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Royal London Bond Funds ICVC

Interim Report

For the six month period ended 30 April 2023 (unaudited)



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* The Authorised Corporate Director's report comprises these items, together with the following for each individual sub-fund: Manager's Investment Report; Investment Objective and Policy and Portfolio Statement.

Company Information

Company

Royal London Bond Funds ICVC

Registered in England with Company Number IC000797

Registered office:

80 Fenchurch Street, London EC3M 4BY

Director

The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited which is the sole director.

Place of business and Registered office:

80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority; a member of The Investment Association (IA).

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Directors

R. Williams

A. Hunt

R. Kumar

S. Spiller

J. Brett (Non-executive Director)

H. Georgeson

J. JACKSON (Non-executive Director)

Investment Adviser

Royal London Asset Management Limited

Place of business and Registered office:

80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority.

Depositary

HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

Registrar

SS&C Financial Services Europe Limited

The Register may be inspected at:

SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS

Authorised and Regulated by the Financial Conduct Authority.

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside, London SE1 2RT

Directors' Report

We are pleased to present the Interim Report and Financial Statements for the Royal London Bond Funds ICVC, covering the six month period from 1 November 2022 to 30 April 2023.

Royal London Bond Funds ICVC ('the Company') is authorised and regulated by the Financial Conduct Authority and is structured as an umbrella investment company, in that the Company proposes to issue shares linked to different sub-funds which have been established. The Company is a UCITS umbrella scheme.

The sub-funds in existence during the six month period from 1 November 2022 to 30 April 2023 were:

Royal London Sterling Credit Fund
(launched 30 October 2009)

Royal London Global Index Linked Fund
(launched 27 January 2010)

Royal London Short-Term Money Market Fund
(launched 30 April 2010)

Royal London Corporate Bond Fund
(launched 30 April 2010)

Royal London Index Linked Fund
(launched 30 April 2010)

Royal London UK Government Bond Fund
(launched 30 April 2010)

Royal London Short Term Fixed Income Fund
(launched 15 June 2011)

Royal London International Government Bond Fund
(launched 4 November 2011)

Royal London Diversified Asset-Backed Securities Fund
(launched 24 September 2012)

Royal London Short Duration Gilts Fund
(launched 7 November 2013)

Royal London Short Term Fixed Income Enhanced Fund
(launched 18 May 2015)

Royal London Cautious Managed Fund
(launched 10 June 2015)

Royal London Investment Grade Short Dated Credit Fund
(launched 7 December 2015)

Royal London Short Duration Index Linked Fund
(launched 23 February 2016)

An ICVC may comprise a single fund or may be structured as an umbrella with a number of different sub-funds, each with its own portfolio of underlying assets invested in accordance with the investment objective and policy applicable to that sub-fund.

Currently, the funds of an umbrella company are ring-fenced, and consequently creditors of the company may not look to all the assets of the company for payment regardless of the sub-fund in respect of which that creditor's debt has arisen. Certain assets held or liabilities incurred by an umbrella company which are not attributable to a particular fund can be allocated between all of the funds in a manner which the ACD considers fair to shareholders.

Shareholders are not liable for the debts of the Company.

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

For and behalf of Royal London Unit Trust Managers Limited

Authorised Corporate Director

R. Kumar (Director)

S. Spiller (Director)

26 June 2023

Summary of Significant Accounting Policies

For the six month period ended 30 April 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 Investment Schemes sourcebook. They have been prepared in accordance with FRS102 and the Statement of Recommended Practice for Authorised Funds (SORP) for Financial Statements of Authorised Funds issued by The Investment Association (now referred to as The Investment Association) in May 2014 (the 2014 SORP), as amended in 2017.

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

Further analysis of the distribution and the net asset position can be found within the Financial Statements of the individual sub-funds.

Basis of valuation of investments

The investments of the Company have been valued at market value on 28 April 2023, the last valuation point in the accounting period. Market value is defined by the SORP as fair value, which is generally the bid value of each security.

The Short-Term Money Market Fund has been authorised as a Regulated Money Market Fund and is valued in accordance with the Money Market Funds Regulation. Further details are contained in the Prospectus.

The ACD has assigned the responsibility to review and approve fair value pricing decisions to the Royal London Asset Management Limited Valuation Oversight Committee. In accordance with the Royal London Asset Management Limited Pricing and Ensuring Fair Value Policy, the Committee provide regular governance and oversight on suspended, defaulted, delisted, unquoted or manually priced securities, taking into consideration where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Investments in collective investment schemes (CIS) have been valued at bid prices. For those CIS funds that are not dual priced, single prices are used.

Derivative assets and liabilities, including Overnight Index Swaps and Total Return Swaps, are valued at the fair value price to close out the contract at the balance sheet date, using available market prices or an assessment of fair value based on counterparty valuations and appropriate pricing models.

Exchange rates

Assets and liabilities denominated in foreign currencies have been converted to sterling at the bid-market closing rates of exchange on 28 April 2023.

Foreign income and expenditure has been converted into sterling at the rate of exchange ruling at the date of transaction.

Recognition of revenue

All dividends (including distributions from collective investment schemes) on investments marked ex-dividend up to the accounting date are included in revenue inclusive of any tax deducted at source and net of attributable tax credits.

Revenue received from investments in authorised collective investment schemes, which are purchased during the financial period, will include an element of equalisation which represents the average amount of revenue included in the price paid for shares or units. This equalisation is treated as capital and deducted from the cost of the investment.

Interest and revenue from bank balances and deposits, stock lending (net of fees paid), fixed interest stocks and other securities are recognised on an accruals basis.

Interest earned on interest bearing securities are determined on an effective yield basis. Effective yield is a revenue calculation that reflects the amount of amortisation of any discount or premium on the purchase price over the remaining life of the security.

Fees earned from stock lending are included in revenue on a net basis. The notes disclose the gross fees and related expenses.

Management fee rebates received from management companies are recognised when the entitlement arises, and are recognised as either income or capital in accordance with the treatment of the management fee charged on the underlying CIS.

Treatment of expenses

Expenses are recognised on an accruals basis.

The underlying sub-funds will hold a number of various share classes. Each share class suffers a different Fund Management Fee, which can be found in the constitution starting on page 154. Consequently the level of expenses attributable to each share class will differ.

The costs and charges detailed in the Prospectus, including the ACD's own fee, will be met out of the fixed Fund Management Fee. In the event the actual costs incurred by a sub-fund exceed the level of the fixed Fund Management Fee applicable to that share class, the ACD shall bear any such excess. Where the actual costs incurred by a sub-fund fall below the fixed Fund Management Fee, the ACD shall be entitled to retain any amount by which the fixed Fund Management Fee exceeds those actual costs.

Summary of Significant Accounting Policies (continued)

For the six month period ended 30 April 2023

1. Accounting policies – continued

Taxation

All sub-funds, except for Cautious Managed, satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulation 2006 paragraph 19 throughout the period. All distributions are therefore made as interest distributions. In the case of Cautious Managed, Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Provision is made for taxation at current rates on the excess of investment revenue over allowable expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is not recognised on permanent differences.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

Treatment of derivative contracts

The unrealised gain/(loss) on open future contracts is disclosed in the portfolio statement, where such contracts are held by an individual sub-fund.

Interest received from or paid to the sub-funds from swaps designed to protect capital are treated as capital and are included in net capital gains on derivative securities.

The unrealised gains or losses on open Overnight Index Swaps, Total Return Swaps, Futures and Forward Foreign Exchanges (FFX) are disclosed in the portfolio statements, where such contracts are held by an individual sub-fund.

Margins paid on these contracts are included in the amounts held at futures clearing houses and brokers.

Motives and circumstances are used to determine whether returns on derivative contracts should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital and the circumstances support this, the returns are included within net capital gains/losses in the Statement of Total Return. Where they are undertaken for generating or protecting revenue and the circumstances support this, the returns are treated as revenue and are included within the net revenue in the Statement of Total Return. The basis of apportionment is typically made by reference to the yield on the underlying index future or other appropriate source.

Dilution

In certain circumstances the ACD may charge a dilution adjustment on the sale or repurchase of shares for the majority of the sub-funds with the exception of the Royal London Short Term Money Market Fund. The adjustment is intended to cover certain dealing charges not included in the value of the sub-fund used in calculating the share price, which could have a dilutive effect.

Normally the Company will only charge such an adjustment on a sub-fund experiencing large levels of net purchases or net redemptions relative to its size. The ACD reserves the right to make a daily dilution adjustment, using swinging single pricing, for the sole purpose of reducing dilution in the Funds. For further details please refer to the Prospectus.

Rather than a dilution adjustment, a dilution levy is applicable to the Royal London Short-Term Money Market. The ACD reserves the right to impose a dilution levy on this sub-fund to the extent it is permissible under the UK Money Market Funds Regulations.

The ACD may determine the dilution levy amount to be charged at such a rate as determined for the purpose of reducing the effect of dilution. This dilution levy is calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, commissions and transfer taxes.

The Royal London Short Term Fixed Income and Royal London Short Term Fixed Income Enhanced Funds switched over to swinging single pricing 14 March 2022.

Summary of Significant Accounting Policies (continued)

For the six month period ended 30 April 2023

2. Distribution policy

Basis of distribution

Revenue produced by the sub-funds' investments accumulates during each accounting period. If at the end of the accounting period, revenue exceeds expenses, the net revenue of each sub-fund is available to be distributed, at share class level, to shareholders.

The following sub-funds make distributions on a quarterly basis: Sterling Credit, Corporate Bond, Diversified Asset-Backed Securities, Royal London Short Term Fixed Income, Royal London Short Term Fixed Income Enhanced and Investment Grade Short Dated Credit.

The following sub-funds make distributions on a half yearly basis: Global Index Linked, Short-Term Money Market, Index Linked, UK Government Bond, International Government Bond, Short Duration Gilts and Short Duration Global Index Linked.

The following sub-fund makes a distribution on an annual basis: Cautious Managed.

For the purposes of calculating the distribution on Index Linked Fund, Global Index Linked Fund and Short Duration Global Index Linked Fund, revenue is computed on an effective yield basis utilising the exemption set out in the Financial Conduct Authority's COLL 6.8.3 (for funds whose policy is to invest predominantly in index linked securities) to treat capital indexation as non-distributable.

Apportionment to multiple share classes

The allocation of revenue and expenses to each share class is based on the proportion of the sub-funds' assets attributable to each share class on the day the revenue is earned or the expense is suffered. The Fund Management Fee is specific to each share class.

Revenue from debt securities

For the purposes of the calculation of the distribution, revenue from debt securities is computed as follows:

Sterling Credit, Short-Term Money Market, Corporate Bond, Short Term Fixed Income, International Government Bond, Diversified Asset-Backed Securities, Short Duration Gilt, Short Term Fixed Income Enhanced and Investment Grade Short Dated Credit: on an effective yield basis.

Global Index Linked, Index Linked and Short Duration Global Index Linked sub-funds: on an effective yield basis excluding indexation on any index linked gilt-edged securities.

UK Government Bond: the higher amount determined on an accrual of coupon basis and an effective yield basis. The current year is on a coupon basis (31/10/21: Coupon).

This is not applicable for the Cautious Managed Fund which does not hold debt securities.

Expenses

In determining the net revenue available for distribution, expenses related to the purchase and sale of investments are borne wholly by capital.

In the case of Sterling Credit, Global Index Linked, Corporate Bond, UK Government Bond, International Government Bond, Short Duration Gilts, Cautious Managed, Investment Grade Short Dated Credit, and Short Duration Global Index Linked sub-funds, all expenses are borne by capital.

For Short-Term Money Market, Index Linked, Short Term Fixed Income, Diversified Asset-Backed Securities and Short Term Fixed Income Enhanced sub-funds, expenses are borne by revenue.

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the net accrued revenue included in the purchase price of the shares. 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 shares for Capital Gains Tax purposes.

3. Risk management policies

In accordance with its investment objective, the Company holds financial instruments such as fixed interest securities, cash and has short-term debtors and creditors. The risks arising from the Company's financial Instruments are summarised below, and remain unchanged from the prior year.

Market and cash flow risk

Material exposure of the Company's assets and liabilities to interest bearing instruments results in the risk of changes in market interest rates which, in addition to other market price risk arising from the uncertainty of future prices, can cause the value of financial instruments to fluctuate. This, in combination with variable cash flows, can potentially significantly affect the Balance Sheet and Statement of Total Return.

The ACD adheres to the investment guidelines and investment and borrowing powers established in the Prospectus and in the Rules governing the operations of ICVCs. In this way the ACD monitors and controls the exposure to risk from any type of security, market sector or individual issuer.

Summary of Significant Accounting Policies (continued)

For the six month period ended 30 April 2023

3. Risk management policies – continued

Credit and liquidity 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 and derivatives are held with reputable credit institutions and credit risk is assessed on a regular basis. Certain transactions in securities that the Company 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 Company has fulfilled its responsibilities. The Company 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.

The Company'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 Company is the redemption of any shares that investors wish to sell. Liquidity risk, mainly derived from the liability to shareholders, is minimised through holding cash and readily realisable securities which can meet the usual requirements of share redemptions. The Liquidity Risk for all sub-funds has been deemed insignificant, therefore numerical disclosures are not required.

Currency risk

The value of the Company's investments may be affected by currency movements since a proportion of the assets are denominated in currencies other than sterling. The ACD 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. The Company 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 ACD 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 Company is minimised by converting income received in foreign currency into sterling on the date of transaction.

Interest rate and inflation/deflation risk

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

Inflation can, over time, reduce the value of investments in real terms. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

The ACD considers the credit rating, yield and maturity of each interest bearing security to ensure the yield reflects any perceived risk.

Derivatives risk

The ACD may employ derivatives, including swaps, for the purpose of efficient portfolio management. Diversified Asset-Backed Securities Fund has used swaps during the period to protect capital value by reducing the sensitivity of the portfolio to movements in interest rates and to target a duration of zero years. The ACD may use forward foreign currency contracts in order to hedge out some of the currency exposure in a Fund.

The ACD uses a methodology known as the "commitment approach" to measure the global exposure to derivative instruments. This methodology is used for all sub-funds with the exception of the Diversified Asset-Backed Securities Fund, which utilises the Value-at-Risk (VAR) methodology.

Other

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 Fund's investments or the ACD's operations and the operations of the ACD's and the Company's service providers.

The Ukraine situation

The Ukraine conflict and its consequences, including economic sanctions on Russia, are having a significant impact on global financial markets and commodity pricing. Royal London Asset Management Limited is closely monitoring the associated geopolitical risks 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 sub-funds have no direct exposure to Russian companies and Royal London Asset Management Limited is complying with all restrictions and sanctions issued by the relevant authorities.

