonds and overweight exposure to BBB rated securities (41.9%). Reflecting the impact of pension changes outlined in the Budget Statement, A-rated bond performance was adversely impacted; with AAA and AA rated securities also underperforming, the fund's bias towards BBB rated bonds was beneficial. By maturity, there was a noticeable underperformance of longer dated credit bonds, similarly a consequence of the pension changes and in particular the potential decline in demand for annuities; the fund's continued bias to medium dated credit bonds was again beneficial.

Sterling corporate bond issuance was relatively muted in the closing weeks of 2013, reflecting the usual year end slowdown, although 2014 saw a flurry of new deals offering attractive investment opportunities for the fund. Non-financials remained dominant amongst new issues with corporate hybrids and ultra-long dated corporate bonds featuring heavily. Purchases within the primary market included an inaugural 100 year bond from EDF, hybrid bonds from Orange, Telefonica and Italian integrated utility, Enel, and structured and secured bonds from Health Care REIT and Bedford Pilgrim Housing Association and Peabody, the social housing businesses. Although all new issues generally performed well post launch, benefitting fund performance, the EDF bonds performed exceptionally well.

The investment orientation of the fund remained focused on diversifying risk across a large number of holdings (259 as at 30 April 2014), thereby reducing the potential effect on overall fund performance of any individual bond.

ROYAL LONDON STERLING CREDIT FUND
(CONTINUED)

Investment Outlook

We expect economic conditions in many developed nations to remain challenging over the medium term, although the performance of developing countries seems likely to underpin the growth in the global economy.

In the UK, we expect economic progress to be relatively subdued over the medium term, despite the support of loose monetary policy and the recent strong economic data. While public spending cuts are still in progress, political positioning ahead of the 2015 general election appears likely to gain momentum in the coming months. Meanwhile, we expect inflation to remain around target level, and we do not anticipate significant wage pressures developing.

Having fallen below our assessment of fair value, we expect a moderate move up in gilt yields over the medium term. Volatility seems likely to remain high.

We believe that the present pricing of corporate bonds is still very attractive over the medium term, while their level of income generation is also appealing with the prospect of short term interest rates staying low. While having improved markedly over the recent past, economic conditions in the UK seem likely to remain challenging and, in these circumstances, we believe bond characteristics which mitigate risk – structural enhancements or a claim on assets or cash flows – are an especially important aspect underlying investment performance over the medium term.

Paola Binns
Fund Manager
April 2014

Fund Facts

	As at	M Inc Shares	M Acc Shares	M Inc Gross Shares	Z Inc Shares
Sedol Number		B6X6GB9	B8GJ8S0		B4W1ZT2
Initial Charge		0.00%	0.00%		0.00%
Initial Commission		0.00%	0.00%		0.00%
Annual Management Charge (AMC)		0.45%	0.45%		0.30%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.50%	0.50%	0.50%	0.35%
Portfolio Turnover Rate	30/04/14	30%	30%	30%	30%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	4	4	4	4
Launch Date (See notes overleaf)		01/05/12	26/11/12	22/11/13	30/10/09
Fund Type					Authorised OEIC Fund
Domiciled					UK
Distribution Calculation Dates (XD)					1 February, 1 May, 1 August & 1 November
Distribution Payment Dates					31 March, 30 June, 30 September & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
M Inc Shares	6,638	108.96
M Acc Shares	4,384	106.53
M Inc Gross Shares	12,292	101.21
Z Shares	316,374	124.79

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	M Inc Shares	110.80	107.30	2.23
	M Acc Shares	107.20	102.80	2.14
	M Inc Gross Shares	103.10	99.53	2.27
	Z Shares	126.90	122.80	2.55
2013	M Inc Shares	113.90	105.30	4.50
	M Acc Shares	106.50	99.41	3.89
	M Inc Gross Shares[2]	100.40	99.49	n/a
	Z Shares	130.30	120.50	5.17
2012	M Inc Shares[3]	110.04	100.37	2.29
	M Acc Shares[4]	101.20	99.92	n/a
	Z Shares	125.80	113.60	5.24
2011	Z Shares	114.20	108.30	5.22
2010	B Shares[6]	111.10	105.90	2.48
	Z Shares	116.30	105.30	5.07
2009[5]	B Shares	107.70	105.10	n/a
	Z Shares	107.30	104.60	n/a

