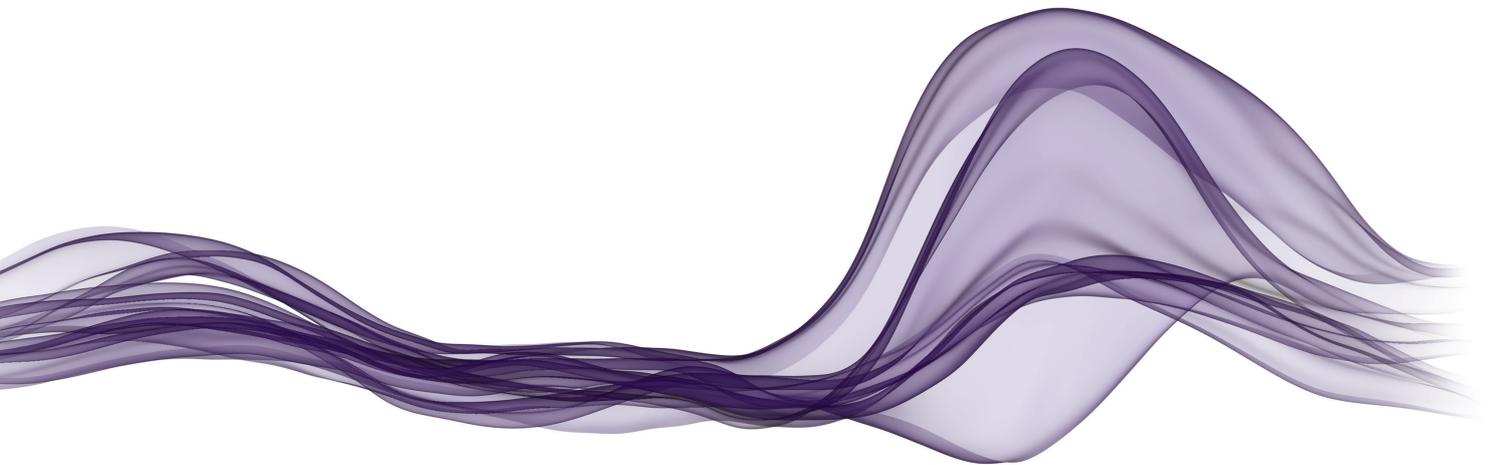


Royal London Sustainable Managed Income Trust

Interim Report

For the six month period ended 31 December 2023 (unaudited)



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* The Authorised Fund Manager's Report comprises these items (subsequent references to the Manager's Report).

Trust Information

Trust Status

The Trustee is HSBC Bank plc which holds the title to the Trust's investments on behalf of unitholders. The Royal London Sustainable Managed Income Trust (the Trust) is a "wider-range" investment under the Trustee Investments Act 1961. It is an authorised unit trust scheme under section 243 of the Financial Services and Markets Act 2000 and is a UCITS Scheme under the Financial Conduct Authority Collective Investment Schemes Sourcebook. Copies of the Trust Deed may be inspected at the offices of the Manager: 80 Fenchurch Street, London EC3M 4BY.

Manager

RLUM Limited

80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority.

Directors of the Manager

P. Beamish

P. Bowker

J.M. Brett (Non-executive Director)

J.S. Glen (Chairman)

J.M. JACKSON (Non-executive Director)

Trustee

HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

Administrator

HSBC Securities Services (UK) Limited

1-2 Lochside Way, Edinburgh Park, Edinburgh EH12 9DT

Authorised and regulated by the Financial Conduct Authority.

Registrar

RLUM Limited

RLUM Limited has delegated responsibility for safekeeping and maintenance of the register to **Capita Life and Pensions Regulated Services Limited**

The Register may be inspected at:

Churchgate House, 56 Oxford Street, Manchester M1 6EU

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside, London SE1 2RT

Investment Adviser

Royal London Asset Management Limited

80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority.

Advisory Committee

Benjamin Yeoh (Chairman)

Professor Alex Edmans

Rachel McEwen

Nicola Parker

Manager's Investment Report

The Royal London Sustainable Managed Income Trust (the Trust) is an authorised unit trust scheme, the Manager of which is RLUM Limited. The Manager has appointed Royal London Asset Management Limited to undertake the portfolio management for the Trust.

Royal London Asset Management Limited is the fund management arm of The Royal London Group and is independently authorised by the Financial Conduct Authority to provide asset management services.

We have a long and successful history of managing our customers' money and our specialist fund management service offers a distinctive approach to responsible investing across all of the funds that we manage. For example, we fully integrate consideration of financial, environmental, social and governance issues throughout the investment process when selecting companies for investment and we also vote at every Annual General Meeting of companies we hold, the exception being where voting would prevent trading.

Investment Objective and Policy

The investment objective is to achieve an income over a 12-month period that consistently exceeds typical cash deposit rates (measured by SONIA), paid out on a monthly basis, by predominantly investing in sterling-denominated bonds that are deemed to make a positive contribution to society.

Investments in the Trust will adhere to the Investment Adviser's Ethical and Sustainable Investment Policy, a copy of which is available on request.

Effective 20 November 2023, the Trust changed from following RLUM's Ethical & Sustainable Investment Policy to following the Investment Adviser's Ethical and Sustainable Investment Policy.

Risk and Reward Profile



About this indicator

- This Synthetic Risk and Reward Indicator (SRRI) is calculated according to European Securities and Markets Authority (ESMA) regulations, to allow investors to compare funds on the same basis. According to this methodology the Trust has been classed as category 4.
- The scale shows that the higher the risk, the higher the potential for greater returns. The numerical indicator which is referenced on the scale, is a measure of how much the unit price of this Trust has risen and fallen (over the last five years) and therefore how much the Trust's returns have varied.
- The Trust is shown in risk category 4 because its unit price has shown a medium level of volatility historically. As an investment, bonds are typically more volatile than money market instruments but less volatile than shares.
- The risk rating remains unchanged from the prior year.

Investors should note

- The indicator is based on historical data and may not be a reliable indication of the future risk profile of this Trust.
- The lowest rating does not mean 'risk free' and it does not measure the risk that you may suffer a capital loss.
- The risk and reward profile shown is not guaranteed to remain the same and may change over time.

Manager's Investment Report (continued)

Cumulative Performance (% change to 31/12/23)

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Sustainable Managed Income Trust, Class B Accumulation	9.70	9.52	-11.03	4.42
Royal London Sustainable Managed Income Trust, Class B Income	9.58	9.37	-10.97	4.62
Royal London Sustainable Managed Income Trust, Class C Accumulation	9.77	9.69	-10.36	5.92
Royal London Sustainable Managed Income Trust, Class C Income	9.73	9.67	-10.44	5.85
Royal London Sustainable Managed Income Trust, Class D Accumulation	9.87	9.87	-9.98	6.65
Royal London Sustainable Managed Income Trust, Class D Income	9.82	9.84	-9.97	6.63
iBoxx Sterling Non-Gilt All Maturities Index	9.79	8.60	-13.41	2.00
IA £ Corporate Bond TR	9.90	9.13	-10.50	5.73

Past performance is not necessarily a reliable indicator of future performance. The value of investments and the income from them is not guaranteed and may go down as well as up, and investors may not get back the amount originally invested.