4. Cross holding

Some sub-funds within the Royal London Bond Funds ICVC may hold other sub-funds of the scheme.

The only sub-fund impacted is the Royal London Cautious Managed Fund.

Summary of Significant Accounting Policies (continued)

For the six month period ended 30 April 2023

5. Events after the balance sheet date

Subsequent to the period end, 30 April 2023, factors such as inflation and the Ukraine situation could cause the sub-funds to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have given rise to a non-adjusting subsequent event. The impact of the volatility on the sub-funds' NAVs between the end of the reporting period and the date of which the financial statements are authorised for issue is shown below:

	NAV 28 Apr 2023 (£)	NAV 22 Jun 2023 (£)	Movement (%)
Royal London Sterling Credit Fund, Class Z Accumulation	2,137,190,670	2,118,548,432	-0.87
Royal London Global Index Linked Fund, Class M Income	332,068,319	335,971,437	1.18
Royal London Short-Term Money Market Fund, Class Y Accumulation	5,270,767,849	5,736,186,734	8.83
Royal London Corporate Bond Fund, Class M Accumulation	1,111,408,907	1,120,522,598	0.82
Royal London Index Linked Fund, Class M Accumulation	403,505,819	416,817,270	3.30
Royal London UK Government Bond Fund, Class M Accumulation	943,276,502	911,291,175	-3.39
Royal London Short Term Fixed Income Fund, Class Y Accumulation	4,195,444,097	4,356,049,580	3.83
Royal London International Government Bond Fund, Class M Income	873,980,917	901,810,897	3.18
Royal London Diversified Asset Backed Securities Fund, Class Z Accumulation	213,295,507	216,607,645	1.55
Royal London Short Duration Gilts Fund, Class M Income	1,128,271,701	1,119,539,806	-0.77
Royal London Short Term Fixed Income Enhanced Fund, Class Y Accumulation	1,715,535,758	1,718,234,188	0.16
Royal London Cautious Managed Fund, Class A Accumulation	179,082,025	172,584,795	-3.63
Royal London Investment Grade Short Dated Credit Fund, Class Z Income	2,008,289,789	1,966,447,480	-2.08
Royal London Short Duration Global Index Linked Fund, Class Z Income	692,424,625	648,284,400	-6.37

The only significant cancellations on the sub-fund Funds indicated above during this period were on Royal London Global Index Linked Fund, M Income (11.74%) and Royal London Short Term Fixed Income Fund, Z Accumulation (100.00%).

Royal London Sterling Credit Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Sterling Credit Fund, Class M Accumulation	6.32	-6.71	-6.20	1.64
Royal London Sterling Credit Fund, Class M Income	6.31	-6.73	-6.29	1.46
Royal London Sterling Credit Fund, Class R Accumulation	6.50	-6.37	-4.92	–
Royal London Sterling Credit Fund, Class S Accumulation	6.55	-6.28	-4.86	–
Royal London Sterling Credit Fund, Class S Income	6.56	-6.30	-4.87	–
Royal London Sterling Credit Fund, Class Z Accumulation	6.39	-6.63	-5.73	–
Royal London Sterling Credit Fund, Class Z Income	6.42	-6.60	-5.67	2.52
iBoxx Sterling Non-Gilt All Maturities Index	4.06	-7.70	-13.02	-4.12
IA £ Corporate Bond TR	4.63	-6.88	-9.49	-1.67

Class R Accumulation launched on 4 October 2018, Class S Income launched on 16 April 2019 and Class S Accumulation and Class Z Accumulation launched on 1 October 2019.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund outperformed its benchmark, the iBoxx Sterling Non-Gilt All Maturities Index, in the period, posting strong returns. It is also significantly ahead of its benchmark over the 12-month, three-year and five-year periods. It was also ahead of the peer index in the six-month period and over the past 12 months, only slightly. Despite this, it is significantly outperforming peers over three years and five years.

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England (BoE) and European Central Bank all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has been mixed, giving rise to periods of market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and European regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.5% to 3.7% and this was a headwind. For the sterling credit bonds. However, the combination of higher initial yield and tightening of credit spreads (the additional yield on a corporate bond over equivalent gilt) from 1.86% to 1.46% (iBoxx Non-Gilt Index) resulted in a 4% benchmark return in the period.

Manager's Investment Report (continued)

Portfolio commentary

The Fund's performance was driven by its security selection and sector allocation. In particular, our overweight positions in banks and insurance proved helpful despite the failure of several US banks and the rescue of Credit Suisse. Conversely, our overweight exposure to asset backed bonds hindered performance, reflecting their failure to rally as much as the wider credit market.

Our bank holdings continued to recover from the Credit Suisse-linked sell-off with HSBC one of the best performers during the interim period. Our insurance holdings enjoyed a similar tailwind, with Aviva a notable outperformer.

In social housing, another positive sector contributor to performance, Swan Housing was a strong performer. We added to our exposure in Swan during the period on the belief that the downgrade of the bonds following the collapse of a merger with Orbit was premature given that they were to merge with Sanctuary instead. This duly completed during the first quarter of 2023 and the bonds performed strongly.

Despite ongoing volatility, financials remained a key area of activity for us. We participated in a number of new issues in the banking and insurance sector, including senior bonds from Mizuho, Barclays, BNP Paribas and Metropolitan Life as well as subordinated bonds from ING and Caixabank. Earlier in the period, we took part in new issues of senior bank debt by NatWest, Morgan Stanley and Crédit Agricole, and a subordinated issue from Swedbank. We did add some AT1 debt through new issues from Barclays and Lloyds – these bonds yielding around 9%. In the secondary market, we switched between Legal & General bonds; this gave a yield enhancement and reduced duration risk.

Investment outlook

We expect that inflation has peaked. This is driven by our view that energy prices will moderate, and that weaker GDP growth will reduce the tightness of the labour market. Nonetheless, UK interest rates are likely to rise further as the BoE continues to focus on bringing inflation under control.

We believe that higher rates will lead to a slowdown in the UK, impacting company earnings and leading to some increase in credit rating downgrades and default rates. Nevertheless, an asset allocation in favour of sterling credit bonds is appropriate as credit spreads remain at reasonably attractive levels. We consider that credit spreads discount a significant portion of bad news and that investors are being paid well to take credit over government bond risk. Against this background, we will maintain our focus on identifying companies with strong balance sheets, favouring issues with security and downside protection, and ensuring that portfolios are diversified across issuers and sectors.

The 'all-in yield' on sterling investment grade credit (government yield plus credit spread) is attractive, particularly if inflation starts to fall as we expect. The Fund has maintained its overweight exposure to BBB rated bonds, and we believe that compensation for default risk remains most attractive in this rating band.

Paola Binns
Fund Manager
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class M Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	127.29	157.74	151.17	146.29
Return before operating charges*	7.71	(29.68)	7.40	5.67
Operating charges	(0.35)	(0.77)	(0.83)	(0.79)
Return after operating charges*	7.36	(30.45)	6.57	4.88
Distributions on accumulation shares	(3.30)	(5.74)	(5.35)	(5.35)
Retained distributions on accumulation shares	3.30	5.74	5.35	5.35
Closing net asset value per share	134.65	127.29	157.74	151.17
* after direct transaction costs of:	–	–	–	0.01
Performance				
Return after charges	5.78%	(19.30)%	4.35%	3.34%
Other information				
Closing net asset value (£'000)	106,581	107,359	149,170	162,133
Closing number of shares	79,153,496	84,339,049	94,565,052	107,252,272
Operating charges	0.53%	0.53%	0.53%	0.53%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	139.60	161.40	161.50	152.90
Lowest share price	127.90	120.40	152.30	134.20

Class M Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	95.27	122.96	122.05	122.42
Return before operating charges*	5.79	(22.68)	5.83	4.70
Operating charges	(0.26)	(0.60)	(0.66)	(0.65)
Return after operating charges*	5.53	(23.28)	5.17	4.05
Distributions on income shares	(2.46)	(4.41)	(4.26)	(4.42)
Closing net asset value per share	98.34	95.27	122.96	122.05
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	5.80%	(18.93)%	4.24%	3.31%
Other information				
Closing net asset value (£'000)	70,937	75,708	175,701	163,726
Closing number of shares	72,132,757	79,470,436	142,887,708	134,150,686
Operating charges	0.53%	0.53%	0.53%	0.53%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	103.20	125.80	128.20	126.90
Lowest share price	95.71	91.21	121.80	111.30

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	97.32	120.04	114.50	110.28
Return before operating charges*	5.90	(22.66)	5.61	4.29
Operating charges	(0.03)	(0.06)	(0.07)	(0.07)
Return after operating charges*	5.87	(22.72)	5.54	4.22
Distributions on accumulation shares	(2.53)	(4.38)	(4.06)	(4.04)
Retained distributions on accumulation shares	2.53	4.38	4.06	4.04
Closing net asset value per share	103.19	97.32	120.04	114.50
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	6.03%	(18.93)%	4.84%	3.83%
Other information				
Closing net asset value (£'000)	359,578	348,963	421,862	469,568
Closing number of shares	348,467,218	358,555,897	351,431,695	410,114,139
Operating charges	0.06%	0.06%	0.06%	0.06%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	106.80	122.90	122.80	115.80
Lowest share price	97.78	92.05	115.40	101.30

Comparative Tables (continued)

Class S Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	88.12	108.68	103.66	99.83
Return before operating charges*	5.33	(20.51)	5.07	3.88
Operating charges	(0.02)	(0.05)	(0.05)	(0.05)
Return after operating charges*	5.31	(20.56)	5.02	3.83
Distributions on accumulation shares	(2.29)	(3.96)	(3.68)	(3.66)
Retained distributions on accumulation shares	2.29	3.96	3.68	3.66
Closing net asset value per share	93.43	88.12	108.68	103.66
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	6.03%	(18.92)%	4.84%	3.84%
Other information				
Closing net asset value (£'000)	30,520	15,795	22,797	36,488
Closing number of shares	32,666,613	17,925,246	20,976,166	35,200,835
Operating charges	0.05%	0.05%	0.05%	0.05%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	96.74	111.20	111.20	104.90
Lowest share price	88.53	83.34	104.50	91.73

Class S Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	81.98	105.31	103.90	103.73
Return before operating charges*	5.00	(19.49)	5.10	3.97
Operating charges	(0.02)	(0.05)	(0.05)	(0.05)
Return after operating charges*	4.98	(19.54)	5.05	3.92
Distributions on income shares	(2.12)	(3.79)	(3.64)	(3.75)
Closing net asset value per share	84.84	81.98	105.31	103.90
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	6.07%	(18.55)%	4.86%	3.78%
Other information				
Closing net asset value (£'000)	151,272	152,770	184,309	159,634
Closing number of shares	178,311,314	186,339,716	175,015,535	153,635,855
Operating charges	0.05%	0.05%	0.05%	0.05%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	88.94	107.80	109.30	107.60
Lowest share price	82.37	78.48	104.00	94.47

Class Z Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	87.30	108.01	103.33	99.81
Return before operating charges*	5.29	(20.36)	5.05	3.87
Operating charges	(0.16)	(0.35)	(0.37)	(0.35)
Return after operating charges*	5.13	(20.71)	4.68	3.52
Distributions on accumulation shares	(2.27)	(3.93)	(3.66)	(3.65)
Retained distributions on accumulation shares	2.27	3.93	3.66	3.65
Closing net asset value per share	92.43	87.30	108.01	103.33
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	5.88%	(19.17)%	4.53%	3.53%
Other information				
Closing net asset value (£'000)	83,365	61,586	133,767	43,966
Closing number of shares	90,193,237	70,543,184	123,847,512	42,548,089
Operating charges	0.35%	0.35%	0.35%	0.35%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	95.77	110.50	110.50	104.50
Lowest share price	87.70	82.58	104.10	91.61

Comparative Tables (continued)

Class Z Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	110.77	142.71	141.23	141.41
Return before operating charges*	6.74	(26.37)	6.93	5.43
Operating charges	(0.20)	(0.45)	(0.51)	(0.50)
Return after operating charges*	6.54	(26.82)	6.42	4.93
Distributions on income shares	(2.86)	(5.12)	(4.94)	(5.11)
Closing net asset value per share	114.45	110.77	142.71	141.23
* after direct transaction costs of:	–	–	–	0.01
Performance				
Return after charges	5.90%	(18.79)%	4.55%	3.49%
Other information				
Closing net asset value (£'000)	1,317,054	1,167,508	1,370,229	1,677,652
Closing number of shares	1,150,809,991	1,054,031,860	960,165,157	1,187,882,757
Operating charges	0.35%	0.35%	0.35%	0.35%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	120.10	146.00	148.40	146.60
Lowest share price	111.30	106.00	141.20	128.60