Single priced ICVC sub-fund
[1] To 30 April 2014
[2] From launch on 22 November 2013
[3] From launch on 1 May 2012
[4] From launch on 26 November 2012
[5] From launch on 30 October 2009
[6] To 14 July 2010

ROYAL LONDON STERLING CREDIT FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %	3 years %	5 years %
Royal London Sterling Credit Fund Z	1.19	8.38	11.09
IMA £ Corporate Bond sector average	-0.50	5.44	9.11
Relative Out-Performance	**+1.69**	**+2.94**	**+1.98**

The sub-fund was launched on 30 October 2009 and first priced on 2 November 2009, however the performance track record and income information are linked to the previous merging unit trust the Royal London Sterling Credit Trust class A launched on 1 September 2008 and the class B launched on 10 March 2010.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
Finance for Residence Social Housing 'A1' 11.126% 5/10/2058	1.33
Telereal Securitisation 4.0902% variable 10/12/2033	1.16
Great Rolling Stock 6.5% 5/4/2031	0.87
Electricite De France 6% variable perpetual	0.86
Commonwealth Bank of Australia 3% 4/9/2026	0.79
UPP Bond Issuer 4.9023% 28/2/2040	0.78
Premiertel 6.175% 8/5/2032	0.78
Tesco Property 5.6611% 13/10/2041	0.74
F&C Commercial 5.23% variable 30/6/2017	0.71
Treasury 4.75% 7/12/2030	0.71

Holding	31/10/13 % Holding
Finance for Residence Social Housing 'A1' 11.126% 5/10/2058	1.28
Electricite De France 6% variable perpetual	0.89
Telereal Securitisation 4.01% 10/12/2033	0.89
Commonwealth Bank of Australia 3% 4/9/2026	0.84
UPP Bond Issuer 4.9023% 28/2/2040	0.82
F&C Commercial 5.23% variable 30/6/2017	0.75
Octagon Healthcare 5.333% variable 31/12/2035	0.73
Equity Release 5.88% 26/5/2032	0.72
Abbey National 5.75% 2/3/2026	0.70
Longstone Finance 4.791% 19/4/2031	0.69

Sector Breakdown

	30/04/14 %	31/10/13 %
Corporate Bonds	95.92	97.35
Commercial Mortgage Backed Securities	1.75	1.68
Government Bonds	1.07	0.00
Cash and net other assets	1.26	0.97
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

ROYAL LONDON UK GOVERNMENT BOND FUND

Investment Objective and Policy

The investment objective of the Fund is to maximise total investment return (income and capital growth) over the medium to long term by investing mainly in UK government bonds. Sterling corporate bonds may also be held.

Assets

To achieve this objective the Fund may hold transferable securities, including Exchange Traded Funds (but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

The fund returned -0.4% versus a return of -0.0% for the IMA UK Gilt sector average.

Market and Portfolio Commentary

At the start of the period, with 10 year gilt yields at 2.6% and economic data continuing to be stronger than expected, the fund duration was 0.2 years below benchmark in anticipation of rising government bond yields.

The US Federal Reserve (Fed) announced a US$10 billon per month tapering of their quantitative easing programme, albeit slightly sooner than market consensus while, in the UK, economic data was especially strong. The UK's 2013 growth forecast was upgraded by both the OECD and the UK's Office for Budget Responsibility, while the Monetary Policy Committee changed its forward guidance, previously based on the unemployment threshold of 7%, to suggest rates in the UK could rise sooner than 2016. The extent of the fund's short duration exposure was subsequently reduced as 10 year gilt yields rose to our 2013 year end forecast of 3.0%.