Source: Royal London Asset Management Limited and Lipper, as at 31 December 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Trust's official midday price whereas the Trust has been valued as at close of business for the Net Asset Value quoted within the Comparative Table. For further information, including ongoing performance and Trust breakdown information, please refer to the latest factsheet at www.rlam.com.

Investment Review and Outlook

Performance overview

The Trust performed broadly in line with the benchmark index over the period, and remains ahead of benchmark over one, three and five years.

The Trust has an objective of paying an income exceeding that on cash deposits as measured by SONIA. The Trust has paid monthly distributions throughout the review period, ending with a distribution yield of around 4.7%, against SONIA at 5.18%.

Market overview

The review period had two distinct phases. The first months were characterised by mixed data around the world, with central banks coming towards the end of their rate rising cycle, but with rate cuts still seemingly a while away. Market attention was fixed on inflation, with this initially seeming persistent, meaning that rates were expected to be held higher for longer.

However, towards the end of the period, headline inflation fell, and sentiment swung dramatically, with markets expecting rate cuts in major economies in 2024.

This was positive for bond markets. With expectations of lower interest rates in 2024, bond yields started to fall, after rising steadily for most of the previous two years (bond prices fall when yields are rising). Yields fell sharply in November and December, helping UK corporate bonds, as measured by the iBoxx sterling non-gilt index returning 9.79% over the period.

Portfolio commentary

All issuers within our sustainable holdings offer a net benefit to society or show ESG leadership. As well as reducing risk, we seek out opportunities that are under-researched e.g., bonds that do not fall into mainstream indices or benchmarks and/or are unrated by ratings agencies. Importantly, looking for corporate bonds issued by companies with good sustainable characteristics provides access to critical sectors that most investors can't access via equity markets – with water companies an obvious example. Key themes in the Trust include social housing, social & environmental infrastructure, community funding (regulated banks and building societies focused on SME and retail lending), financial inclusion & resilience (such as insurance products to support individuals through shocks) and the energy transition. On sustainability grounds, we have no exposure to bonds of oil & gas companies or extractive industries.

The Trust is generally positive on the banking sector, but with caution. Whilst most banks will be well resourced to meet the needs of external ESG rating providers, and will look very attractive on a scope 1 and 2 emissions basis, we think there is no substitute for in-house primary sustainability analysis. Our more rigorous sustainable approach has led to more selective financials exposure than other funds.

Manager's Investment Report (continued)

Investment Review and Outlook – continued

Portfolio commentary – continued

The main positive driver of performance was our sector positioning, notably our underweight position in supranationals, which continued to lag the gains seen in the wider market. Stock selection effects were mixed: we saw positive selection in insurance bonds, notably longer dated subordinated bonds from M&G and Legal & General, but this was outweighed by negative selection effects in structured bonds, which generally have a lower sensitivity to wider market moves.

One notable example was our holding in Thames Water. We maintained exposure to Thames Water as part of a diversified portfolio, based on the attractiveness of the overall blended yield across our holdings in bonds from both the holding company and operating company. Whilst the former underperformed and was downgraded, our larger exposure to the operating company debt was beneficial for performance. We continue to believe that the sector remains attractively valued – largely based on our view that spreads in the sector overcompensate when compared to other regulated infrastructure assets such as UK electricity distribution. However, we also recognise the issues facing this sector and are working closely with our Responsible Investment team on their engagement with the water sector.

Investment outlook

Inflation has come down significantly in 2023 but still remains well above the Bank of England's target. In our view, wage inflation is the key factor to watch: we believe that the Bank will find it hard to start cutting rates if wages continue to rise at 5-6% per annum.

Although the economic picture remains uncertain, we still believe that higher interest rates will contribute to a slowdown in the UK. This could well impact company earnings and lead to some increase in pressure on corporate bonds. However, consumer spending has been greater than expected in both the UK and globally, which has helped support growth and prevent a recession. How this continues into 2024 could prove critical.

Coming towards the end of 2023, we felt that yields were very attractive, having risen significantly. Although some of this increase reversed in the final months of the year, we still believe that these are at attractive levels. Given the potential challenges in the outlook, we remain focused on identifying companies with strong financial and sustainable characteristics, favouring issues with security and downside protection, and ensuring that the Trust is diversified across issuers and sectors.

Shalin Shah and Matt Franklin
Trust Managers
Royal London Asset Management Limited
31 December 2023

Please note that this commentary is written as at end of the review period. For insights into market events or positioning since then, please go to www.rlam.com.

This report covers investment performance, activity and outlook. For a wider look at the Trust, our RLUM Annual Assessment of Value Report March 2023 (published July 2023) is available on www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Trust name at <https://www.rlam.com/uk/individual-investors/funds>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change.

The views expressed are the authors' own and do not constitute investment advice and are not an indication of future Trust performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management Limited, unless otherwise stated.

Portfolio Statement

As at 31 December 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Fixed Income – 96.72% (30/06/23 – 98.36%)			
Commercial Mortgage Backed Securities – 3.79% (30/06/23 – 4.89%)			
£1,595,000	Deco 2019-RAM DAC FRN 7/8/2030	525	0.21
£2,600,000	Equity Release Funding FRN 14/7/2045	1,795	0.71
£472,000	Frost CMBS 2021 1 DAC FRN 22/11/2026	447	0.18
£3,566,000	Income Contingent Student Loan 2 FRN 24/7/2058	355	0.14
£1,401,000	Income Contingent Student Loan 2.5% 24/7/2056	788	0.31
£1,872,000	Income Contingent Student Loan 2.5% 24/7/2058	1,104	0.43
£3,809,000	Income Contingent Student Loan FRN 24/7/2056	214	0.08
£658,000	Last Mile Logistics FRN 17/8/2033	654	0.26
£808,000	PCL Funding VIII FRN 15/5/2028	810	0.32
£550,000	Sage AR Funding FRN 17/11/2030	544	0.21
£1,900,000	Sage AR Funding FRN 17/11/2051	1,832	0.72
£556,000	Stark Financing FRN 17/8/2033	555	0.22
Total Commercial Mortgage Backed Securities		9,623	3.79
Corporate Bonds – 92.44% (30/06/23 – 92.96%)			
£363,000	3i Group 3.75% 5/6/2040	291	0.11
£580,000	3i Group 5.75% 3/12/2032	620	0.24
£457,700	A2D Funding II 4.5% 30/9/2026	450	0.18
£1,508,000	A2Dominion Housing Group 3.5% 15/11/2028	1,417	0.56
£462,000	AA Bond 3.25% 31/7/2050	392	0.15
£250,000	AA Bond 5.5% 31/7/2050	237	0.09
£924,000	AA Bond 6.269% 2/7/2043	924	0.36
£640,000	AA Bond 7.375% 31/7/2050	640	0.25
£364,000	AA Bond 8.45% 31/7/2050	381	0.15
£774,000	abrdn 5.25% variable perpetual	652	0.26
£500,000	Admiral Group 8.5% 6/1/2034	548	0.22
£794,000	Affinity Water Finance 2004 5.875% 13/7/2026	809	0.32
£480,000	Aggregate Micro Power Infrastructure No.2 8% 17/10/2036	431	0.17
£1,250,000	Akelius Residential Property 2.375% 15/8/2025	1,177	0.46
£390,000	Anglian Water Osprey Financing 2% 31/7/2028	318	0.12
£984,000	Anglian Water Osprey Financing 4% 8/3/2026	928	0.37
£600,000	Annington Funding 2.924% 6/10/2051	369	0.14
£1,471,000	Annington Funding 3.685% 12/7/2034	1,235	0.49
£656,000	Annington Funding 4.75% 9/8/2033	611	0.24
£1,220,000	Arqiva Financing 4.882% 31/12/2032	749	0.29
£1,664,000	Arqiva Financing 5.34% 30/12/2037	1,658	0.65
£400,000	Arqiva Financing 7.21% 30/6/2045	433	0.17
£1,700,000	Assicurazioni Generali 6.269% perpetual	1,694	0.67
£100,000	Aviva 4.375% variable 12/9/2049	93	0.04
£1,600,000	Aviva 6.125% variable 14/11/2036	1,634	0.64
£4,682,000	Aviva 6.875% variable 20/5/2058	4,846	1.91
£550,000	Aviva 6.875% variable perpetual	500	0.20
£1,344,000	AXA 6.6862% variable perpetual	1,363	0.54
£800,000	Banco Santander 2.25% variable 4/10/2032	691	0.27
£950,000	Bazalgette Finance 2.75% 10/3/2034	782	0.31
£1,290,000	BBC Pacific Quay Finance 5.5653% 25/7/2034	1,004	0.40
£322,000	Blend Funding 2.467% 16/6/2063	175	0.07
£575,000	Blend Funding 3.508% 4/5/2059	427	0.17
£1,500,000	BNP Paribas 2% variable 24/5/2031	1,359	0.53
£900,000	BPCE 2.5% variable 30/11/2032	787	0.31
£900,000	BPCE 6.125% 24/5/2029	931	0.37
£1,261,000	British Land 5.264% 24/9/2035	1,225	0.48
£780,000	British Land 5.357% 31/3/2028	777	0.31
£1,744,183	British Land 5.357% 31/3/2028	1,736	0.68
£605,000	Broadgate Finance 4.821% 5/7/2036	604	0.24
£1,080,000	Broadgate Finance 4.851% 5/4/2033	394	0.15
£1,087,000	BUPA Finance 4.125% 14/6/2035	880	0.35
£960,000	Cambridge Housing Capital 4.25% 15/9/2045	853	0.34
£850,000	Cheltenham & Gloucester 11.75% perpetual	1,278	0.50
£988,000	Close Brothers Finance 1.625% 3/12/2030	783	0.31