[^] 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 2.27% (31/10/22 – 2.63%)			
£2,402,000	British Land 5.264% 24/9/2035	2,276	0.11
£5,297,000	Canary Wharf Finance II (A7) FRN 22/10/2037	4,370	0.21
£11,233,356	Finance for Residence Social Housing 'A2' 8.569% 5/10/2058	7,445	0.35
£13,796,749	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058	10,550	0.50
£13,160,000	Income Contingent Student Loan FRN 24/7/2056	2,076	0.10
£24,369,000	Income Contingent Student Loan 2 FRN 24/7/2058	5,352	0.25
£8,736,000	Magenta 2020 FRN 20/12/2024	7,651	0.36
£3,064,000	Scorpio European Loan Conduit No.34 FRN 17/5/2029	2,924	0.14
£3,820,000	Taurus 2019-2 FRN 17/11/2029	3,565	0.17
£6,914,000	Together Asset Backed Securitisation 2019 FRN 15/7/2061	1,687	0.08
Total Commercial Mortgage Backed Securities		47,896	2.27
Corporate Bonds – 94.52% (31/10/22 – 93.71%)			
£9,605,000	3i Group 3.75% 5/6/2040	7,190	0.34
£7,296,000	AA Bond 6.269% 2/7/2043	7,076	0.33
£4,318,000	AA Bond 7.375% 31/7/2050	4,096	0.19
£1,684,000	AA Bond 8.45% 31/7/2050	1,682	0.08
£5,400,000	abrdn 4.25% variable 30/6/2028	3,799	0.18
£6,229,000	abrdn 5.25% variable perpetual	4,979	0.24
£11,900,000	Aggregate Micro Power Infrastructure No. 2 8% 17/10/2036	10,790	0.51
\$10,000,000	Allianz 3.2% variable perpetual	5,782	0.27
£3,375,000	Alpha Plus 5% 31/3/2024	3,176	0.15
£13,232,000	Anglian Water Osprey Financing 4% 8/3/2026	12,419	0.59
£5,899,000	Annington Funding 3.184% 12/7/2029	4,950	0.23
£12,827,000	Annington Funding 3.935% 12/7/2047	8,943	0.42
£4,008,000	Annington Funding 4.75% 9/8/2033	3,523	0.17
£7,071,000	Aroundtown 3.625% 10/4/2031	4,258	0.20
£7,476,000	Aroundtown 4.75% variable perpetual	2,554	0.12
£9,655,000	Arqiva Financing 4.882% 31/12/2032	6,125	0.29
£4,613,000	Artesian Finance 6% 30/9/2033	4,889	0.23
£7,562,000	Aspire Defence Finance 'A' 4.674% 31/3/2040	5,790	0.27
£11,748,000	Aspire Defence Finance 'B' 4.674% 31/3/2040	8,995	0.42
€1,942,000	ASR Nederland NV 7% variable 7/12/2043	1,785	0.08
£15,600,000	Assicurazioni Generali 6.269% perpetual	15,364	0.72
£2,800,000	AT&T 4.25% 1/6/2043	2,290	0.11
£6,255,000	Australia and New Zealand Banking Group 1.809% variable 16/9/2031	5,268	0.25
£4,900,000	Aviva 6.125% variable 14/11/2036	4,892	0.23
£26,129,000	Aviva 6.875% variable 20/5/2058	27,616	1.30
\$9,939,000	AXA 6.379% variable perpetual	8,227	0.39
£15,000,000	AXA 6.6862% variable perpetual	15,170	0.72
€7,089,000	AXA 1.875% variable 10/7/2042	4,676	0.22
£9,361,000	AXA 5.625% variable 16/1/2054	9,239	0.44
£7,900,000	Banco Santander 2.25% variable 4/10/2032	6,481	0.31
€3,290,000	Barclays Bank 4.75% variable perpetual	2,377	0.11
£12,430,000	Barclays 5.875% variable perpetual	10,497	0.50
\$9,480,000	Barclays 6.278% variable perpetual	7,189	0.34
£6,575,000	Barclays 6.369% variable 31/1/2031	6,642	0.31
£10,705,000	Barclays 8.407% variable 14/11/2032	11,102	0.52
£7,341,000	Barclays 8.875% variable perpetual	6,734	0.32
£11,791,000	Barclays 9.25% variable perpetual	10,605	0.50
£5,890,000	BBC Pacific Quay Finance 5.5653% 25/7/2034	4,604	0.22
£4,389,000	Blackstone Property Partners Europe 2.625% 20/10/2028	3,329	0.16
£6,564,000	Blackstone Property Partners Europe 4.875% 29/4/2032	5,140	0.24
£3,567,000	Blend Funding 2.467% 16/6/2063	1,889	0.09
£2,395,000	Blend Funding 2.984% 15/3/2036	1,918	0.09

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
£4,498,000	Blend Funding 3.508% 4/5/2059	3,219	0.15
£6,300,000	BNP Paribas 1.25% 13/7/2031	4,547	0.21
£9,800,000	BNP Paribas 2% variable 24/5/2031	8,495	0.40
£8,000,000	BNP Paribas 2.875% 24/2/2029	6,924	0.33
£7,600,000	BNP Paribas 5.75% 13/6/2032	7,672	0.36
\$6,084,000	BNP Paribas 7.75% variable perpetual	4,623	0.22
\$5,370,000	BNP Paribas SA FRN perpetual	3,589	0.17
£10,652,000	BP Capital Markets 4.25% variable perpetual	9,515	0.45
€7,400,000	BPCE 2.125% variable 13/10/2046	4,580	0.22
£8,100,000	BPCE 2.5% variable 30/11/2032	6,714	0.32
€6,727,000	British American Tobacco 3.75% variable perpetual	4,354	0.21
£12,856,000	British Land 5.264% 24/9/2035	12,182	0.58
£2,352,000	British Land 5.357% 31/3/2028	2,307	0.11
£4,602,000	BUPA Finance 4% variable perpetual	2,956	0.14
£7,897,000	BUPA Finance 4.125% 14/6/2035	6,262	0.30
£1,879,000	BWP Issuer 2.868% 30/6/2036	1,282	0.06
£3,900,000	CaixaBank 3.5% variable 6/4/2028	3,513	0.17
£32,500	Calgary & Edmonton Railway 4% perpetual	8	–
£12,095,000	Canary Wharf Finance II 5.952% 22/10/2037	12,380	0.58
£5,500,000	CaixaBank 6.875% variable 25/10/2033	5,367	0.25
£7,599,000	Centrica 5.25% variable 10/4/2075	7,166	0.34
£1,695,000	Channel Link Enterprises Finance FRN 30/12/2050	1,280	0.06
£6,450,000	Cheltenham & Gloucester 11.75% perpetual	9,159	0.43
£2,817,000	Close Brothers Finance 2% variable 11/9/2031	2,355	0.11
£10,750	Clydeport Operations 3% perpetual	8	–
£5,750	Clydeport Authorities 4% perpetual	4	–
£7,790,000	Connect M77 GSO 5.404% 31/3/2034	4,796	0.23
£978,000	Co-operative Bank 9.5% variable 25/4/2029	966	0.05
£10,234,000	Co-operative Bank Finance 6% variable 6/4/2027	9,543	0.45
€7,400,000	Co-operative Rabobank 4.875% variable perpetual	5,497	0.26
£8,944,000	Co-operative Wholesale Society 7.5% Step 8/7/2026	8,364	0.39
£7,900,000	Commerzbank 8.625% variable 28/2/2033	7,910	0.37
£5,568,000	Coventry Building Society 6.875% variable perpetual	4,893	0.23
£2,257,000	CPUK Finance 3.588% 28/2/2042	2,131	0.10
£6,204,000	CPUK Finance 3.69% 28/2/2047	5,512	0.26
£3,611,000	CPUK Finance 6.136% 28/2/2047	3,573	0.17
£3,400,000	Credit Agricole 1.874% variable 9/12/2031	2,867	0.14
£4,370,000	Credit Agricole 7.5% variable perpetual	4,086	0.19
£5,359,000	Credit Suisse 2.25% variable 9/6/2028	4,521	0.21
£5,500,000	Credit Agricole 5.75% variable 29/11/2027	5,483	0.26
£1,559,000	Credit Agricole SA 7.5% variable perpetual	1,458	0.07
\$1,800,000	Credit Agricole SA 8.125% variable perpetual	1,419	0.07
£7,407,000	Credit Suisse 7.375% variable 7/9/2033	7,865	0.37
\$7,000,000	Credit Suisse Group 7.5% variable perpetual	0	–
£13,749,000	Credit Suisse 7.75% 10/3/2026	14,248	0.67
\$4,700,000	Credit Suisse AGNew York 2.95% 9/4/2025	3,486	0.16
\$5,550,000	Credit Suisse AGNew York 7.95% 9/1/2025	4,500	0.21
£6,300,000	CYBG 4% variable 3/9/2027	5,776	0.27
£4,987,000	CYBG 9.25% variable perpetual	4,719	0.22
£6,900,000	Daily Mail & General 6.375% 21/6/2027	6,227	0.29
£3,000,000	Danske Bank 2.25% 14/1/2028	2,592	0.12
£10,000,000	Delamare Finance 5.5457% 19/2/2029	5,866	0.28
£8,760,000	Delamare Finance 6.067% 19/2/2029	8,525	0.40
£13,759,000	Derby Healthcare 5.564% 30/6/2041	12,738	0.60
£8,400,000	Deutsche Bank 1.875% variable 22/12/2028	6,761	0.32
£8,300,000	Deutsche Bank 4% variable 24/6/2026	7,822	0.37
£11,305,000	Dignity Finance 3.5456% 31/12/2034	6,838	0.32
£4,166,000	Direct Line Insurance 4% 5/6/2032	3,183	0.15
£2,750,000	E.ON International Finance 6.125% 6/7/2039	2,848	0.13
£18,000,000	Electricite de France 5.875% variable perpetual	14,830	0.70
£24,500,000	Electricite de France 6% 23/1/2114	22,055	1.04
£14,100,000	Electricite de France 6% variable perpetual	12,481	0.59
£4,600,000	Enel Finance 5.75% 14/9/2040	4,680	0.22

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 94.52% (31/10/22 – 93.71%) – continued							
£11,455,000	Equity Release Funding 5.7% 26/2/2031	5,737	0.27	£14,311,000	Investec 1.875% variable 16/7/2028	11,661	0.55
£9,950,000	Equity Release Funding 5.88% 26/5/2032	6,415	0.30	£3,697,000	Investec 2.625% variable 4/1/2032	3,001	0.14
£14,400,000	Equity Release Funding FRN 14/7/2045	10,124	0.48	£3,396,000	Investec 9.125% variable 6/3/2033	3,441	0.16
£13,463,000	Equity Release Funding No.3 5.05% 26/4/2033	12,612	0.60	£947,000	Investec Bank 4.25% variable 24/7/2028	938	0.04
£5,600,000	Eskmuir Group Finance 4.255% 12/12/2047	3,438	0.16	\$6,578,058	Jacktel 10% 4/12/2023	5,103	0.24
£7,918,000	Esure Group 6% variable perpetual	5,396	0.25	£1,836,000	John Lewis 4.25% 18/12/2034	1,182	0.06
£3,543,000	Esure Group 6.75% 19/12/2024	3,366	0.16	£5,026,000	John Lewis 6.125% 21/1/2025	4,897	0.23
£8,836,000	Eversholt Funding 2.742% 30/6/2040	6,403	0.30	£7,873,000	JRP Group 9% 26/10/2026	8,383	0.40
£4,610,000	Eversholt Funding 3.529% 7/8/2042	3,434	0.16	\$2,246,000	Julius Baer Group 3.625% variable perpetual	1,109	0.05
£5,900,000	Eversholt Funding 6.697% 22/2/2035	5,266	0.25	\$2,210,000	Julius Baer Group 6.875% variable perpetual	1,498	0.07
£5,696,000	Exchequer Partnership 5.396% 13/7/2036	4,320	0.20	£1,435,000	Jupiter Fund Management 8.875% variable 27/7/2030	1,462	0.07
£2,115,000	Freshwater Finance 4.607% 17/10/2036	1,799	0.09	£4,508,000	Just Group 7% variable 15/4/2031	4,373	0.21
£5,822,000	Freshwater Finance 5.182% 20/4/2035	5,613	0.27	£13,811,000	Juturna Euro Loan Conduit 5.0636% 10/8/2033	9,587	0.45
£5,053,000	Gatwick Funding 2.5% 15/4/2032	4,227	0.20	£2,097,000	Law Debenture 6.125% 12/10/2034	2,239	0.11
£9,600,000	GB Social Housing 5.193% 12/2/2038	9,330	0.44	£13,899,000	Leeds Building Society 3.75% variable 25/4/2029	12,284	0.58
£9,132,000	General Electric Capital 4.875% 18/9/2037	8,149	0.38	£11,222,000	Legal & General 3.75% variable 26/11/2049	9,512	0.45
£2,825,000	GE Capital UK Funding 5.875% 18/1/2033	2,874	0.14	£5,670,000	Legal & General 4.5% variable 1/11/2050	4,971	0.23
£8,000,000	Genfinance II 6.064% 21/12/2039	8,526	0.40	£4,079,000	Legal & General 5.125% variable 14/11/2048	3,845	0.18
£8,174,000	Go-Ahead Group 2.5% 6/7/2024	7,806	0.37	£28,987,000	Legal & General 5.5% variable 27/6/2064	26,093	1.23
£5,797,000	Goldman Sachs 3.625% variable 29/10/2029	5,247	0.25	£6,000,000	LendInvest Secured Income 5.375% 6/10/2023	5,841	0.28
£2,660,000	Goldman Sachs 6.875% 18/1/2038	2,795	0.13	£2,559,000	Lendlease Europe Finance 3.5% 2/12/2033	1,666	0.08
£2,628,000	Grainger 3.375% 24/4/2028	2,245	0.11	£5,143,000	Liberty Mutual Group 3.625% variable 23/5/2059	4,146	0.20
£6,417,000	Great Rolling Stock 6.5% 5/4/2031	4,906	0.23	£5,588,000	Liverpool Victoria Friendly Society 6.5% variable 22/5/2043	5,518	0.26
£6,200,000	Great Rolling Stock 6.875% 27/7/2035	3,662	0.17	£6,600,000	Lloyds Bank 0% Step 22/3/2032	4,263	0.20
£3,540,000	Greene King Finance 3.593% 15/3/2035	2,696	0.13	£4,979,000	Lloyds Banking 8.5% variable perpetual	4,685	0.22
£3,281,000	GreenSquareAccord 5.25% 30/11/2047	3,132	0.15	£3,994,000	Lloyds Banking Group 1.985% variable 15/12/2031	3,423	0.16
£6,334,667	Grosvenor UK Finance 6.5% 29/9/2026	6,585	0.31	£13,270,000	Lloyds Banking Group 2.707% variable 3/12/2035	10,249	0.48
£3,663,000	Guinness Trust 7.5% 30/11/2037	3,206	0.15	£6,851,000	Lloyds Banking Group 8.5% variable perpetual	6,517	0.31
£6,387,000	Gwynnt y Môr OFTO 2.778% 17/2/2034	3,813	0.18	£18,440,000	Longstone Finance 4.791% 19/4/2036	7,066	0.33
£10,552,607	Harbour Funding 5.28% 31/3/2044	10,510	0.50	£3,141,000	Lunar Funding 5.75% 18/10/2033	3,281	0.15
£4,533,000	Hastoe Capital 5.6% 27/3/2042	4,491	0.21	£5,200,000	KBC 5.5% variable 20/9/2028	5,143	0.24
£5,027,004	Haven Funding 8.125% 30/9/2037	5,029	0.24	£15,811,000	M&G 5% variable 20/7/2055	14,174	0.67
£7,100,000	Heathrow Finance 3.875% 1/3/2027	6,212	0.29	£28,317,000	M&G 5.7% variable 19/12/2063	25,376	1.20
£4,505,000	Heathrow Finance 4.125% 1/9/2029	3,749	0.18	£12,072,000	M&G 6.25% variable 20/10/2068	10,566	0.50
£4,120,000	Heathrow Finance 4.75% 1/3/2024	4,046	0.19	£233,000	Marstons Issuer 5.641% variable 15/7/2035	172	0.01
£4,901,000	Heathrow Funding 2.625% 16/3/2028	4,137	0.20	£15,840,000	Meadowhall Finance 4.986% 12/1/2032	7,742	0.37
£17,318,000	Heathrow Funding 2.75% 13/10/2031	14,895	0.70	£7,857,000	Mercantile Investment Trust 6.125% 25/2/2030	8,250	0.39
£3,528,000	Heathrow Funding 6.45% 10/12/2031	3,764	0.18	£1,807,860	Metrocentre New Money Note Sonia + 11% PIK 6/12/2023	1,754	0.08
£3,000,000	Heinz (HJ) Finance 6.25% 18/2/2030	3,075	0.15	£4,900,000	Metropolitan Housing Trust 1.875% 28/7/2036	3,349	0.16
£1,950,000	Hemingway Properties 10.375% 31/7/2023	1,959	0.09	£3,442,000	MIELI London 4.82% 12/8/2027	3,180	0.15
£3,290,000	Hexagon Housing Association 3.625% 22/4/2048	2,347	0.11	£9,500,000	Mitchells & Butlers (A1N) FRN 15/12/2030	3,541	0.17
£3,056,000	High Speed Rail Finance 4.375% 1/11/2038	2,784	0.13	£13,744,000	Mitchells & Butlers (A4) FRN 15/12/2028	7,094	0.33
£4,581,000	Home Group 0% 11/5/2027	3,495	0.16	£11,180,000	Mitchells & Butlers 5.574% 15/12/2030	2,874	0.14
£3,550,000	Home Group 8.75% 11/5/2037	4,286	0.20	£6,253,000	Mitchells & Butler 6.013% 15/12/2028	4,097	0.19
£7,670,000	Hong Kong And Shanghai Bank FRN perpetual	6,028	0.28	£1,255,000	Mitchells & Butlers FRN 15/12/2033	930	0.04
£4,426,000	HSBC 3% variable 22/7/2028	3,971	0.19	£3,000,000	Mizuho Financial 5.628% 13/6/2028	3,010	0.14
£11,738,000	HSBC 5.844% variable perpetual	12,076	0.57	£3,536,000	Mondelez International 3.875% 6/3/2045	2,710	0.13
£30,598,000	HSBC 8.201% variable 16/11/2034	32,493	1.53	£4,607,000	Morgan Stanley 5.789% variable 18/11/2033	4,682	0.22
\$3,072,000	HSBC Capital Funding Lp 10.176% variable perpetual	2,992	0.14	£17,270,000	Morhomes 3.4% 19/2/2040	13,822	0.65
£4,700,000	HSBC Holdings 7% 7/4/2038	4,772	0.23	£4,561,000	MPT Operating Partnership 3.375% 24/4/2030	2,896	0.14
£11,214,000	IG Group 3.125% 18/11/2028	8,635	0.41	£9,061,000	MPT Operating Partnership 3.692% 5/6/2028	6,207	0.29
£5,330,000	Imperial Tobacco Finance 4.875% 7/6/2032	4,566	0.22	£4,100,000	Myriad Capital 4.75% 20/12/2043	3,676	0.17
£9,160,000	Income Contingent Student Loan 2.5% 24/7/2056	5,245	0.25	£6,332,000	National Australia Bank 1.699% variable 15/9/2031	5,336	0.25
£16,985,000	Income Contingent Student Loan 2.5% 24/7/2058	10,142	0.48	£1,700,000	National Exhibition Center 7.5625% 30/9/2027	1,864	0.09
£10,200,000	ING Groep NV 6.25% variable 20/5/2033	9,957	0.47	£6,359,000	National Express 4.25% variable perpetual	5,580	0.26
£5,898,000	InterContinental Hotels 3.375% 8/10/2028	5,263	0.25	£3,907,000	NatWest Group 3.619% variable 29/3/2029	3,539	0.17
£14,450,000	Intermediate Capital Group 2.5% 28/1/2030	8,264	0.39				
€7,802,000	International Business Machines 4.875% 6/2/2038	7,387	0.35				
€6,768,000	Intesa Sanpaolo SpA 6.5% 14/3/2029	6,689	0.32				
£2,396,000	Intu (SGS) Finance 4.25% 17/9/2035	1,199	0.06				
£2,708,000	Intu (SGS) Finance 4.625% 17/3/2033	1,360	0.06				
£6,631,000	Intu Debenture 5.562% 31/12/2027	2,222	0.10				
£8,500,000	Intu Metrocentre Finance 4.125% 6/12/2028	4,292	0.20				