Towards the end of 2013, the fund held off-benchmark positions in overseas government bonds. Gilts looked expensive relative to their global counterparts, prompting us to hold Australian and German government bonds. These positions were profitably closed before year end as Australia cut interest rates and, against general market expectations, so did the ECB as disinflation pressures mounted.

The fund also held long dated US treasuries, which had previously underperformed. Strong demand for long dated UK bonds, coupled with the Fed's

The views expressed are the authors' own and do not constitute investment advice and are not an indicator of future Fund performance.

Source: Royal London Asset Management

surprise announcement to begin tapering their quantitative easing program, resulted in further US underperformance. We used this weakness to increase our holding of long dated US treasuries.

Off-benchmark exposure to long dated index linked gilts was established on the expectation that long dated index linked gilts would outperform conventional bonds gilts around a forthcoming syndication of the 2068 gilt. Long breakeven rates rose immediately before the supply, benefiting fund performance.

Yields fell sharply early in the new year following weaker economic data related to extreme winter weather in the US. Political tensions in Ukraine and volatility in emerging markets led to a flight to quality as the period progressed. We used the strength in gilt markets to increase the fund's short duration position to 0.6 years below benchmark, detracting from performance; a predominantly short duration stance was maintained for the remainder of the reporting period.

With US data particularly disappointing, US treasuries underperformed gilts, allowing the fund to profitable close its off-benchmark exposure to long dated US government bonds. The fund also benefitted from a re-established off-benchmark position in long dated index linked gilts, which performed well as the market digested the 2068 index linked syndication earlier in the period.

Despite a near continuous flow of positive economic and survey data from the developed markets including the UK, rising geopolitical tensions resulted in gilt yields remaining volatile, but trending lower overall, to the end of the period. Fund duration was maintained below benchmark, although tactical activity around this overall strategic positioning offset the negative impact of the duration short. The fund ended the period 0.7 years below benchmark.

Investment Outlook

Economic news continues to suggest strong momentum in the UK, although the level of output is still below the previous peak in 2008.

Headline inflation is low and underlying inflationary pressures appear contained, in particular thanks to global disinflationary pressure and stronger sterling.

We expect interest rates to remain on hold during 2014, although the Bank of England may use macro prudential tools to cool momentum in the housing market. The peak in base rates is likely to be much lower than usual during the current economic cycle, resulting in a flatter yield curve.

Our central case is for gilt yields to rise further over the next 12 months, although we expect some volatility around this trend.

Our 31 December 2014 forecasts for 5, 10 and 30 year conventional gilt yields are 2.2%, 3.1% and 3.9% respectively; current yields are 2.0%, 2.7% and 3.5% respectively.

Craig Inches & Paul Rayner
Fund Managers
April 2014

ROYAL LONDON UK GOVERNMENT BOND FUND
(CONTINUED)

Fund Facts

	As at	A Inc Shares	M Inc Shares	M Acc Shares	Z Inc Shares
Sedol Number		B3Q6WZ1	B7QFPL3	B881TW5	B63M5F4
Initial Charge		4.00%	0.00%	0.00%	0.00%
Initial Commission		4.00%	0.00%	0.00%	0.00%
Annual Management Charge (AMC)		0.75%	0.38%	0.38%	0.25%
Ongoing Charges Figure (OCF)[1]	30/04/14	0.80%	0.43%	0.43%	0.30%
Portfolio Turnover Rate	30/04/14	610%	610%	610%	610%
Synthetic Risk Reward Indicator (SRRI)[2]	30/04/14	4	4	4	4
Launch Date (See notes overleaf)		30/04/10	01/05/12	26/11/12	30/04/10
Fund Type					Authorised OEIC Fund
Domiciled					UK
Distribution Calculation Dates (XD)					1 May & 1 November
Distribution Payment Dates					30 June & 31 December

[1] The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

[2] The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website http://www.rlam.co.uk/Fund-Performance--Prices.