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
£829,000	Close Brothers Finance 2% variable 11/9/2031	714	0.28
£1,468,000	Close Brothers Finance 7.75% 14/6/2028	1,560	0.61
£356,000	Close Brothers Group 11.125% variable perpetual	362	0.14
£1,099,000	Community Finance 5.017% 31/7/2034	1,121	0.44
£1,385,000	Co-operative Bank Finance 6% variable 6/4/2027	1,342	0.53
£808,000	Co-operative Bank Finance 9.5% variable 25/4/2029	808	0.32
£750,000	Co-operative Wholesale Society 7.5% Step 8/7/2026	737	0.29
£1,100,000	Coventry Building Society 6.875% variable perpetual	1,078	0.42
£1,000,000	CPUK Finance 3.69% 28/2/2047	934	0.37
£850,000	Credit Agricole 7.5% variable perpetual	843	0.33
£700,000	CYBG 9.25% variable perpetual	700	0.28
£790,000	Delamare Finance 5.5457% 19/2/2029	432	0.17
£1,360,000	Delamare Finance 6.067% 19/2/2029	1,404	0.55
£1,794,000	Derby Healthcare 5.564% 30/6/2041	1,657	0.65
£522,000	Derwent London 1.875% 17/11/2031	414	0.16
£2,435,000	Dignity Finance 3.5456% 31/12/2034	1,410	0.56
£1,093,000	Direct Line Insurance 4% 5/6/2032	884	0.35
£409,000	DWR Cymru Financing 2.375% 31/3/2034	306	0.12
£500,000	E.ON International Finance 5.875% 30/10/2037	534	0.21
£2,190,000	Equity Release Funding 5.7% 26/2/2031	928	0.37
£1,032,000	Equity Release Funding 5.88% 26/5/2032	580	0.23
£1,127,000	Equity Release Funding No.3 5.05% 26/4/2033	1,032	0.41
£500,000	Eskmuir Group Finance 4.255% 12/12/2047	324	0.13
£275,000	Esure Group 12% variable 20/12/2033	283	0.11
£1,000,000	Esure Group 6% variable perpetual	696	0.27
£1,479,000	Eversholt Funding 2.742% 30/6/2040	1,053	0.41
£1,700,000	Eversholt Funding 3.529% 7/8/2042	1,343	0.53
£1,950,000	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058	1,475	0.58
£800,000	Finance for Residence Social Housing 'A2' 8.569% 5/10/2058	524	0.21
£1,692,000	Folio Residential Finance 1.246% 31/10/2037	1,486	0.58
£1,900,000	Freshwater Finance 4.556% 3/4/2036	1,711	0.67
£1,500,000	Freshwater Finance 5.182% 20/4/2035	1,475	0.58
£1,019,000	GB Social Housing 5.193% 12/2/2038	1,016	0.40
£900,000	Genfinance II 6.064% 21/12/2039	986	0.39
£1,201,000	Grainger 3% 3/7/2030	1,025	0.40
£370,575	Great Portland Estates 5.625% 31/1/2029	378	0.15
£587,000	Great Rolling Stock 6.5% 5/4/2031	450	0.18
£3,337,000	Great Rolling Stock 6.875% 27/7/2035	1,944	0.77
£1,313,000	Greater Gabbard OFTO 4.137% 29/11/2032	823	0.32
£441,000	Greensquareaccord 5.25% 30/11/2047	434	0.17
£785,000	Grosvenor UK Finance 6.5% 29/9/2026	818	0.32
£3,405,176	Guinness Trust 7.5% 30/11/2037	2,898	1.14
£1,432,000	Gwynt y Môr OFTO 2.778% 17/2/2034	851	0.33
£2,494,964	Harbour Funding 5.28% 31/3/2044	2,549	1.00
£787,000	Hastoe Capital 5.6% 27/3/2042	799	0.31
£2,596,908	Haven Funding 8.125% 30/9/2037	2,589	1.02
£500,000	HBOS 5.75% variable perpetual	490	0.19
£1,606,000	Hexagon Housing Association 3.625% 22/4/2048	1,201	0.47
£706,000	High Speed Rail Finance 4.375% 1/11/2038	658	0.26
£860,857	Home Group 8.75% 11/5/2037	1,056	0.42
£1,483,000	Housing and Care 3.288% 8/11/2049	1,090	0.43
£664,000	Housing Finance 5.125% 21/12/2037	683	0.27
£3,799,000	HSBC 5.375% variable 4/11/2030	3,749	1.48
£2,847,000	HSBC 5.844% variable perpetual	2,961	1.17
£2,307,000	HSBC 8.201% variable 16/11/2034	2,543	1.00
£1,300,000	ING Groep NV 6.25% variable 20/5/2033	1,310	0.52
£100,000	Intu Debenture 5.562% 31/12/2027	33	0.01
£1,456,000	Intu Metrocentre Finance 4.125% 6/12/2028	798	0.31
£2,614,000	Investec 1.875% variable 16/7/2028	2,238	0.88
£85,000	Investec 2.625% variable 4/1/2032	72	0.03
£790,000	John Lewis 4.25% 18/12/2034	568	0.22
£400,000	John Lewis 6.125% 21/1/2025	398	0.16
£1,494,000	JRP Group 9% 26/10/2026	1,606	0.63
£281,000	Just Group 7% variable 15/4/2031	278	0.11