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 94.52% (31/10/22 – 93.71%) – continued				£8,800,000	Standard Chartered 6.409% variable perpetual	6,138	0.29
£2,415,000	NatWest Group 5.125% variable perpetual	2,017	0.10	£7,786,000	Student Finance 2.6663% 30/9/2024	7,625	0.36
£4,262,000	NatWest Group 7.416% variable 6/6/2033	4,348	0.21	£6,822,000	Summit Finance 6.484% 31/3/2028	2,268	0.11
£5,199,000	NatWest Markets 6.375% 8/11/2027	5,383	0.25	£12,409,000	Sunderland 6.38% 31/3/2042	12,811	0.60
£50,000	New Brunswick 4% perpetual	12	–	£1,873,000	Sustainable Communities for Leeds Finance 5.069% 30/9/2032	1,184	0.06
£12,328,000	NGG Finance 5.625% variable 18/6/2073	11,933	0.56	£14,108,000	Swan Housing Capital 3.625% 5/3/2048	10,747	0.51
£2,960,000	Northumbrian Water Finance 6.375% 28/10/2034	3,168	0.15	£10,468,000	Swedbank 7.272% variable 15/11/2032	10,703	0.51
£3,500,000	Notting Hill Housing Trust 5.25% 7/7/2042	3,414	0.16	£5,300,000	Swiss Re Finance 2.714% variable 4/6/2052	3,672	0.17
£4,459,000	Octagon Healthcare 5.333% 31/12/2035	3,293	0.16	£5,400,000	Swiss Re Finance Luxembourg 2.534% variable 30/4/2050	3,957	0.19
£3,900,000	Opus Chartered variable 31/3/2025	1,378	0.07	£15,193,000	Telereal Secured Finance 4.01% 10/12/2033	7,981	0.38
£6,072,000	Orsted 2.5% variable 18/2/3021	4,184	0.20	£5,279,000	Telereal Securitisation 1.3657% 10/12/2033	3,432	0.16
£9,889,000	OSB Group 6% variable perpetual	7,616	0.36	£4,395,000	Telereal Securitisation 1.9632% variable 10/12/2033	3,916	0.18
£6,299,000	OSB Group 9.993% variable 27/7/2033	6,301	0.30	£10,049,000	Telereal Securitisation 3.507% variable 10/12/2033	8,692	0.41
£12,252,963	Peel Land & Property Investments 8.375% Step 30/4/2040	12,214	0.58	£2,364,700	Telereal Securitisation 3.5625% 10/12/2036	2,083	0.10
£2,594,000	Pension Insurance 3.625% 21/10/2032	1,976	0.09	£4,300,400	Telereal Securitisation 3.5625% 10/12/2036	3,789	0.18
£3,888,000	Pension Insurance 4.625% 7/5/2031	3,270	0.15	£2,976,000	Telereal Securitisation 4.9741% 10/12/2033	1,267	0.06
£2,042,000	Pension Insurance 5.625% 20/9/2030	1,850	0.09	£4,958,000	Telereal Securitisation 5.4252% 10/12/2033	4,122	0.19
£14,809,000	Peterborough Progress Health 5.581% 2/10/2042	10,252	0.48	£8,022,000	Telereal Securitisation 6.1645% 10/12/2033	6,902	0.33
£5,382,000	PGH Capital 6.625% 18/12/2025	5,391	0.25	£5,416,000	Telereal Securitisation FRN 10/12/2033	4,525	0.21
£7,010,000	Phoenix Group Holdings 5.75% variable perpetual	5,668	0.27	£7,500,000	Telereal Securitisation FRN 10/12/2033	2,343	0.11
£3,862,000	Places for People Homes 6.625% 30/9/2038	2,987	0.14	£8,956,000	Telereal Securitisation FRN 10/12/2033	6,983	0.33
£10,825,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	9,513	0.45	£14,035,000	Tesco Property 5.8006% 13/10/2040	12,693	0.60
£4,700,000	Premier Transmission Finance 5.2022% 31/3/2030	1,921	0.09	£4,000,000	Tesco Property 6.0517% 13/10/2039	3,034	0.14
£9,406,000	Premiertel 6.175% 8/5/2032	6,772	0.32	£4,000,000	Tesco Property Finance 7.6227% 13/7/2039	3,520	0.17
£6,527,000	Protective Life Global Funding 5.248% 13/1/2028	6,523	0.31	£9,827,000	Thames Water Kemble Finance 4.625% 19/5/2026	8,647	0.41
£4,988,000	Provident Financial 7% 4/6/2023	4,966	0.23	£5,534,000	Thames Water Utilities 2.875% 3/5/2027	4,798	0.23
£10,500,000	Prudential 6.125% 19/12/2031	10,467	0.49	£10,100,000	Thames Water Utilities 7.738% 9/4/2058	12,621	0.60
£5,606,000	Prudential Financial 6% variable 1/9/2052	4,325	0.20	£9,541,000	THFC Funding 5.2% 11/10/2043	9,355	0.44
£17,024,000	QBE Insurance 2.5% variable 13/9/2038	13,433	0.63	£4,589,000	Time Warner Cable 5.25% 15/7/2042	3,790	0.18
£8,162,000	Reassure Group 5.867% 13/6/2029	7,625	0.36	£3,620,000	Time Warner Cable 5.75% 2/6/2031	3,467	0.16
£15,168,000	RMPA Services 5.337% 30/9/2038	10,140	0.48	£6,367,000	TP ICAP 2.625% 18/11/2028	4,897	0.23
£5,000,000	Rothsay Life 5% variable perpetual	3,341	0.16	£4,734,000	TP ICAP 5.25% 29/5/2026	4,460	0.21
£3,900,000	Rothsay Life 5.5% variable 17/9/2029	3,815	0.18	£3,121,000	TP ICAP Finance 7.875% 17/4/2030	3,085	0.15
£6,583,000	Rothsay Life 6.875% variable perpetual	5,623	0.27	£3,870,000	Trafford Centre 6.5% 28/7/2033	2,573	0.12
£3,500,000	Royal Bank of Scotland 3.622% variable 14/8/2030	3,284	0.15	£11,600,000	Trafford Centre FRN 28/7/2035	9,280	0.44
£3,987,000	RSA Insurance 5.125% variable 10/10/2045	3,832	0.18	£5,326,000	Uliving@essex3 LLP NEW ISSUE 2.72% 31/8/2066 FIX	3,244	0.15
£5,794,000	RSL Finance 6.625% 31/3/2038	5,095	0.24	£6,164,000	Unifund 5.32% 7/12/2047	5,465	0.26
£6,271,000	Sainsbury's Bank 10.5% variable 12/3/2033	6,561	0.31	£31,486,000	Unique Pub Finance 5.659% 30/6/2027	12,985	0.61
£3,215,000	Sampo Oyj 2.5% variable 3/9/2052	2,202	0.10	£10,555,000	UPP Bond Issuer 4.9023% 28/2/2040	8,239	0.39
£7,575,000	Sanctuary 8.375% 1/9/2031	6,826	0.32	£7,272,000	Vattenfall 2.5% variable 29/6/2083	5,877	0.28
£14,186,000	Santander UK 10.0625% perpetual	20,186	0.95	£5,496,000	Virgin Money 3.375% variable 24/4/2026	5,103	0.24
£7,306,000	Santander UK 2.421% variable 17/01/2029	6,238	0.29	£5,457,000	Virgin Money 2.625% variable 19/8/2031	4,587	0.22
£11,385,000	Santander UK 7.098% variable 16/11/2027	11,664	0.55	£9,066,000	Virgin Money 8.25% variable perpetual	7,729	0.36
£2,068,000	Severn Trent Utilities Finance P 5.25% 4/4/2036	2,073	0.10	£6,679,000	Vodafone Group 5.125% variable 4/6/2081	4,027	0.19
£8,125,000	Saxon Weald Capital 5.375% 6/6/2042	7,942	0.37	£5,000,000	Volkswagen International Finance 4.375% variable perpetual	3,609	0.17
£9,981,000	Scentre Group 5.125% variable 24/9/2080	6,702	0.32	£6,993,000	Welltower 4.5% 1/12/2034	6,000	0.28
£8,400,000	Scientific Committee on Oceanic Research 5.25% variable perpetual	5,012	0.24	£2,472,000	Wessex Water Services Finance 5.125% 31/10/2032	2,425	0.11
£5,000,000	Scot Roads Partnership Finance 5.591% 16/3/2045	4,523	0.21	£2,650,000	Western Power Distribution 1.75% 9/9/2031	2,031	0.10
£4,370,000	Scottish Investment Trust 5.75% 17/4/2030	4,455	0.21	£4,112,000	Westfield America Management 2.625% 30/3/2029	3,259	0.15
£8,903,000	Scottish Widows 7% 16/6/2043	8,771	0.41	\$3,720,000	Westpac Banking Corporation FRN perpetual	2,264	0.11
£12,103,000	Society of Lloyds 4.875% variable 7/2/2047	11,276	0.53	£12,515,000	White City Property 5.1202% 17/4/2035	9,603	0.45
£7,398,000	South East Water 5.8834% 29/3/2029	7,289	0.34	£4,520,000	Worcestershire Hospital 5.57% 31/12/2030	2,232	0.11
£5,681,000	Southern Housing Group 2.375% 8/10/2036	4,134	0.20	£11,842,000	Yorkshire Building Society 3.375% variable 13/9/2028	10,298	0.49
£2,013,000	Southern Housing Group 3.5% 19/10/2047	1,470	0.07	£5,976,000	Yorkshire Water Finance 5.25% 28/4/2030	5,950	0.28
£6,737,000	Southern Water Services Finance 3% 28/5/2037	4,915	0.23	£3,100,000	Yorkshire Water Finance 5.5% 28/4/2035	3,120	0.15
£8,023,000	SSE 3.74% variable perpetual	7,339	0.35	£2,400,000	Yorkshire Water Services 4.965% 13/6/2033	2,219	0.10
£3,423,000	St James Oncology Financing 2.804% 31/3/2037	2,176	0.10	£10,267,000	Zurich Finance 5.125% variable 23/11/2052	9,327	0.44
£3,756,000	Stagecoach 4% 29/9/2025	3,533	0.17	£12,354,000	Zurich Finance 3% variable 19/4/2051	7,741	0.37
£7,748,000	Standard Chartered 5.125% 6/6/2034	6,909	0.33				
				Total Corporate Bonds		2,003,042	94.52

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Preference Bonds – 1.48% (31/10/22 – 1.54%)			
£2,500,000	Haleon FRN preference perpetual	2,550	0.12
NOK 20,586,184	Jacktel preference	3,064	0.14
£8,379,398	Lloyds Bank 9.25% Non Cumulative Preference perpetual	11,228	0.53
£11,084,653	Santander UK Preference 10.375% perpetual	14,521	0.69
Total Corporate Preference Bonds		31,363	1.48
Government Bonds – 0.55% (31/10/22 – 0.17%)			
£4,650,000	United Mexican States 5.625% 19/3/2114	3,489	0.16
£7,809,984	UK Treasury 4.5% 7/9/2034	8,328	0.39
Total Government Bonds		11,817	0.55
Index Linked Bonds – 0.35% (31/10/22 – 0.42%)			
£3,129,000	Coventry & Rugby 3.246% IL 30/6/2040	4,328	0.20
£4,670,000	Road Management Services 3.642% IL 31/3/2028	3,205	0.15
Total Index Linked Bonds		7,533	0.35
Forward Currency Contracts – 0.07% (31/10/22 – (0.11)%)			
	Buy £49,938,135 & Sell €56,650,000 [†]	1,282	0.06
	Buy £3,180,640 & Sell NOK41,100,000 [†]	117	0.01
	Buy £94,349,425 & Sell \$117,125,000 [†]	60	–
Total Forward Currency Contracts		1,459	0.07
Total value of investments		2,103,110	99.24
Net other assets		16,197	0.76
Total net assets		2,119,307	100.00

[~] Suspended

[†] Unlisted

Other than forward currency contracts, all investments are listed on recognised stock exchanges and are “approved securities” within the meaning of the FCA rules unless otherwise stated.