Fund Performance Data

Share Class	Net Asset Value as at 30/04/14 £'000	Net Asset Value per share as at 30/04/14 p
A Shares	312,831	81.85
M Inc Shares	31,498	95.85
M Acc Shares	5,842	97.61
Z Shares	60,480	83.46

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014[1]	A Shares	83.50	81.19	1.17
	M Inc Shares	97.77	94.96	1.35
	M Acc Shares	98.16	95.34	1.37
	Z Shares	85.13	82.66	1.19
2013	A Shares	88.73	81.08	2.24
	M Inc Shares	103.40	94.83	2.49
	M Acc Shares	101.30	94.91	2.40
	Z Shares	90.02	82.54	2.27
2012	A Shares	90.32	85.64	2.30
	M Inc Shares[2]	104.90	100.20	1.30
	M Acc Shares[3]	100.50	98.80	n/a
	Z Shares	91.29	86.41	2.33
2011	A Shares	88.55	77.20	2.35
	Z Shares	89.25	77.47	2.36
2010[4]	A Shares	83.00	77.27	1.14
	Z Shares	83.14	77.28	1.17

Single priced ICVC sub-fund

[1] To 30 April 2014

[2] From launch on 1 May 2012

[3] From launch on 26 November 2012

[4] From launch on 30 April 2010

ROYAL LONDON UK GOVERNMENT BOND FUND
(CONTINUED)

Fund vs Sector Average Out-Performance

	1 year %	3 years %	5 years %
Royal London UK Government Bond Fund A	-3.89	3.95	3.92
IMA UK Gilt	-4.08	4.27	3.96
Relative Out-Performance	**+0.19**	**-0.32**	**-0.04**

The sub-fund was launched on 30 April 2010. However past performance and income information are linked to the previous merging unit trust, the Royal London UK Government Bond Trust, launched on 30 January 1990.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is net of fees and is cumulative over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	30/04/14 % Holding
Treasury 2.75% 22/1/2015	13.02
Treasury 5% 7/3/2018	7.01
Treasury 5% 7/9/2014	5.11
Treasury 4.25% 7/9/2039	4.87
Treasury 3.75% 7/9/2021	4.78
Treasury 1.75% 22/1/2017	4.33
Treasury 4% 7/3/2022	4.26
Treasury 1.25% 22/7/2018	4.22
Treasury 5% 7/3/2025	3.97
Treasury 4.75% 7/12/2030	3.83

Holding	31/10/13 % Holding
Treasury 5% 7/3/2025	9.09
Treasury 5% 7/9/2014	8.44
Treasury 2.25% 7/3/2014	8.39
Treasury 2.75% 22/1/2015	8.20
Treasury 4.5% 7/3/2019	7.69
Treasury 4.25% 7/3/2036	4.85
Treasury 4.5% 7/12/2042	3.75
Treasury 1% 7/9/2017	3.54
Treasury 4.25% 7/6/2032	3.40
Treasury 1.25% 22/7/2018	3.27

Sector Breakdown

	30/04/14 %	31/10/13 %
Government Bonds	99.99	99.15
Corporate Bonds	0.56	0.06
Government Index-Linked	0.00	0.30
Forward Currency Contracts	0.00	0.03
Cash and net other (liabilities)/assets	(0.55)	0.46
Total[1]	**100.00**	**100.00**

[1] Subject to rounding

IMPORTANT NOTES

Investments in fixed interest markets can go down as well as up. This can affect the price of shares within Open Ended Investment Companies and the income from them.

Where overseas securities are held the prices and income may also be affected by changes in currency exchange rates. It is possible that the value of an investment may fall below its original level.

Past performance should not be seen as a guide to future returns.

Your holding in an Open Ended Investment Company must be regarded as a medium to long term investment, this means for at least five years.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

COMPANY INFORMATION

A copy of the Long Form Report and Accounts is available on request.

The Authorised Corporate Director (ACD) of the Royal London Bond Funds ICVC is Royal London Unit Trust Managers Ltd.

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