Portfolio Statement (continued)

As at 31 December 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 92.44% (30/06/23 – 92.96%) – continued				£1,029,000	Principality Building Society 8.625% 12/7/2028	1,113	0.44
£500,000	Just Group 8.125% 26/10/2029	503	0.20	£942,000	Protective Life Global Funding 5.248% 13/1/2028	970	0.38
£1,224,000	Juturna Euro Loan Conduit 5.0636% 10/8/2033	823	0.32	£600,000	PRS Finance 1.5% 24/08/2034	464	0.18
£393,000	Land Securities Capital Market 2.375% 29/3/2029	366	0.14	£364,000	Prudential 6.125% 19/12/2031	379	0.15
£592,000	Leeds Building Society 1.375% 6/10/2027	522	0.21	£2,780,000	Quadrant Housing 7.93% Step 10/2/2033	2,389	0.94
£201,000	Legal & General 3.75% variable 26/11/2049	180	0.07	£226,000	RAC 8.25% 6/5/2046	243	0.10
£410,000	Legal & General 4.5% variable 1/11/2050	377	0.15	£1,182,000	Reassure Group 5.867% 13/6/2029	1,157	0.46
£1,400,000	Legal & General 5.375% variable 27/10/2045	1,390	0.55	£540,000	Retail Charity Bonds 3.25% 22/7/2031	412	0.16
£4,907,000	Legal & General 5.5% variable 27/6/2064	4,821	1.90	£250,300	Retail Charity Bonds 3.9% 23/11/2029	221	0.09
£809,000	Lloyds Banking Group 1.985% variable 15/12/2031	725	0.29	£330,600	Retail Charity Bonds 4% 31/10/2029	294	0.12
£124,000	Lloyds Banking Group 6.625% variable 2/6/2033	127	0.05	£960,000	Retail Charity Bonds 4.25% 30/3/2026	888	0.35
£1,009,000	Lloyds Banking Group 7.625% 22/4/2025	1,034	0.41	£300,000	Retail Charity Bonds 4.25% 6/7/2028	276	0.11
£806,000	Lloyds Banking Group 8.5% variable perpetual	818	0.32	£874,000	Rothesay Life 3.375% 12/7/2026	825	0.32
£522,000	Lloyds Banking Group 8.5% variable perpetual	526	0.21	£1,400,000	Rothesay Life 5% variable perpetual	988	0.39
£649,000	London Quadrant Housing Trust 2% 31/3/2032	527	0.21	£1,045,000	Rothesay Life 5.5% variable 17/9/2029	1,034	0.41
£3,340,000	Longstone Finance 4.791% 19/4/2036	1,209	0.48	£1,460,000	Rothesay Life 6.875% variable perpetual	1,314	0.52
£910,000	Lunar Funding 5.75% 18/10/2033	971	0.38	£485,000	Rothesay Life 7.734% 16/5/2033	516	0.20
£2,675,000	M&G 5% variable 20/7/2055	2,439	0.96	£630,000	RSA Insurance 5.125% variable 10/10/2045	619	0.24
£669,000	M&G 5.625% variable 20/10/2051	634	0.25	£840,000	RSL Finance 6.625% 31/3/2038	732	0.29
£3,346,000	M&G 5.7% variable 19/12/2063	3,177	1.25	£598,000	Saltaire Finance 1.527% 23/11/2051	321	0.13
£1,376,000	M&G 6.25% variable 20/10/2068	1,291	0.51	£1,661,000	Sanctuary 8.375% 1/9/2031	1,479	0.58
£4,100,000	Meadowhall Finance 4.986% 12/1/2032	1,930	0.76	£700,000	Santander UK 10.0625% perpetual	889	0.35
£500,000	Meadowhall Finance FRN 12/7/2037	281	0.11	£788,000	Santander UK 2.421% variable 17/1/2029	703	0.28
£900,000	Metropolitan Housing Trust 1.875% 28/7/2036	643	0.25	£1,586,000	Santander UK 7.098% variable 16/11/2027	1,648	0.65
£608,000	Midland Heart Capital 5.087% 20/9/2044	603	0.24	£1,082,000	Saxon Weald Capital 5.375% 6/6/2042	1,102	0.43
£420,000	MIELI London 4.82% 12/8/2027	404	0.16	£600,000	Scentre Management 3.875% 16/7/2026	582	0.23
£1,012,000	Mizuho Financial 5.628% 13/6/2028	1,049	0.41	£1,733,000	Scottish Widows 7% 16/6/2043	1,882	0.74
£1,101,000	Morhomes 3.4% 19/2/2040	897	0.35	£900,000	Skipton Building Society 2% variable 02/10/2026	844	0.33
£950,000	Myriad Capital 4.75% 20/12/2043	873	0.34	£898,000	Skipton Building Society 6.25% variable 25/4/2029	907	0.36
£700,000	National Australia Bank 1.699% variable 15/9/2031	623	0.25	£1,303,000	Society of Lloyds 4.875% variable 7/2/2047	1,261	0.50
£1,020,000	National Express 4.25% variable perpetual	896	0.35	£1,095,000	South East Water 5.5834% 29/3/2029	1,096	0.43
£2,600,000	NatWest Group 2.105% variable 28/11/2031	2,318	0.91	£423,000	South West Water 5.875% 16/7/2040	416	0.16
£1,200,000	NatWest Group 3.619% variable 29/3/2029	1,124	0.44	£275,000	Southern Housing Group 4.5% 04/2/2039	255	0.10
£1,085,000	NatWest Group 7.416% variable 6/6/2033	1,132	0.45	£953,000	SSE 3.74% variable perpetual	895	0.35
£457,000	New York Life Global Funding 4.95% 7/12/2029	474	0.19	£1,499,000	St James Oncology Financing 2.804% 31/3/2037	953	0.38
£1,000,000	NGG Finance 5.625% variable 18/6/2073	984	0.39	£598,000	Stagecoach 4% 29/9/2025	578	0.23
£274,000	NIE Finance 5.875% 1/12/2032	296	0.12	£3,698,000	Stirling Water Seafield 5.822% 26/9/2026	790	0.31
£810,000	Northumbrian Water Finance 2.375% 5/10/2027	738	0.29	£600,000	Suez 6.625% 5/10/2043	695	0.27
£100,000	Northumbrian Water Finance 5.625% 29/4/2033	103	0.04	£2,731,000	Sunderland 6.38% 31/3/2042	2,841	1.12
£395,000	Northumbrian Water Finance 6.375% 28/10/2034	423	0.17	£1,450,000	Sustainable Communities for Leeds Finance 5.069% 30/9/2032	892	0.35
£750,000	Notting Hill Genesis 2.875% 31/1/2029	690	0.27	£2,250,000	Swan Housing Capital 3.625% 5/3/2048	1,756	0.69
£251,000	Notting Hill Housing Trust 3.25% 12/10/2048	184	0.07	£2,485,000	TC Dudgeon OFTO 3.158% 12/11/2038	1,914	0.75
£300,000	Opus Chartered variable 31/3/2025	74	0.03	£1,848,000	Telereal Secured Finance 4.01% 10/12/2033	921	0.36
£878,000	Orsted 2.5% variable 18/2/3021	581	0.23	£1,250,000	Telereal Securitisation FRN 10/12/2033	397	0.16
£628,000	OSB Group 9.5% variable 7/9/2028	645	0.25	£1,333,000	Telereal Securitisation 1.3657% 10/12/2033	798	0.31
£741,000	OSB Group 9.993% variable 27/7/2033	725	0.29	£740,000	Telereal Securitisation 1.9632% variable 10/12/2033	687	0.27
£323,000	Peabody Capital No.2 2.75% 2/3/2034	267	0.11	£365,200	Telereal Securitisation 3.5625% 10/12/2036	331	0.13
£1,066,000	Pension Insurance Corporation 8% 13/11/2033	1,141	0.45	£2,133,000	Telereal Securitisation 4.9741% 10/12/2033	780	0.31
£269,000	Places for People Homes 3.625% 22/11/2028	254	0.10	£2,407,000	Telereal Securitisation 5.3887% 10/12/2033	916	0.36
£1,728,000	Places for People Homes 6.625% 30/9/2038	1,335	0.53	£1,244,000	Telereal Securitisation 5.4252% 10/12/2033	1,010	0.40
£515,000	Places For People Treasury 6.25% 6/12/2041	553	0.22	£1,560,000	Telereal Securitisation 6.1645% 10/12/2033	1,297	0.51
£1,387,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	1,223	0.48	£512,000	Tesco Property 5.4111% 13/7/2044	444	0.17
£900,000	Porterbrook Rail Finance 4.625% 4/4/2029	887	0.35	£945,000	Tesco Property 5.6611% 13/10/2041	891	0.35
£910,000	Premier Transmission Finance 5.2022% 31/3/2030	352	0.14	£1,400,000	Tesco Property 5.8006% 13/10/2040	1,301	0.51
				£500,000	Tesco Property Finance 7.6227% 13/7/2039	445	0.18
				£1,194,000	Thames Water Kemble Finance 4.625% 19/5/2026	590	0.23
				£626,000	Thames Water Utilities 2.875% 3/5/2027	474	0.19
				£100,000	Thames Water Utilities 6.5% 9/2/2032	99	0.04
				£1,541,000	Thames Water Utilities 7.738% 9/4/2058	1,740	0.69
				£200,000	Thames Water Utilities Cayman Finance 4.375% 3/7/2034	170	0.07