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	1,570,320	74.10	1,452,500	75.27
Investments of below investment grade	247,030	11.66	168,320	8.72
Unrated bonds	252,939	11.93	249,672	12.94
Total bonds	2,070,289	97.69	1,870,492	96.93
Forward currency contracts – assets	1,489	0.07	2,150	0.11
Corporate preference shares	31,363	1.48	29,677	1.54
Investments as shown in the balance sheet	2,103,141	99.24	1,902,319	98.58
Forward currency contracts – liabilities	–	–	(9)	–
Total value of investments	2,103,141	99.24	1,902,310	98.58

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
HSBC 8.201% variable 16/11/2034	30,970
Legal & General 5.5% variable 27/6/2064	18,475
Credit Suisse 7.75% 10/3/2026	13,959
Barclays 9.25% variable perpetual	11,792
Santander UK 7.098% variable 16/11/2027	11,475
Barclays 8.407% variable 14/11/2032	11,088
ING Groep NV 6.25% variable 20/5/2033	10,180
AXA 5.625% variable 16/1/2054	9,677
Co-operative Bank Finance 6% variable 6/4/2027	9,573
UK Treasury 4.5% 7/9/2034	8,332
Subtotal	135,521
Total cost of purchases, including the above, for the period	478,697

Significant Sales

	Proceeds £'000
HSBC 5.375% variable 4/11/2030	23,342
HSBC 4.75% 24/3/2046	17,334
HSBC 5.375% 22/8/2033	13,009
Shaftesbury Chinatown 2.348% 30/9/2027	12,570
Barclays 5.75% 14/9/2026	10,027
Yorkshire Water Services 3.75% variable 22/3/2046	9,288
Shaftesbury Carnaby 2.487% 30/9/2031	9,281
AXA 5.453% variable perpetual	7,834
La Banque Postale 5.625% variable 21/09/2028	7,776
3i Group 5.75% 3/12/2032	7,480
Subtotal	117,941
Total proceeds from sales, including the above, for the period	332,941

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		66,469		(226,988)
Revenue	51,611		41,856	
Expenses	(3,039)		(3,463)	
Interest payable and similar charges	(20)		(1)	
Net revenue before taxation	48,552		38,392	
Taxation	–		(16)	
Net revenue after taxation		48,552		38,376
Total return/(deficit) before distributions		115,021		(188,612)
Distributions		(51,590)		(41,839)
Change in net assets attributable to shareholders from investment activities		63,431		(230,451)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	2,103,110	1,902,319
Current assets:		
Debtors	49,492	45,418
Cash and bank balances	5,566	7,306
Total assets	2,158,168	1,955,043
Liabilities		
Investment liabilities	–	9
Creditors:		
Other creditors	19,546	8,472
Distribution payable	19,315	16,873
Total liabilities	38,861	25,354
Net assets attributable to shareholders	2,119,307	1,929,689

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,929,689		2,457,835
Amounts receivable on creation of shares	213,927		133,668	
Amounts payable on cancellation of shares	(102,381)		(201,259)	
		111,546		(67,591)
Dilution adjustment charged		524		595
Change in net assets attributable to shareholders from investment activities		63,431		(230,451)
Retained distributions on accumulation shares		14,117		11,445
Closing net assets attributable to shareholders		2,119,307		2,171,833

Distribution Tables

For the six month period ended 30 April 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 31 January 2023

	Net income	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
Class M Accumulation				
Group 1	1.6329	–	1.6329	1.3830
Group 2	0.8610	0.7719	1.6329	1.3830
Class M Income				
Group 1	1.2222	–	1.2222	1.0781
Group 2	0.7161	0.5061	1.2222	1.0781
Class R Accumulation				
Group 1	1.2492	–	1.2492	1.0530
Group 2	0.6488	0.6004	1.2492	1.0530
Class S Accumulation				
Group 1	1.1311	–	1.1311	0.9533
Group 2	1.1311	0.0000	1.1311	0.9533
Class S Income				
Group 1	1.0524	–	1.0524	0.9237
Group 2	0.4559	0.5965	1.0524	0.9237
Class Z Accumulation				
Group 1	1.1202	–	1.1202	0.9471
Group 2	0.5720	0.5482	1.1202	0.9471
Class Z Income				
Group 1	1.4212	–	1.4212	1.2514
Group 2	0.8244	0.5968	1.4212	1.2514

Distribution Tables (continued)

For the six month period ended 30 April 2023

Distribution in pence per share**Second Interim**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased between 1 February 2023 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class M Accumulation				
Group 1	1.6691	–	1.6691	1.3804
Group 2	0.7568	0.9123	1.6691	1.3804
Class M Income				
Group 1	1.2343	–	1.2343	1.0665
Group 2	0.6485	0.5858	1.2343	1.0665
Class R Accumulation				
Group 1	1.2784	–	1.2784	1.0524
Group 2	0.4543	0.8241	1.2784	1.0524
Class S Accumulation				
Group 1	1.1574	–	1.1574	0.9527
Group 2	0.0291	1.1283	1.1574	0.9527
Class S Income				
Group 1	1.0642	–	1.0642	0.9151
Group 2	1.0642	0.0000	1.0642	0.9151
Class Z Accumulation				
Group 1	1.1455	–	1.1455	0.9457
Group 2	0.4169	0.7286	1.1455	0.9457
Class Z Income				
Group 1	1.4361	–	1.4361	1.2387
Group 2	0.7419	0.6942	1.4361	1.2387

Royal London Global Index Linked Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Global Index Linked Fund, Class M Income	2.15	-10.38	-5.74	4.02
Royal London Global Index Linked Fund, Class R Accumulation	2.42	-10.09	-4.85	–
Royal London Global Index Linked Fund, Class Z Income	2.23	-10.25	-5.63	4.43
Bloomberg World Government Inflation Linked Bond Total Return Index (Sterling Hedged)	2.26	-10.58	-6.51	2.64
IA Global Inflation Linked Bond TR	1.39	-6.62	-1.15	6.12

Class R Accumulation launched on 20 September 2018.

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 30 April 2023. Returns are net of management fees. Investors should also note that the total return is calculated on the Fund's official midday price whereas the Fund has been valued as at close of business for the Closing Net Asset Value quoted within the Comparative Table. For further information, including ongoing performance and Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund delivered positive returns for the period under review, broadly in line with the benchmark. The Fund outperformed its Investment Association peer group average, IA Global Inflation Linked Bond Total Return. It should be noted that returns can be distorted by the differing valuation points of the Fund and index and also by the underlying duration of funds within the peer group.

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England and European Central Bank all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With spot inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data prints either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and Swiss regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. Index linked markets saw a similar pattern, with UK 10-year real yields rising from -0.13% to 0.12%, with FTSE® conventional and index-linked gilt indices returning -1.04% and -1.47% respectively. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

Manager's Investment Report (continued)

Portfolio commentary

Duration positioning – looking to take advantage of moves in overall market yields – was positive for returns. For some time we have had a strategic bias towards a short stance, but will trade market volatility tactically, and this was helpful during a period where volatility remained elevated. That volatility meant that our positioning was slightly short or slightly long, and avoiding taking more material positions as we feel that market volatility makes the risk-reward pay-off for larger positions unattractive.

However, curve positioning was negative. We generally had a flattening stance or bias through the period, based on our view that the lack of scheduled long-dated linker supply would favour longer-dated bonds. However, the curve steepened over the period.

Cross market exposure was perhaps the most active area, and one where we were able to add most value. For some time, we felt that the UK looked structurally expensive for some time after the Brexit vote, but the liability-driven investment (LDI) crisis last year has largely eroded this, even with the partial recovery seen in the UK market after Rishi Sunak took over as Prime Minister. Within the Fund, we have traded Australia, France, Germany and the US tactically, ending with a modest overweight in the UK.

Investment outlook

We expect that inflation has peaked. This is driven by our view that energy prices will moderate, and that weaker GDP growth will reduce the tightness of the labour market. As a result, we expect spot inflation to fall over the next few months and this should allow for a pause in central bank activity.

In our view, real yields globally look attractive, and we believe that there will be selected opportunities to go long duration (i.e. position the Fund for falling yields) over the next few months. With inflation expected to soften and supply concentrated in nominal bonds we would expect real curves to flatten over the coming months.

Paul Rayner
Fund Manager
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class M Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	104.97	131.22	126.07	118.82
Return before operating charges*	3.07	(20.44)	7.49	7.86
Operating charges	(0.27)	(0.62)	(0.64)	(0.61)
Return after operating charges*	2.80	(21.06)	6.85	7.25
Distributions on income shares	(1.65)	(5.19)	(1.70)	–
Closing net asset value per share	106.12	104.97	131.22	126.07
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.67%	(16.05)%	5.43%	6.10%
Other information				
Closing net asset value (£'000)	118,436	121,547	168,794	124,215
Closing number of shares	111,604,029	115,788,323	128,630,958	98,529,317
Operating charges	0.50%	0.50%	0.50%	0.50%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	109.60	135.10	135.50	127.30
Lowest share price	103.60	103.60	122.50	109.80

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	102.86	122.43	115.66	108.59
Return before operating charges*	3.00	(19.44)	6.90	7.19
Operating charges	(0.06)	(0.13)	(0.13)	(0.12)
Return after operating charges*	2.94	(19.57)	6.77	7.07
Distributions on accumulation shares	(1.62)	(4.74)	(1.54)	–
Retained distributions on accumulation shares	1.62	4.74	1.54	–
Closing net asset value per share	105.80	102.86	122.43	115.66
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.86%	(15.98)%	5.85%	6.51%
Other information				
Closing net asset value (£'000)	60,780	68,155	79,889	93,589
Closing number of shares	57,448,762	66,258,463	65,255,409	80,916,103
Operating charges	0.11%	0.11%	0.11%	0.11%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	107.60	126.20	124.80	116.70
Lowest share price	101.90	97.61	112.50	100.40

Class Z Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	121.10	151.18	144.95	136.43
Return before operating charges*	3.52	(23.69)	8.61	9.02
Operating charges	(0.22)	(0.51)	(0.53)	(0.50)
Return after operating charges*	3.30	(24.20)	8.08	8.52
Distributions on income shares	(1.90)	(5.88)	(1.85)	–
Closing net asset value per share	122.50	121.10	151.18	144.95
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.73%	(16.01)%	5.57%	6.24%
Other information				
Closing net asset value (£'000)	147,708	97,460	80,324	94,508
Closing number of shares	120,576,399	80,477,643	53,130,035	65,200,411
Operating charges	0.36%	0.36%	0.36%	0.36%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	126.60	155.70	156.00	146.40
Lowest share price	119.60	119.40	140.90	126.10

* 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Government Bonds – 3.53% (31/10/22 – 0.35%)			
CAD594,000	Government of Canada 3% 1/12/2036	630	0.19
£11,000,000	UK Treasury 0.75% 22/7/2023	10,912	3.34
Total Government Bonds		11,542	3.53
Government Index-Linked Bonds – 96.96% (31/10/22 – 99.04%)			
€715,000	Federal Republic of Germany 0.1% IL 15/4/2033	737	0.23
€2,270,081	Federal Republic of Germany 0.1% IL 15/4/2046	2,547	0.78
€3,422,425	Federal Republic of Germany 0.5% IL 15/4/2030	3,800	1.16
AUD366,000	Government of Australia 0.25% IL 21/11/2032	197	0.06
AUD1,804,000	Government of Australia 1.25% IL 21/8/2040	1,130	0.35
AUD532,000	Government of Australia 2% IL 21/8/2035	389	0.12
CAD2,324,000	Government of Canada 0.5% IL 1/12/2050	1,318	0.40
CAD1,279,000	Government of Canada 1.5% IL 1/12/2044	1,025	0.32
CAD515,000	Government of Canada 2% IL 1/12/2041	464	0.14
CAD925,000	Government of Canada 4.25% IL 1/12/2026	1,059	0.32
€9,116,000	Government of France 0.1% IL 1/3/2028	9,318	2.85
€633,461	Government of France 0.1% IL 1/3/2029	641	0.20
€4,350,000	Government of France 0.1% IL 25/7/2031	4,348	1.33
€6,834,000	Government of France 0.1% IL 1/3/2032	6,668	2.04
€1,643,000	Government of France 0.1% IL 25/7/2036	1,617	0.49
€1,050,130	Government of France 0.1% IL 25/7/2047	987	0.30
€710,000	Government of France 0.1% IL 25/7/2053	620	0.19
€291	Government of France 0.7% IL 25/7/2030*	–	–
€1,668,629	Government of France 1.8% IL 25/7/2040	2,422	0.74
€1,565,000	Government of France 1.85% IL 25/7/2027	1,908	0.59
¥162,500,000	Government of Japan 0.1% IL 10/3/2024	1,052	0.32
¥827,600,000	Government of Japan 0.1% IL 10/9/2024	5,244	1.60
¥322,000,000	Government of Japan 0.1% IL 10/3/2025	2,056	0.63
¥188,200,000	Government of Japan 0.1% IL 10/3/2026	1,211	0.37
¥323,500,000	Government of Japan 0.1% IL 10/3/2027	2,124	0.65
¥361,200,000	Government of Japan 0.1% IL 10/3/2029	2,317	0.71
¥172,500,000	Government of Japan 0.2% IL 10/3/2030	1,158	0.35
NZ\$750,000	Government of New Zealand 3% IL 20/9/2030	500	0.15
€3,042,000	Government of Spain 0.65% IL 30/11/2027	3,218	0.98
€2,167,000	Government of Spain 0.7% IL 30/11/2033	2,162	0.66
SEK8,280,000	Government of Sweden 0.125% IL 1/6/2032	776	0.24
SEK18,665,000	Government of Sweden 1% IL 1/6/2025	1,826	0.56
€547,000	Republic of Italy 0.10% IL 15/5/2033	447	0.14
€911,000	Republic of Italy 0.15% IL 15/5/2051	587	0.18
€2,139,000	Republic of Italy 0.4% IL 15/5/2030	2,001	0.61
€1,513,000	Republic of Italy 1.25% IL 15/9/2032	1,525	0.47
€1,574,000	Republic of Italy 2.35% IL 15/9/2035	2,075	0.63
€1,608,000	Republic of Italy 2.55% IL 15/9/2041	1,995	0.61
€3,163,000	Republic of Italy 3.1% IL 15/9/2026	3,803	1.16
£5,072,883	UK Treasury 0.125% IL 22/3/2026	7,117	2.18
£3,485,000	UK Treasury 0.125% IL 22/3/2029	5,325	1.63
£1,687,653	UK Treasury 0.125% IL 10/8/2031	2,106	0.64
£5,813,000	UK Treasury 0.125% IL 22/11/2036	7,869	2.41
£363	UK Treasury 0.125% IL 22/3/2039*	–	–
£66	UK Treasury 0.125% IL 10/8/2041*	–	–
£5,943,460	UK Treasury 0.125% IL 22/3/2044	7,996	2.45
£3,656,000	UK Treasury 0.125% IL 22/3/2046	4,548	1.39
£602,000	UK Treasury 0.125% IL 10/8/2048	693	0.21
£526,053	UK Treasury 0.125% IL 22/3/2051	560	0.17
£38,600	UK Treasury 0.125% IL 22/11/2056	45	0.01
£2,844,200	UK Treasury 0.125% IL 22/3/2058	3,434	1.05
£149,000	UK Treasury 0.125% IL 22/11/2065	178	0.05
£1,399,290	UK Treasury 0.125% IL 22/3/2068	1,744	0.54
£865,000	UK Treasury 0.125% IL 22/3/2073	928	0.28
£62,000	UK Treasury 0.25% IL 22/3/2052	83	0.03
£2,415,123	UK Treasury 0.375% IL 22/3/2062	3,486	1.07
£1,589,684	UK Treasury 0.5% IL 22/3/2050	2,587	0.79
£159,422	UK Treasury 0.625% IL 22/3/2040	271	0.08

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
£1,273,000	UK Treasury 0.625% IL 22/11/2042	2,194	0.67
£3,457,000	UK Treasury 0.625% IL 22/3/2045	3,414	1.04
£3,144,777	UK Treasury 0.75% IL 22/3/2034	5,185	1.59
£775	UK Treasury 0.75% IL 22/11/2047	1	–
£2,529,164	UK Treasury 1.125% IL 22/11/2037	4,989	1.53
£3,349,682	UK Treasury 1.25% IL 22/11/2027	6,605	2.02
£1,029,793	UK Treasury 1.25% IL 22/11/2032	1,911	0.59
£717,191	UK Treasury 1.25% IL 22/11/2055	1,604	0.49
£963,000	UK Treasury 2% IL 26/1/2035	2,366	0.72
£149,000	UK Treasury 2.5% IL 17/7/2024	559	0.17
£118,135	UK Treasury 4.125% IL 22/7/2030	403	0.12
\$12,849,000	US Treasury 0.125% IL 15/4/2025	11,485	3.51
\$6,607,800	US Treasury 0.125% IL 15/10/2025	5,886	1.80
\$2,560,000	US Treasury 0.125% IL 15/4/2026	2,237	0.69
\$26,009,100	US Treasury 0.125% IL 15/7/2026	24,953	7.63
\$10,448,000	US Treasury 0.125% IL 15/1/2030	9,016	2.76
\$7,672,400	US Treasury 0.125% IL 15/7/2030	6,628	2.03
\$7,856,600	US Treasury 0.125% IL 15/1/2031	6,636	2.03
\$9,104,900	US Treasury 0.125% IL 15/7/2031	7,440	2.28
\$9,949,500	US Treasury 0.125% IL 15/1/2032	7,805	2.39
\$3,124,700	US Treasury 0.125% IL 15/2/2051	1,961	0.60
\$15,275,100	US Treasury 0.125% IL 15/2/2052	8,948	2.74
\$1,230,000	US Treasury 0.25% IL 15/7/2029	1,086	0.33
\$702,800	US Treasury 0.25% IL 15/2/2050	468	0.14
\$11,912,100	US Treasury 0.375% IL 15/1/2027	11,351	3.47
\$16,559,800	US Treasury 0.5% IL 15/1/2028	15,472	4.73
\$4,326,000	US Treasury 0.625% IL 15/2/2043	3,770	1.15
\$368,000	US Treasury 0.75% IL 15/2/2042	337	0.10
\$7,717,400	US Treasury 0.875% IL 15/1/2029	7,153	2.19
\$2,254,000	US Treasury 0.875% IL 15/2/2047	1,916	0.59
\$1,406,300	US Treasury 1% IL 15/2/2046	1,259	0.39
\$2,552,000	US Treasury 1% IL 15/2/2048	2,177	0.67
\$3,494,000	US Treasury 1.375% IL 15/2/2044	3,451	1.06
\$5,217,000	US Treasury 2% IL 15/1/2026	6,352	1.94
\$1,268,700	US Treasury 2.125% IL 15/2/2040	1,541	0.47
\$3,290,000	US Treasury 2.125% IL 15/2/2041	3,945	1.21
\$1,623,000	US Treasury 2.375% IL 15/1/2027	1,990	0.61
\$2,846,500	US Treasury 2.5% IL 15/1/2029	3,379	1.03
\$1,740,000	US Treasury 3.625% IL 15/4/2028	2,859	0.87
Total Government Index-Linked Bonds		316,974	96.96
Forward Currency Contracts – 0.81% (31/10/22 – 1.25%)			
	Buy €2,198,000 & Sell £1,950,190†	(14)	–
	Buy £2,204,277 & Sell AUD4,065,000†	63	0.02
	Buy £4,520,274 & Sell CAD7,519,000†	109	0.03
	Buy £55,552,820 & Sell €62,838,000†	211	0.06
	Buy £15,623,653 & Sell JPY2,578,034,000†	411	0.13
	Buy £2,654,448 & Sell SEK33,867,000†	21	0.01
	Buy £162,247,885 & Sell \$201,905,000†	1,839	0.56
	Buy £540,819 & Sell NZD1,085,000†	9	–
Total Forward Currency Contracts		2,649	0.81
Total value of investments[^]			
		331,165	101.30
Net other liabilities			
		(4,241)	(1.30)
Total net assets			
		326,924	100.00

* Value less than £1,000

† Unlisted

[^] including investment liabilities.

Other than forward currency contracts, all investments are listed on recognised stock exchanges and are “approved securities” within the meaning of the FCA rules unless otherwise stated.

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	328,516	100.49	285,406	99.39
Total bonds	328,516	100.49	285,406	99.39
Forward currency contracts – assets	2,663	0.81	3,593	1.25
Investments as shown in the balance sheet	331,179	101.30	288,999	100.64
Forward currency contracts – liabilities	(14)	–	(1)	–
Total value of investments	331,165	101.30	288,998	100.64

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
UK Treasury 0.125% IL 22/3/2024	59,741
UK Treasury 0.125% IL 10/8/2031	28,693
UK Treasury 1.25% IL 22/11/2027	27,324
UK Treasury 0.125% IL 22/3/2029	25,047
UK Treasury 0.125% IL 22/3/2026	20,047
US Treasury 0.375% IL 15/1/2027	19,271
UK Treasury 0.75% IL 22/3/2034	17,780
UK Treasury 1.25% IL 22/11/2032	17,713
US Treasury 0.5% IL 15/1/2028	16,298
UK Treasury 0.125% IL 22/3/2044	14,316
Subtotal	246,230
Total cost of purchases, including the above, for the period	494,381

Significant Sales

	Proceeds £'000
UK Treasury 0.125% IL 22/3/2024	59,765
UK Treasury 0.125% IL 10/8/2031	29,336
UK Treasury 1.25% IL 22/11/2027	23,639
UK Treasury 0.125% IL 22/3/2029	22,718
UK Treasury 0.75% IL 22/3/2034	21,455
UK Treasury 1.25% IL 22/11/2032	20,116
UK Treasury 0.125% IL 22/3/2026	13,223
UK Treasury 0.125% IL 22/3/2068	12,592
UK Treasury 0.125% IL 22/3/2039	11,762
UK Treasury 0.125% IL 22/3/2051	11,179
Subtotal	225,785
Total proceeds from sales, including the above, for the period	446,150

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		384		(23,585)
Revenue	8,129		8,902	
Expenses	(550)		(619)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	7,578		8,282	
Taxation	–		–	
Net revenue after taxation		7,578		8,282
Total return/(deficit) before distributions		7,962		(15,303)
Distributions		(4,654)		(2,560)
Change in net assets attributable to shareholders from investment activities		3,308		(17,863)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	331,179	288,999
Current assets:		
Debtors	588	7,572
Cash and bank balances	1,595	662
Total assets	333,362	297,233
Liabilities		
Investment liabilities	14	1
Creditors:		
Bank overdraft	5	–
Other creditors	2,293	1,454
Distribution payable	4,126	8,616
Total liabilities	6,438	10,071
Net assets attributable to shareholders	326,924	287,162

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2022		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		287,162		329,007
Amounts receivable on creation of shares	64,684		45,687	
Amounts payable on cancellation of shares	(29,195)		(38,645)	
		35,489		7,042
Dilution adjustment charged		37		33
Change in net assets attributable to shareholders from investment activities		3,308		(17,863)
Retained distributions on accumulation shares		928		609
Closing net assets attributable to shareholders		326,924		318,828

Distribution Table

For the six month period ended 30 April 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class M Income				
Group 1	1.6455	–	1.6455	1.0195
Group 2	0.5905	1.0550	1.6455	1.0195
Class R Accumulation				
Group 1	1.6162	–	1.6162	0.9514
Group 2	1.0678	0.5484	1.6162	0.9514
Class Z Income				
Group 1	1.8987	–	1.8987	1.1748
Group 2	0.4035	1.4952	1.8987	1.1748

Royal London Short-Term Money Market Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month return %	1 year return %	3 year return %	5 year return %
Royal London Short-Term Money Market Fund, Class R Accumulation	1.81	2.61	2.89	–
Royal London Short-Term Money Market Fund, Class S Accumulation	1.81	2.61	2.89	–
Royal London Short-Term Money Market Fund, Class S Income	1.81	2.61	2.89	–
Royal London Short-Term Money Market Fund, Class Y Accumulation	1.78	2.54	2.67	4.07
Royal London Short-Term Money Market Fund, Class Y Income	1.78	2.54	2.67	4.06
Sterling Overnight Index Average Rate (SONIA)	1.76	2.51	2.77	3.97
IA Short Term Money Market TR	1.60	2.19	2.10	3.01

Class R Accumulation launched on 4 October 2018 and Class S Accumulation and Class S Income launched on 16 April 2019.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund delivered positive returns for the period under review, also outperforming the benchmark Sterling Overnight Index Average Rate (SONIA).

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England (BoE) and European Central Bank all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data prints either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and Swiss regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

UK money markets saw mixed moves on yields, with short rates moving higher with BoE rate increases, while longer tenors generally moved slightly lower by the end of the period due to expectations that the BoE was at or near to a peak in the current interest rate cycle. SONIA started the period at 2.18% and ended at 4.18%. Two-year gilts, often seen as a proxy for market expectations of BoE rates, increased from 3.26% to 3.78%, albeit with lows of less than 3% and highs of over 4% during the six months.

Manager's Investment Report (continued)

Portfolio commentary

The period was dominated by two themes: the ongoing tightening of monetary policy by major central banks, and the concerns over the strength of the global financial system. Although these dominated headlines, we did not make any major changes to our strategy over the period as a direct result of these. On central bank action, the moves by the BoE were in line with our expectations, while in the banking sector, we have an ongoing, proven process for assessing banks that differentiates between those where we are happy to use for overnight deposits or subordinated debt, and those that we will only consider senior bonds. The Fund had no exposure of any kind to Silicon Valley Bank or Credit Suisse.

The run-up to year end always causes small distortions in the market as investors look to extend beyond the 31 December. With the start of the new year, we saw this effect unwind somewhat. This effect, as well as the further rate hikes from the BoE meant that we were able to increase portfolio yield. The yield built into the portfolio and the mix of assets used, led to strong performance for the period.

Given the increased uncertainty over future rate hikes / cuts, at the margin we were happy to add floating rate assets and thus mitigate some of this risk. We added floating rate CDs from the likes of CIC, ANZ, Svenska, Rabobank, Toronto Dominion and NAB, as well as short-dated covered bonds from TSB, Clydesdale, Santander, Skipton and Coventry, all of which had a year or less to maturity at time of purchase. These all offer a small premium to SONIA, but no interest rate risk and only limited credit risk. In traditional areas, the Fund used short-dated CDs generally with three months or less to maturity.

Investment outlook

Market attention is invariably focused on where the peak is for UK base rates, and how quickly we get there. We believe that this is less important than what happens once we get there. Current market pricing suggests that rates will start to fall not long after that peak is reached. As a result, the premium for buying longer-dated money market instruments is lower. We feel that there is no compelling case to extend maturities on a wholesale basis as we believe that inflation will be stickier than expected and that rates may need to spend some time at or near the eventual peak. In practical terms, that means we remain comfortable with money market exposure focused on three-four month CDs, adding selectively to longer paper but also adding to floating rate CDs where available as these reduce rate risk and in the 6-12 part of the market, are yielding an attractive excess over SONIA.