Portfolio Statement (continued)

As at 31 December 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 92.44% (30/06/23 – 92.96%) – continued			
£1,418,000	THFC Funding 5.2% 11/10/2043	1,437	0.57
£825,000	THFC Funding 6.35% 8/7/2041	946	0.37
£519,000	Travis Perkins 3.75% 17/2/2026	488	0.19
£1,414,000	Uliving@essex3 LLP NEW ISSUE 2.72% 31/8/2066 FIX	874	0.34
£1,336,000	Unifund 5.32% 7/12/2047	1,174	0.46
£1,020,000	Unite USAF II 3.921% 30/6/2030	993	0.39
£1,365,000	UPP Bond Issuer 4.9023% 28/2/2040	1,084	0.43
£500,000	Virgin Money 2.625% variable 19/8/2031	442	0.17
£1,300,000	Virgin Money 5.125% variable 11/12/2030	1,246	0.49
£313,000	Virgin Money 7.625% variable 23/8/2029	332	0.13
£1,096,000	Virgin Money 8.25% variable perpetual	1,008	0.40
£350,000	Vodafone Group 3% 12/8/2056	224	0.09
£800,000	Vodafone Group 4.875% variable 3/10/2078	777	0.31
£400,000	Welltower 4.5% 1/12/2034	377	0.15
£650,000	Wessex Water Services 1.5% 17/9/2029	538	0.21
£320,000	Wessex Water Services 5.125% 31/10/2032	320	0.13
£400,000	Wessex Water Services 5.375% 10/3/2028	405	0.16
£715,000	Western Power Distribution 1.75% 9/9/2031	580	0.23
£100,000	Western Power Distribution 2.671% Index-Linked 1/6/2043	166	0.07
£1,195,000	Westfield America Management 2.625% 30/3/2029	1,033	0.41
£1,827,000	Westfield Stratford City 1.642% 4/8/2031	1,657	0.65
£1,287,000	White City Property 5.1202% 17/4/2035	981	0.39
£1,082,000	Yorkshire Building Society 3.375% variable 13/9/2028	977	0.38
£1,153,000	Yorkshire Building Society 3.511% variable 11/10/2030	1,032	0.41
£798,000	Yorkshire Building Society 6.375% variable 15/11/2028	813	0.32
£464,000	Yorkshire Building Society 7.375% variable 12/9/2027	480	0.19
£550,000	Yorkshire Water Finance 3.625% 1/8/2029	513	0.20
£782,000	Yorkshire Water Finance 5.25% 28/4/2030	779	0.31
£1,191,000	Yorkshire Water Finance 5.5% 28/4/2035	1,175	0.46
£1,482,000	Yorkshire Water Finance 6.454% 28/5/2027	1,527	0.60
£841,000	Zurich Finance 5.125% variable 23/11/2052	808	0.32
Total Corporate Bonds		234,698	92.44
Public Authorities – 0.49% (30/06/23 – 0.51%)			
£636,000	International Finance Facility for Immunisation 2.75% 7/6/2025	617	0.24
£625,000	Transport for London 5% 31/3/2035	633	0.25
Total Public Authorities		1,250	0.49
Equities – 0.21% (30/06/23 – 0.21%)			
United Kingdom – 0.21% (30/06/23 – 0.21%)			
Preference Shares – 0.21%			
395,500	Lloyds Bank 9.25% Non Cumulative	522	0.21
Total United Kingdom		522	0.21
Total value of investments		246,093	96.93
Net other assets		7,792	3.07
Total net assets		253,885	100.00

All investments are listed on recognised stock exchanges and are “approved securities” within the meaning of FCA rules unless otherwise stated.

Summary of Portfolio Investments

As at 31 December 2023

Credit breakdown*	31 December 2023		30 June 2023	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Investments of investment grade	189,986	74.82	183,571	79.69
Investments of below investment grade	11,001	4.35	8,306	3.62
Unrated bonds	44,584	17.55	34,627	15.05
Total bonds	245,571	96.72	226,504	98.36
Equities	522	0.21	494	0.21
Total value of investments	246,093	96.93	226,998	98.57

* Ratings supplied by S&P, followed by Moody's.