Adding to floating CDs, and to short-dated covered bonds where available, helps immunise some of the uncertainty around future rate moves, while helping us deliver against yield objectives and helping us mitigate risk more generally through the level of the diversification we have built into all strategies.

Tony Cole and Craig Inches
Fund Managers
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	102.29	101.34	101.30	100.84
Return before operating charges*	1.89	0.98	0.07	0.49
Operating charges	(0.02)	(0.03)	(0.03)	(0.03)
Return after operating charges*	1.87	0.95	0.04	0.46
Distributions on accumulation shares	(1.85)	(1.00)	(0.04)	(0.47)
Retained distributions on accumulation shares	1.85	1.00	0.04	0.47
Closing net asset value per share	104.16	102.29	101.34	101.30
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.83%	0.94%	0.04%	0.46%
Other information				
Closing net asset value (£'000)	2,786,764	2,735,021	1,736,960	2,052,694
Closing number of shares	2,675,580,568	2,673,881,664	1,714,072,595	2,026,341,530
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	104.14	102.29	101.35	101.30
Lowest share price	102.30	101.35	101.32	100.90

Class S Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	101.85	100.90	100.87	100.41
Return before operating charges*	1.88	0.98	0.06	0.49
Operating charges	(0.02)	(0.03)	(0.03)	(0.03)
Return after operating charges*	1.86	0.95	0.03	0.46
Distributions on accumulation shares	(1.84)	(1.00)	(0.04)	(0.47)
Retained distributions on accumulation shares	1.84	1.00	0.04	0.47
Closing net asset value per share	103.71	101.85	100.90	100.87
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.83%	0.94%	0.03%	0.46%
Other information				
Closing net asset value (£'000)	345,828	336,753	303,713	147,255
Closing number of shares	333,455,842	330,638,479	300,998,614	145,988,640
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	103.70	101.85	100.92	100.90
Lowest share price	101.86	100.91	100.88	100.40

Comparative Tables (continued)

Class S Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	99.91	99.96	99.97	99.99
Return before operating charges*	1.84	0.96	0.06	0.48
Operating charges	(0.01)	(0.03)	(0.03)	(0.03)
Return after operating charges*	1.83	0.93	0.03	0.45
Distributions on income shares	(1.81)	(0.98)	(0.04)	(0.47)
Closing net asset value per share	99.93	99.91	99.96	99.97
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.83%	0.93%	0.03%	0.45%
Other information				
Closing net asset value (£'000)	49,892	49,883	49,907	49,911
Closing number of shares	49,926,133	49,926,133	49,926,133	49,926,133
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	101.73	100.73	100.00	100.40
Lowest share price	99.93	99.96	99.98	99.99

Class Y Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	102.95	102.06	102.10	101.71
Return before operating charges*	1.89	0.99	0.06	0.49
Operating charges	(0.05)	(0.10)	(0.10)	(0.10)
Return after operating charges*	1.84	0.89	(0.04)	0.39
Distributions on accumulation shares	(1.83)	(0.93)	–	(0.41)
Retained distributions on accumulation shares	1.83	0.93	–	0.41
Closing net asset value per share	104.79	102.95	102.06	102.10
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.79%	0.87%	(0.04)%	0.38%
Other information				
Closing net asset value (£'000)	1,640,528	1,458,144	846,869	1,016,946
Closing number of shares	1,565,489,453	1,416,381,990	829,756,227	996,041,219
Operating charges	0.10%	0.10%	0.10%	0.10%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	104.78	102.95	102.12	102.10
Lowest share price	102.96	102.07	102.06	101.70

Comparative Tables (continued)

Class Y Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	97.07	97.12	97.15	97.17
Return before operating charges*	1.79	0.94	0.07	0.47
Operating charges	(0.05)	(0.10)	(0.10)	(0.10)
Return after operating charges*	1.74	0.84	(0.03)	0.37
Distributions on income shares	(1.72)	(0.89)	–	(0.39)
Closing net asset value per share	97.09	97.07	97.12	97.15
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.79%	0.86%	(0.03)%	0.38%
Other information				
Closing net asset value (£'000)	427,585	529,278	269,385	377,233
Closing number of shares	440,396,953	545,237,264	277,376,106	388,285,118
Operating charges	0.10%	0.10%	0.10%	0.10%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	98.80	97.83	97.17	97.50
Lowest share price	97.09	97.11	97.12	97.17

[^] 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Certificates of Deposit – 53.06% (31/10/22 – 38.45%)			
£50,000,000	ABN AMRO Asset Management 0% 3/5/2023	49,970	0.95
£50,000,000	ABN AMRO Asset Management 0% 5/5/2023	49,958	0.95
£135,000,000	ANZ Floating 4.4446% 2/10/2023	134,995	2.57
£20,000,000	Bank of Nova Scotia 4.13% 3/5/2023	19,999	0.38
£50,000,000	Bank of Tokyo Mitsubishi 4.15% 9/5/2023	49,995	0.95
£125,000,000	Barclays 4.13% 2/5/2023	124,996	2.38
£50,000,000	BMO Capital 4.6345% 21/3/2024	50,000	0.95
£50,000,000	BNP Paribas 4.13% 3/5/2023	49,998	0.95
£25,000,000	BNP Paribas 4.22% 26/5/2023	24,995	0.48
£84,000,000	Citigroup 4.12% 3/5/2023	83,999	1.60
£43,000,000	Citigroup 4.12% 5/5/2023	43,000	0.82
£75,000,000	Commonwealth Bank of Australia 3.8471% 15/5/2023	75,005	1.43
£5,100,000	Commonwealth Bank of Australia 5.085% 5/7/2023	5,106	0.10
£100,000,000	Cooperative Rabobank Floating 4.4627% 2/10/2023	100,008	1.90
£100,000,000	Credit Agricole 4.52% 11/7/2023	99,969	1.90
£75,000,000	Credit Agricole 4.54% 12/7/2023	74,979	1.43
£150,000,000	Credit Industrial et Commercial 4.5419% 1/11/2023	150,060	2.86
£25,000,000	DZ BANK 4.4% 16/6/2023	24,999	0.48
£25,000,000	KBC Bank 4.5% 14/7/2023	24,989	0.48
£75,000,000	KBC Bank 4.63% 24/7/2023	74,979	1.43
£75,000,000	KBC Bank 4.67% 28/7/2023	74,983	1.43
£25,000,000	Lloyds Bank 4.1447% 4/8/2023	25,027	0.48
£50,000,000	Lloyds Bank 4.1581% 7/8/2023	50,054	0.95
£75,000,000	Lloyds Bank 4.52% 12/7/2023	74,982	1.43
£50,000,000	National Australia Bank 3.8781% 8/5/2023	49,999	0.95
£50,000,000	National Australia Bank 3.9126% 19/10/2023	50,018	0.95
£75,000,000	National Australia Bank 4.4045% 25/9/2023	74,961	1.43
£150,000,000	National Bank of Abu Dhabi 4.33% 20/6/2023	149,935	2.85
£100,000,000	Nordea Bank 4.4183% 31/7/2023	100,080	1.91
£50,000,000	Nordea Bank 5.02% 3/11/2023	50,000	0.95
£50,000,000	Overseas China Banking Corporation 0% 22/6/2023	49,668	0.95
£25,000,000	Overseas China Banking Corporation 0% 4/8/2023	24,709	0.47
£50,000,000	Overseas China Banking Corporation 4.37% 21/6/2023	49,994	0.95
£50,000,000	Santander UK 4.7% 4/8/2023	50,000	0.95
£75,000,000	Skandinaviska Enskilda Banken 0% 5/7/2023	74,377	1.42
£75,000,000	Skandinaviska Enskilda Banken 4.51% 3/7/2023	75,002	1.43
£100,000,000	Svenska 4.4787% 18/10/2023	100,014	1.90
£60,000,000	Toronto Dominion Bank 3.4066% 1/8/2023	60,037	1.14
£90,000,000	Toronto Dominion Bank 3.9276% 15/5/2023	90,003	1.71
£30,000,000	United Overseas Bank 4.68% 28/7/2023	30,000	0.57
£45,000,000	United Overseas Bank 4.68% 8/8/2023	45,000	0.86
£75,000,000	UOB Kay Hian 4.07% 2/5/2023	74,997	1.43
£25,000,000	UOB Kay Hian 4.5% 29/6/2023	24,996	0.48
£25,000,000	UOB Kay Hian 4.5% 3/7/2023	24,995	0.48
Total Certificates of Deposit		2,785,830	53.06
Commercial Paper – 2.36% (31/10/22 – 0.49%)			
£100,000,000	Swedbank 0% 11/7/2023	99,166	1.89
£25,000,000	Swedbank 0% 6/7/2023	24,775	0.47
Total Commercial Paper		123,941	2.36

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 25.31% (31/10/22 – 35.78%)			
£15,000,000	Australia & New Zealand Banking Group FRN 6/6/2023	15,007	0.29
£10,000,000	Bank of Montreal FRN 13/7/2023	10,002	0.19
£20,000,000	Bank of Nova Scotia FRN 12/7/2023	20,029	0.38
£100,000,000	Bank of Nova Scotia FRN 11/1/2024	100,517	1.91
£10,000,000	Bank of Nova Scotia FRN 29/3/2024	10,018	0.19
£30,578,000	Barclays Bank FRN 15/5/2023	30,580	0.58
£20,000,000	Canadian Imperial Bank of Commerce FRN 7/7/2023	20,003	0.38
£20,000,000	Canadian Imperial Bank of Commerce FRN 30/1/2024	19,996	0.38
£35,000,000	Canadian Imperial Bank of Commerce FRN 24/4/2024	34,993	0.67
£127,137,000	Clydesdale Bank FRN 22/3/2024	127,546	2.43
£63,920,000	Coventry Building Society FRN 13/11/2023	64,019	1.22
£57,442,000	Nationwide Building Society FRN 10/1/2024	57,616	1.10
£73,684,000	Nordea Eiendomskredit FRN 18/6/2023	73,690	1.40
£14,000,000	Royal Bank of Canada FRN 6/7/2023	14,019	0.27
£110,195,000	Santander UK FRN 12/2/2024	110,545	2.11
£175,000,000	SG Issuer 0% 10/8/2023	175,000	3.33
£121,000,000	Skipton Building Society FRN 2/5/2023	120,988	2.30
£76,590,000	Skipton Building Society FRN 22/2/2024	76,787	1.46
£189,432,000	TSB Bank FRN 15/2/2024	190,192	3.62
£57,650,000	Yorkshire Building Society FRN 19/11/2023	57,742	1.10
Total Corporate Bonds		1,329,289	25.31
Government Bonds – 14.61% (31/10/22 – 10.27%)			
£25,000,000	UK Treasury 0% 2/5/2023	24,989	0.47
£8,970,000	UK Treasury 0% 8/5/2023	8,963	0.17
£50,000,000	UK Treasury 0% 9/5/2023	49,960	0.95
£50,000,000	UK Treasury 0% 15/5/2023	49,923	0.95
£50,000,000	UK Treasury 0% 22/5/2023	49,883	0.95
£40,000,000	UK Treasury 0% 30/5/2023	39,870	0.76
£50,000,000	UK Treasury 0% 26/6/2023	49,683	0.95
£100,000,000	UK Treasury 0% 10/7/2023	99,167	1.89
£100,000,000	UK Treasury 0% 17/7/2023	99,082	1.89
£200,000,000	UK Treasury 0% 31/7/2023	197,776	3.77
£100,000,000	UK Treasury 0% 30/10/2023	97,707	1.86
Total Government Bonds		767,003	14.61
Total value of investments		5,006,063	95.34
Net other assets		244,534	4.66
Total net assets		5,250,597	100.00

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

Summary of Portfolio Investments

As at 30 April 2023

Credit breakdown*	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Investments of investment grade	1,935,305	36.86	2,266,469	44.36
Unrated bonds	160,987	3.06	86,340	1.69
Total bonds	2,096,292	39.92	2,352,809	46.05
Certificates of deposit	2,785,830	53.06	1,964,527	38.45
Commercial paper	123,941	2.36	24,967	0.49
Total value of investments	5,006,063	95.34	4,342,303	84.99

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
UK Treasury 0.125% 31/1/2023	333,117
UK Treasury 0% 31/7/2023	197,797
TSB Bank FRN 15/2/2024	190,466
SG Issuer 0% 10/8/2023	175,000
BlueFin Research 0% 13/2/2023	169,872
BlueFin Research 0% 20/2/2023	169,872
Credit Industrial et Commercial 3.8059% 18/04/2023	150,000
National Bank of Abu Dhabi 4.02% 17/04/2023	150,000
National Bank of Abu Dhabi 4.33% 20/06/2023	150,000
Credit Industrial et Commercial 4.5419% 1/11/2023	150,000
Subtotal	1,836,124
Total cost of purchases, including the above, for the period	7,818,886

Significant Sales

	Proceeds £'000
UK Treasury 0.125% 31/1/2023	504,192
BlueFin Research 0% 13/2/2023	169,872
BlueFin Research 0% 20/2/2023	169,872
UK Treasury 0% 9/1/2023	151,000
Credit Industrial et Commercial 3.8059% 18/04/2023	150,008
National Bank of Abu Dhabi 4.02% 17/04/2023	150,004
ING Bank 1.49% 3/2/2023	150,000
SG Issuer FRN 10/11/2022	150,000
SG Issuer FRN 9/2/2023	150,000
Bank of Nova Scotia FRN 10/1/2023	137,750
Subtotal	1,882,698
Total proceeds from sales, including the above, for the period	7,171,368

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		925		(703)
Revenue	94,108		6,857	
Expenses	(1,490)		(936)	
Net revenue before taxation	92,618		5,921	
Taxation	-		-	
Net revenue after taxation		92,618		5,921
Total return before distributions		93,543		5,218
Distributions		(92,618)		(5,920)
Change in net assets attributable to shareholders from investment activities		925		(702)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	5,006,063	4,342,303
Current assets:		
Debtors	32,275	32,398
Cash and bank balances	689,770	874,912
Total assets	5,728,108	5,249,613
Liabilities		
Creditors:		
Other creditors	469,028	136,004
Distribution payable	8,483	4,530
Total liabilities	477,511	140,534
Net assets attributable to shareholders	5,250,597	5,109,079

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		5,109,079		3,206,834
Amounts receivable on creation of shares	1,691,653		1,804,274	
Amounts payable on cancellation of shares	(1,635,282)		(714,310)	
		56,371		1,089,964
Change in net assets attributable to shareholders from investment activities		925		(702)
Retained distributions on accumulation shares		84,222		6,406
Closing net assets attributable to shareholders		5,250,597		4,302,502

Distribution Table

For the six month period ended 30 April 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class R Accumulation				
Group 1	1.8500	–	1.8500	0.1732
Group 2	0.6475	1.2025	1.8500	0.1732
Class S Accumulation				
Group 1	1.8421	–	1.8421	0.1725
Group 2	1.1885	0.6536	1.8421	0.1725
Class S Income				
Group 1	1.8071	–	1.8071	0.1709
Group 2	1.8071	0.0000	1.8071	0.1709
Class Y Accumulation				
Group 1	1.8257	–	1.8257	0.1358
Group 2	0.9907	0.8350	1.8257	0.1358
Class Y Income				
Group 1	1.7214	–	1.7214	0.1321
Group 2	0.8818	0.8396	1.7214	0.1321

Royal London Corporate Bond Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Corporate Bond Fund, Class A Income	6.25	-6.78	-5.44	1.60
Royal London Corporate Bond Fund, Class M Accumulation	6.33	-6.63	-4.91	3.11
Royal London Corporate Bond Fund, Class M Income	6.34	-6.60	-4.90	3.17
Royal London Corporate Bond Fund, Class S Accumulation	6.54	-6.27	-3.69	-
Royal London Corporate Bond Fund, Class Y Accumulation	6.45	-6.51	-4.41	4.05
Royal London Corporate Bond Fund, Class Y Income	6.42	-6.47	-4.41	4.04
Royal London Corporate Bond Fund, Class Z Income	6.40	-6.48	-4.49	3.83
iBoxx Sterling Non-Gilt All Maturities Index	4.06	-7.70	-13.02	-4.12
IA £ Corporate Bond TR	4.63	-6.88	-9.49	-1.67

Class S Accumulation launched on 9 April 2019.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund outperformed its benchmark, the iBoxx Sterling Non-Gilt All Maturities Index, in the period, posting strong returns. It is also significantly ahead of its benchmark over the 12-month, three-year and five-year periods. It was also ahead of the peer index in the six-month period and over the past 12 months, while only slightly. Despite this, it is significantly outperforming peers over three years and five years.