Summary of Material Portfolio Changes

For the six month period ended 31 December 2023

Significant Purchases

	Cost £'000
Treasury 3.5% 22/1/2045	4,376
United Kingdom Gilt 3.5% 22/10/2025	4,319
Close Brothers Group 7.75% 14/6/2028	1,541
Pension insurance Corporation 8% 13/11/2033	1,097
Metropolitan Life Global Funding 1.625% 12/10/2028	1,061
Principality Building Society 8.625% 12/7/2028	1,037
HSBC 5.844% variable perpetual	1,025
Westfield America Management 2.625% 30/3/2029	941
Guinness Trust 7.5% 30/11/2037	842
Haven Funding 8.125% 30/9/2037	770
Subtotal	17,009
Total cost of purchases, including the above, for the period	39,214

Significant Sales

	Proceeds £'000
United Kingdom Gilt 3.5% 22/10/2025	4,345
Treasury 3.5% 22/1/2045	4,293
Housing Finance 8.625% 13/11/2023	1,716
Places for People Homes 5.09% 31/7/2043	1,628
Taurus 2018 FRN 22/5/2028	1,147
Go-Ahead Group 2.5% 6/7/2024	1,123
Metropolitan Life Global Funding 1.625% 12/10/2028	1,107
Principality Building Society 2.375% 23/11/2023	1,057
Credit Agricole 1.874% variable 9/12/2031	928
Virgin Money 7.875% variable 14/12/2028	900
Subtotal	18,244
Total proceeds from sales, including the above, for the period	35,506

Comparative Tables

Class B Accumulation

Change in net assets per unit	31/12/23 (p)	30/06/23 (p)	30/06/22 (p)	30/06/21 (p)
Opening net asset value per unit	120.25	127.65	146.08	140.94
Return before operating charges*	12.04	(6.52)	(17.14)	6.54
Operating charges	(0.45)	(0.88)	(1.29)	(1.40)
Return after operating charges*	11.59	(7.40)	(18.43)	5.14
Distributions on accumulation units	(1.98)	(5.21)	(4.15)	(3.92)
Retained distributions on accumulation units	1.98	5.21	4.15	3.92
Closing net asset value per unit	131.84	120.25	127.65	146.08
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	9.64%	(5.80)%	(12.62)%	3.65%
Other information				
Closing net asset value (£'000)	1	1	1	1
Closing number of units	500	500	500	500
Operating charges	0.84%	0.83%	0.83%	0.84%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest unit price	132.80	133.30	149.50	149.20
Lowest unit price	119.50	110.10	127.00	141.40

Class B Income

Change in net assets per unit	31/12/23 (p)	30/06/23 (p)	30/06/22 (p)	30/06/21 (p)
Opening net asset value per unit	85.61	94.85	111.80	110.83
Return before operating charges*	8.46	(4.79)	(12.84)	5.10
Operating charges	(0.38)	(0.76)	(0.83)	(0.87)
Return after operating charges*	8.08	(5.55)	(13.67)	4.23
Distributions on income units	(1.98)	(3.69)	(3.28)	(3.26)
Closing net asset value per unit	91.71	85.61	94.85	111.80
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	9.44%	(5.85)%	(12.23)%	3.82%
Other information				
Closing net asset value (£'000)	1	–	1	1
Closing number of units	500	500	500	500
Operating charges	0.84%	0.83%	0.83%	0.84%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest unit price	92.70	98.73	114.00	116.10
Lowest unit price	85.04	81.04	94.64	109.50

Class C Accumulation

Change in net assets per unit	31/12/23 (p)	30/06/23 (p)	30/06/22 (p)	30/06/21 (p)
Opening net asset value per unit	123.41	130.83	149.24	143.44
Return before operating charges*	12.36	(6.68)	(17.56)	6.67
Operating charges	(0.38)	(0.74)	(0.85)	(0.87)
Return after operating charges*	11.98	(7.42)	(18.41)	5.80
Distributions on accumulation units	(1.98)	(5.51)	(4.71)	(4.56)
Retained distributions on accumulation units	1.98	5.51	4.71	4.56
Closing net asset value per unit	135.39	123.41	130.83	149.24
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	9.71%	(5.67)%	(12.34)%	4.04%
Other information				
Closing net asset value (£'000)	63,135	67,306	76,497	66,360
Closing number of units	46,631,564	54,538,023	58,472,646	44,465,187
Operating charges	0.59%	0.58%	0.58%	0.59%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest unit price	136.40	136.60	153.00	152.20
Lowest unit price	122.60	112.90	130.10	143.90

Class C Income

Change in net assets per unit	31/12/23 (p)	30/06/23 (p)	30/06/22 (p)	30/06/21 (p)
Opening net asset value per unit	85.13	94.33	111.19	110.22
Return before operating charges*	8.42	(4.77)	(12.78)	5.08
Operating charges	(0.26)	(0.52)	(0.62)	(0.66)
Return after operating charges*	8.16	(5.29)	(13.40)	4.42
Distributions on income units	(1.98)	(3.91)	(3.46)	(3.45)
Closing net asset value per unit	91.31	85.13	94.33	111.19
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	9.59%	(5.61)%	(12.05)%	4.01%
Other information				
Closing net asset value (£'000)	19,181	18,022	17,173	15,918
Closing number of units	21,006,094	21,170,247	18,205,547	14,316,289
Operating charges	0.59%	0.58%	0.58%	0.59%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest unit price	92.30	98.20	113.40	115.50
Lowest unit price	84.57	80.65	94.19	108.90

Comparative Tables (continued)

Class D Accumulation

Change in net assets per unit	31/12/23 (p)	30/06/23 (p)	30/06/22 (p)	30/06/21 (p)
Opening net asset value per unit	125.23	132.55	150.99	144.90
Return before operating charges*	12.54	(6.76)	(17.80)	6.75
Operating charges	(0.28)	(0.56)	(0.64)	(0.66)
Return after operating charges*	12.26	(7.32)	(18.44)	6.09
Distributions on accumulation units	(1.98)	(5.78)	(4.99)	(4.83)
Retained distributions on accumulation units	1.98	5.78	4.99	4.83
Closing net asset value per unit	137.49	125.23	132.55	150.99
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	9.79%	(5.52)%	(12.21)%	4.20%
Other information				
Closing net asset value (£'000)	108,585	88,136	101,683	67,407
Closing number of units	78,976,505	70,380,405	76,710,839	44,644,989
Operating charges	0.44%	0.43%	0.43%	0.44%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest unit price	138.50	138.40	154.90	153.80
Lowest unit price	124.40	114.40	131.80	145.40

Class D Income

Change in net assets per unit	31/12/23 (p)	30/06/23 (p)	30/06/22 (p)	30/06/21 (p)
Opening net asset value per unit	85.11	94.31	111.19	110.22
Return before operating charges*	8.42	(4.77)	(12.80)	5.09
Operating charges	(0.19)	(0.39)	(0.46)	(0.49)
Return after operating charges*	8.23	(5.16)	(13.26)	4.60
Distributions on income units	(1.98)	(4.04)	(3.62)	(3.63)
Closing net asset value per unit	91.36	85.11	94.31	111.19
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	9.67%	(5.47)%	(11.93)%	4.17%
Other information				
Closing net asset value (£'000)	62,982	56,827	68,530	77,121
Closing number of units	68,942,144	66,772,944	72,667,444	69,361,300
Operating charges	0.44%	0.43%	0.43%	0.44%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest unit price	92.34	98.20	113.50	115.60
Lowest unit price	84.55	80.66	94.33	109.00

[^] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per unit price is based on the net asset value in the published accounts and may be different due to the prior year end accounting adjustments.

It should be remembered that past performance is not a reliable indicator of future performance and that the value of units, and the income derived from them, can vary.

Financial Statements

Statement of Total Return

For the six month period ended 31 December 2023

	31 Dec 2023		31 Dec 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		17,163		(19,488)
Revenue	5,882		4,943	
Expenses	(594)		(639)	
Net revenue before taxation	5,288		4,304	
Taxation	-		-	
Net revenue after taxation		5,288		4,304
Total return/(deficit) before distributions		22,451		(15,184)
Distributions		(4,327)		(3,867)
Change in net assets attributable to unitholders from investment activities		18,124		(19,051)

Statement of Change in Net Assets Attributable to Unitholders

For the six month period ended 31 December 2023

	31 Dec 2023		31 Dec 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		230,292		263,885
Amounts receivable on issue of units	29,605		36,192	
Amounts payable on cancellation of units	(26,691)		(20,857)	
		2,914		15,335
Change in net assets attributable to unitholders from investment activities		18,124		(19,051)
Retained distribution on accumulation units		2,555		2,415
Closing net assets attributable to unitholders		253,885		262,584

Balance Sheet

As at 31 December 2023

	31 Dec 2023	30 Jun 2023
	£'000	£'000
Assets		
Investments	246,093	226,998
Current assets:		
Debtors	3,750	3,555
Cash and bank balances	4,591	1,801
Total assets	254,434	232,354
Liabilities		
Creditors:		
Other creditors	252	1,244
Distribution payable	297	818
Total liabilities	549	2,062
Net assets attributable to unitholders	253,885	230,292

The financial statements were approved on 26 February 2024 and signed on behalf of the Board of the Manager by:

J.S. Glen (Director)

P. Bowker (Director)

Notes to the Financial Statements

For the six month period ended 31 December 2023

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investments Schemes Sourcebook. They have been prepared in accordance with applicable UK accounting standards, Trust Deed and in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association (now referred to as The Investment Association) in May 2014 (the 2014 SORP) and amended in 2017.

The accounting policies outlined below have been applied on a consistent basis throughout the period.

Basis of valuation of investments

The investments of the Trust have been valued at closing bid price on 29 December 2023, the last valuation point in the accounting period (excluding accrued interest for fixed interest securities).

Exchange rates

Assets and liabilities denominated in foreign currencies have been converted to sterling at the bid-market closing rates of exchange on 29 December 2023.

Revenue and expenditure transactions are translated at the rates of exchange ruling at the date of transaction.

Recognition of revenue

Interest on debt securities is accounted for on an effective yield basis.

Other revenue is accounted for on an accruals basis.

All revenue is recognised as a gross amount that includes any withholding taxes but excludes any other taxes such as attributable tax credits.

Treatment of expenses

RLUM Limited's annual charge (B Income and B Accumulation 0.80%; C Income and C Accumulation 0.55%; D Income and D Accumulation 0.40%) is calculated daily on the total net assets of the Trust. All expenses are charged against revenue, except those relating to the purchase and sale of investments, which are charged against capital.

Expenses include irrecoverable VAT.

Taxation

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Where overseas tax has been deducted from overseas revenue, then that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only to the extent they are regarded as recoverable.

It should be noted that legislation governing taxation is liable to change. The information contained in this report is based upon RLUM Limited's understanding of the current position.

2. Distribution policy

The excess of revenue over expenses and taxation charged to revenue, as disclosed in the financial statements, is distributable to unitholders.

Any revenue deficit is deducted from capital.

Distributions are paid to unitholders monthly.

For Accumulation units, this revenue is not distributed but automatically reinvested in the Trust and is reflected in the value of the units.

For the purpose of the calculation of distribution, revenue from debt securities is computed as the higher of the amount determined on an accrual of coupon basis and on an effective yield basis.

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the units for Capital Gains Tax purposes.

3. Risk management policies

In pursuing the Trust's objectives set out on page 4, the Trust holds a number of financial instruments which include:

- Bond/Fixed Interest securities held in accordance with the Trust's investment objectives and policies.
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations.

The main risks arising from the Trust's financial instruments are summarised below, and remain unchanged from the prior year.

Notes to the Financial Statements (continued)

For the six month period ended 31 December 2023

3. Risk management policies – continued

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements. The asset allocation of the portfolio is reviewed in order to manage the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual Fund Manager has responsibility for monitoring the existing portfolio selected in accordance with an overall asset allocation parameter and seeks to ensure that the Trust invests in a diversified fashion, to reduce the risk of exposure to a significant event affecting a single security, or industry, subject to the obligation under the Trust's objective to invest in securities which share certain characteristics.

Interest rate risk

The Trust invests in fixed and variable rate securities and any changes to interest rates relevant for particular securities may result in either revenue increasing or decreasing. In general, if interest rates rise the revenue potential of the Trust also rises but the value of fixed rate securities will decline. A fall in interest rates will, in general, have the opposite effect.

Foreign currency risk

The value of the Trust's investments may be affected by currency movements since a proportion of the assets are denominated in currencies other than sterling. The Manager may, from time to time, seek to mitigate the effect of these currency exposures by covering a proportion of its investments using forward currency hedges. However, no such arrangements were in place at the year end. The Trust may also be subject to short-term exposure to exchange rate movements, for example where there is a delay between dealing and subsequent settlement. However, the Manager considers that this does not pose a significant risk given the short-term nature of this exposure. The risk of currency movements on the income property of the Trust is minimised by converting income received in foreign currency into sterling on the date of transaction.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis. Certain transactions in securities that the Trust enters into expose it to the risk that a counterparty will not deliver the investment for a purchase, or cash for a sale after the Trust has fulfilled its responsibilities. The Trust only buys and sells investments through brokers which have been approved by the Manager as an acceptable counterparty and these are reviewed on an ongoing basis.

Liquidity risk

The Trust's assets comprise mainly readily available realisable securities, which can be sold to meet funding requirements if and when necessary. The main liability of the Trust is the redemption of any units that investors wish to sell. Liquidity risk, mainly derived from the liability to unitholders, is minimised through holding cash and readily realisable securities which can meet the usual requirements of unit redemptions.

Other risks

Potential implications of an epidemic and/or a pandemic

Epidemics and pandemics such as Covid-19, can seriously disrupt the global economy and markets. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a Trust's investments or the Manager's operations and the operations of the Manager and the Company's service providers.

Political risk

Political conflicts and their consequences, including economic sanctions on Russia, are having a significant impact on global financial markets and commodity pricing. The Manager is closely monitoring the associated internal political developments in relation to inflation, volatile markets and security pricing. Please refer to the Manager's Investment Reports for commentary on the impact and outlook.

The Trust has no direct exposure to Russian companies and the Manager is complying with all restrictions and sanctions issued by the relevant authorities.

4. Events after the balance sheet date

A Post Balance Sheet note has been added for the following change effective from 27 March 2024:

- Change of the Trust name to Royal London Sustainable Corporate Bond Trust.
- Change from monthly to quarterly distribution.
- Changes to the investment objective and policy of the Trust. Trust objective from March 2024 is to achieve a total return over the medium term, considered as a period of 3-5 years.
- The AMC of Class B units will be changed from 0.80% to 0.765%, Class C units will be changed from 0.55% to 0.515% and the AMC of the Class D units will be changed from 0.40% to 0.365%.

Distribution Tables

For the six month period ended 31 December 2023

Distribution in pence per unit

For the month ended 31 July 2023

Group 1: Units purchased prior to 1 July 2023

Group 2: Units purchased between 1 July 2023 and 31 July 2023

	Net income	Equalisation	Distribution paid 31/08/23	Distribution paid 31/08/22
Class B Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class B Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class C Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0400	0.2900	0.3300	0.2800
Class C Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.1200	0.2100	0.3300	0.2800
Class D Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0900	0.2400	0.3300	0.2800
Class D Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.2900	0.0400	0.3300	0.2800

Distribution Tables (continued)

For the six month period ended 31 December 2023

Distribution in pence per unit**For the month ended 31 August 2023**

Group 1: Units purchased prior to 1 August 2023

Group 2: Units purchased between 1 August 2023 and 31 August 2023

	Net income	Equalisation	Distribution paid 30/09/23	Distribution paid 30/09/22
Class B Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class B Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class C Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class C Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.1800	0.1500	0.3300	0.2800
Class D Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class D Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.1000	0.2300	0.3300	0.2800

Distribution Tables (continued)

For the six month period ended 31 December 2023

Distribution in pence per unit**For the month ended 30 September 2023**

Group 1: Units purchased prior to 1 September 2023

Group 2: Units purchased between 1 September 2023 and 30 September 2023

	Net income	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Class B Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class B Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class C Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class C Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0799	0.2501	0.3300	0.2800
Class D Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class D Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800

Distribution Tables (continued)

For the six month period ended 31 December 2023

Distribution in pence per unit**For the month ended 31 October 2023**

Group 1: Units purchased prior to 1 October 2023

Group 2: Units purchased between 1 October 2023 and 31 October 2023

	Net income	Equalisation	Distribution paid 30/11/23	Distribution paid 30/11/22
Class B Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class B Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class C Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class C Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.1245	0.2055	0.3300	0.2800
Class D Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class D Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.1608	0.1692	0.3300	0.2800

Distribution Tables (continued)

For the six month period ended 31 December 2023

Distribution in pence per unit**For the month ended 30 November 2023**

Group 1: Units purchased prior to 1 November 2023

Group 2: Units purchased between 1 November 2023 and 30 November 2023

	Net income	Equalisation	Distribution paid 31/12/23	Distribution paid 31/12/22
Class B Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class B Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class C Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class C Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0121	0.3179	0.3300	0.2800
Class D Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class D Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800

Distribution Tables (continued)

For the six month period ended 31 December 2023

Distribution in pence per unit**For the month ended 31 December 2023**

Group 1: Units purchased prior to 1 December 2023

Group 2: Units purchased between 1 December 2023 and 31 December 2023

	Net income	Equalisation	Distribution payable 31/01/24	Distribution paid 31/01/23
Class B Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class B Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.3300	0.0000	0.3300	0.2800
Class C Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class C Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0105	0.3195	0.3300	0.2800
Class D Accumulation				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800
Class D Income				
Group 1	0.3300	–	0.3300	0.2800
Group 2	0.0000	0.3300	0.3300	0.2800

General Information

Pricing and dealing

The prices of units are determined by reference to the underlying market value of the net assets of the Trust at the relevant valuation point.

Unit prices are normally calculated daily however, if the markets are exceptionally volatile the Manager may conduct more frequent valuations to reflect any significant changes in the value of the Trust's underlying assets.

Dealing prices, yields and details of risks and charges are published on our website, www.rlam.com.

Dealing in units is conducted between 8.00am and 8.00pm Monday to Friday, and 8:00am and 5:00pm on Saturday.

Buying units

Units may be bought on any business day via an authorised intermediary or from the Manager by telephoning the Customer Contact Centre on 0345 605 7777*. Alternatively, an application form should be completed and sent to the Manager. Units will be allocated at the price ruling at the next valuation point and a contract note confirming the purchase will be issued immediately thereafter.

Selling units

Units may be sold back to the Manager on any business day. Units can be sold by telephone by calling the Customer Contact Centre on 0345 605 7777* or alternatively by putting your request in writing. The Manager will allocate the price calculated from the next valuation point and issue a contract note as evidence of the sale.

* In the interest of investors' protection all telephone calls to the Customer Contact Centre are recorded.

Cancellation rights

Where a person purchases units the Conduct of Business Sourcebook Instrument 2001 (as amended from time to time) may give the investor the right to cancel the relevant purchase within 14 days of receipt of the requisite notice of a right to cancel. The right to cancel does not arise if (a) the investor is not a private customer, (b) the investor is not an execution-only customer, (c) the agreement to purchase is entered into through a direct offer financial promotion, or (d) the agreement is entered into under a customer agreement or during negotiations (which are not ISA or PEP related) intended to lead to a client agreement.

UK taxation

The Trust is not subject to Capital Gains Tax.

Capital gains established when units are sold are subject to tax, but at the present time investors are not liable unless their total gains in any tax year from all disposals of assets exceed the Capital Gains Tax annual exemption.

Investors receive a distribution of net revenue with tax credit equivalent to the lower rate of income tax. Where the distribution is retained within the Trust and not paid out it should be included in investors' Income Tax Return. No further liability exists if they pay at the lower or basic rate, but higher rate tax will be payable as appropriate. If investors are not liable to tax they are unable to claim repayment of the tax credit from HM Revenue & Customs.

The treatment of distributions as received by corporate unit holders is detailed on the reverse of dividend warrants. The first distribution received after purchasing units includes an amount described as 'equalisation'. This is a repayment of capital and is therefore not liable to Income Tax. It should, however, be deducted from the initial cost of units for Capital Gains Tax purposes.

Authorisation

RLUM Limited is authorised and regulated by the Financial Conduct Authority and is a subsidiary of The Royal London Mutual Insurance Society Limited.

Trust Reports and Prospectus

Copies of the latest yearly and half yearly financial statements and copies of the Prospectus may be obtained from RLUM Limited upon request.

Advisory Committee

This is an independent committee providing oversight of both the universe of companies approved for the Sustainable Trusts and general environmental, social and governance issues that may impact it. It provides an independent check that all companies invested in the Trusts meet the stated objectives and criteria.

Transfer of units

Subject to any restrictions in the Trust's Prospectus, unitholders are entitled to transfer their units to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the Manager for this purpose.

Completed instruments of transfer must be returned to the Manager in order for the transfer to be registered by the Manager.

The Manager currently accepts transfers of title (including renunciation of title in the case of a redemption) to units on the authority of electronic instructions transmitted via electronic messaging systems.

Please refer to the Trust's Prospectus for further information.

Contact Us

For further information
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This report is issued by Royal London Asset Management Limited on behalf of RLUM Limited.

Royal London Asset Management Limited provides asset management services to RLUM Limited which is the authorised Manager of the Royal London Sustainable Managed Income Trust.

Royal London Asset Management Limited, registered in England and Wales number 2244297; Royal London Unit Trust Managers Limited, registered in England and Wales number 2372439. RLUM Limited, registered in England and Wales number 2369965. All of these companies are authorised and regulated by the Financial Conduct Authority.

The marketing brand also includes Royal London Asset Management Funds Plc, an umbrella company with segregated liability between sub-funds, authorised and regulated by the Central Bank of Ireland, registered in Ireland number 364259, and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

All of these companies are subsidiaries of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 99064. Registered office: 80 Fenchurch Street, London, EC3M 4BY.

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