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England (BoE) and European Central Bank all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and Swiss regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. Index linked markets saw a similar pattern, with UK 10-year real yields rising from -0.13% to 0.12%, with FTSE® conventional and index-linked gilt indices returning -1.04% and -1.47% respectively. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

Manager's Investment Report (continued)

Portfolio commentary

In the period, the Fund's performance was driven by its security selection and sector allocation. In particular, our overweighting in financials and insurance were a bright spot, as was the Fund's significant underweight position in supranationals, partially offset by our overweight in structured bonds.

Our bank holdings continued to recover from the Credit Suisse-linked sell-off with HSBC one of the best performers during the interim period. The performance within HSBC holdings was also buoyed by our exposure to legacy capital which enjoyed an announcement of an intention to redeem at a large premium to prevailing prices during the period. Our insurance holdings enjoyed a similar tailwind, with Aviva a notable outperformer. Exposure was added to Axa, which was later tendered at roughly 5% premium, reflecting bond characteristics that were unfavourable for the issuer to retain (loss of capital treatment in 2026).

In social housing, another positive sector contributor to performance, Swan Housing was a strong performer. We added to our exposure in Swan during the period on the belief that the downgrade of the bonds following the collapse of a merger with Orbit was premature given that they were to merge with Sanctuary instead. This duly completed during the first quarter of 2023 and the bonds performed strongly, with the bond's ratings returning to investment grade in the period.

The Fund also benefitted from its holdings in two Shaftesbury bonds. Although unrated, the bonds were supported by high quality collateral backing and effective covenants. The latter required the bonds to be repurchased by the issuer at significant premia to market price following the completion of its merger with another London property company, Capital & Counties, in the first quarter of 2023.

Despite ongoing volatility, financials remained a key area of activity for us. We participated in a number of new issues in the banking and insurance sector, including senior bonds from Mizuho, Barclays, BNP Paribas and Metropolitan Life as well as subordinated bonds from ING. Earlier in the period, we took part in new issues of senior bank debt by NatWest and Crédit Agricole, and a subordinated issue from Swedbank. We did add some AT1 debt through Barclays and Lloyds. The former being bought in secondary markets also after the fallout from Credit Suisse, at very attractive yields. In the secondary market, we switched between Legal & General bonds; this gave a yield enhancement and reduced duration risk.

Investment outlook

We expect that inflation has peaked. This is driven by our view that energy prices will moderate, and that weaker GDP growth will reduce the tightness of the labour market. Nonetheless, UK interest rates are likely to rise a bit further as the BoE continues to focus on bringing inflation under control.

We believe that higher rates will lead to a slowdown in the UK, impacting company earnings and leading to some increase in credit rating downgrades and default rates. Nevertheless, an asset allocation in favour of sterling credit bonds is appropriate as credit spreads remain at reasonably attractive levels. We consider that credit spreads discount a significant portion of bad news and that investors are being paid well to take credit over government bond risk. Against this background, we will maintain our focus on identifying companies with strong balance sheets, favouring issues with security and downside protection, and ensuring that portfolios are diversified across issuers and sectors.

The 'all-in yield' on sterling investment grade credit (government yield plus credit spread) remains attractive, particularly if inflation starts to fall as we expect. Our strategies generally have a significant targeted exposure to BBB rated bonds, but we believe that compensation for default risk remains most attractive in this rating band.

Shalin Shah and Matt Franklin
Fund Co-Managers
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class A Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	79.04	101.40	99.95	100.24
Return before operating charges*	5.29	(18.05)	5.64	4.24
Operating charges	(0.28)	(0.64)	(0.72)	(1.00)
Return after operating charges*	5.01	(18.69)	4.92	3.24
Distributions on income shares	(2.12)	(3.67)	(3.47)	(3.53)
Closing net asset value per share	81.93	79.04	101.40	99.95
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	6.34%	(18.43)%	4.92%	3.23%
Other information				
Closing net asset value (£'000)	20,683	19,825	35,106	42,177
Closing number of shares	25,244,793	25,081,261	34,620,121	42,198,944
Operating charges	0.69%	0.69%	0.69%*	1.00%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	85.64	104.00	105.20	103.60
Lowest share price	78.77	75.39	100.20	91.71

* The FMF was reduced from 1.00% to 0.69% on 6 November 2020.

Class M Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	130.29	160.22	152.50	147.05
Return before operating charges*	8.69	(29.10)	8.61	6.29
Operating charges	(0.38)	(0.83)	(0.89)	(0.84)
Return after operating charges*	8.31	(29.93)	7.72	5.45
Distributions on accumulation shares	(3.52)	(5.89)	(5.36)	(5.27)
Retained distributions on accumulation shares	3.52	5.89	5.36	5.27
Closing net asset value per share	138.60	130.29	160.22	152.50
* after direct transaction costs of:	–	–	–	0.01
Performance				
Return after charges	6.38%	(18.68)%	5.06%	3.71%
Other information				
Closing net asset value (£'000)	557,140	521,217	680,101	633,072
Closing number of shares	401,990,167	400,052,176	424,482,890	415,119,207
Operating charges	0.56%	0.56%	0.56%	0.56%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	143.00	164.30	163.70	154.20
Lowest share price	129.80	122.70	152.90	135.80

Class M Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	97.20	124.53	122.58	122.42
Return before operating charges*	6.49	(22.18)	6.92	5.18
Operating charges	(0.28)	(0.64)	(0.71)	(0.69)
Return after operating charges*	6.21	(22.82)	6.21	4.49
Distributions on income shares	(2.60)	(4.51)	(4.26)	(4.33)
Closing net asset value per share	100.81	97.20	124.53	122.58
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	6.39%	(18.32)%	5.07%	3.67%
Other information				
Closing net asset value (£'000)	135,585	136,638	197,399	197,806
Closing number of shares	134,491,824	140,578,604	158,516,142	161,364,010
Operating charges	0.56%	0.56%	0.56%	0.56%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	105.30	127.70	129.00	126.70
Lowest share price	96.86	92.70	122.90	112.10

Comparative Tables (continued)

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20** (p)
Opening net asset value per share	-	-	-	108.92
Return before operating charges*	-	-	-	0.73
Operating charges	-	-	-	(0.05)
Return after operating charges*	-	-	-	0.68
Distributions on accumulation shares	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-
Cancellation price				(109.60)
Closing net asset value per share	-	-	-	-
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	-	-	-	0.62%
Other information				
Closing net asset value (£'000)	-	-	-	-
Closing number of shares	-	-	-	-
Operating charges	-	-	-	0.09%
Direct transaction costs	-	-	-	-
Prices[^]				
Highest share price	-	-	-	109.60
Lowest share price	-	-	-	108.60

** Class R Accumulation terminated on 28 November 2019.

Class S Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	94.89	116.17	110.08	105.67
Return before operating charges*	6.33	(21.16)	6.22	4.53
Operating charges	(0.05)	(0.12)	(0.13)	(0.12)
Return after operating charges*	6.28	(21.28)	6.09	4.41
Distributions on accumulation shares	(2.56)	(4.28)	(3.88)	(3.80)
Retained distributions on accumulation shares	2.56	4.28	3.88	3.80
Closing net asset value per share	101.17	94.89	116.17	110.08
* after direct transaction costs of:	-	-	-	-
Performance				
Return after charges	6.62%	(18.32)%	5.53%	4.17%
Other information				
Closing net asset value (£'000)	2,089	6,046	7,402	5,852
Closing number of shares	2,064,566	6,371,638	6,371,638	5,316,229
Operating charges	0.11%	0.11%	0.11%	0.11%
Direct transaction costs	-	-	-	-
Prices[^]				
Highest share price	104.30	119.20	118.60	111.30
Lowest share price	94.57	89.38	110.40	97.78

Comparative Tables (continued)

Class Y Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	103.21	126.68	120.36	115.83
Return before operating charges*	6.88	(23.04)	6.78	4.97
Operating charges	(0.20)	(0.43)	(0.46)	(0.44)
Return after operating charges*	6.68	(23.47)	6.32	4.53
Distributions on accumulation shares	(2.75)	(4.66)	(4.24)	(4.16)
Retained distributions on accumulation shares	2.75	4.66	4.24	4.16
Closing net asset value per share	109.89	103.21	126.68	120.36
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	6.47%	(18.53)%	5.25%	3.91%
Other information				
Closing net asset value (£'000)	29,024	82,935	57,972	47,892
Closing number of shares	26,412,258	80,354,234	45,760,552	39,791,880
Operating charges	0.37%	0.37%	0.37%	0.37%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	113.30	129.90	129.40	121.70
Lowest share price	102.90	97.23	120.70	107.10

Class Y Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	83.19	106.38	104.51	104.17
Return before operating charges*	5.56	(18.97)	5.90	4.42
Operating charges	(0.16)	(0.36)	(0.40)	(0.39)
Return after operating charges*	5.40	(19.33)	5.50	4.03
Distributions on income shares	(2.23)	(3.86)	(3.63)	(3.69)
Closing net asset value per share	86.36	83.19	106.38	104.51
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	6.49%	(18.17)%	5.26%	3.87%
Other information				
Closing net asset value (£'000)	35,850	24,116	31,377	24,858
Closing number of shares	41,509,756	28,989,950	29,495,629	23,783,710
Operating charges	0.37%	0.37%	0.37%	0.37%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	90.21	109.10	110.00	107.90
Lowest share price	82.91	79.33	104.80	95.49

Class Z Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	84.68	108.32	106.47	106.16
Return before operating charges*	5.66	(19.30)	6.00	4.51
Operating charges	(0.18)	(0.41)	(0.45)	(0.44)
Return after operating charges*	5.48	(19.71)	5.55	4.07
Distributions on income shares	(2.27)	(3.93)	(3.70)	(3.76)
Closing net asset value per share	87.89	84.68	108.32	106.47
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	6.47%	(18.20)%	5.21%	3.83%
Other information				
Closing net asset value (£'000)	318,245	217,568	396,866	485,767
Closing number of shares	362,087,398	256,943,866	366,375,079	456,248,006
Operating charges	0.41%	0.41%	0.41%	0.41%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	91.81	111.10	112.10	110.00
Lowest share price	84.39	80.75	106.70	97.30

* 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 5.21% (31/10/22 – 4.92%)			
£1,225,000	British Land 5.264% 24/9/2035	1,161	0.11
£3,708,000	Canary Wharf Finance II (A7) FRN 22/10/2037	3,059	0.28
£8,700,000	Equity Release FRN 14/7/2045	6,117	0.56
£8,296,000	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058	6,344	0.58
£4,400,000	Finance for Residence Social Housing 'A2' 8.569% 5/10/2058	2,916	0.27
£13,872,000	Income Contingent Student Loan 2 FRN 24/7/2058	3,046	0.28
£7,602,000	Income Contingent Student Loan 2.5% 24/7/2056	4,353	0.40
£8,924,000	Income Contingent Student Loan 2.5% 24/7/2058	5,329	0.49
£9,550,000	Income Contingent Student Loan FRN 24/7/2056	1,506	0.14
£5,551,000	Magenta 2020 FRN 20/12/2024	4,861	0.44
£4,548,000	Parkmore Point RMBS 2022-1 FRN 25/7/2045	3,923	0.36
£4,713,000	Sage AR Funding FRN 17/11/2051	4,336	0.39
£2,043,000	Scorpio European Loan Conduit No.34 FRN 17/5/2029	1,950	0.18
£2,460,000	Taurus 2019-2 FRN 17/11/2029	2,296	0.21
£3,450,000	Taurus FRN 17/5/2030	3,363	0.31
£2,300,000	Transport for London 5% 31/3/2035	2,253	0.21
Total Commercial Mortgage Backed Securities		56,813	5.21
Corporate Bonds – 91.86% (31/10/22 – 91.11%)			
£5,870,000	3i Group 3.75% 5/6/2040	4,394	0.40
£3,639,000	AA Bond 6.269% 2/7/2043	3,529	0.32
£2,559,000	AA Bond 7.375% 31/7/2050	2,428	0.22
£3,240,000	AA Bond 8.45% 31/7/2050	3,237	0.29
£1,304,000	AA Bond Co Ltd 3.25% 31/7/2050	1,032	0.09
£3,000,000	Aggregate Micro Power Infrastructure No.2 8% 17/10/2036	2,720	0.25
€5,370,000	Akelius Residential Property 2.249% variable 17/5/2081	3,773	0.34
\$3,600,000	Allianz SE 3.2% variable perpetual	2,082	0.19
£2,607,900	Alpha Plus 5% 31/3/2024	2,454	0.22
£4,361,000	Annington Funding 3.184% 12/7/2029	3,659	0.33
£2,200,000	Annington Funding 3.685% 12/7/2034	1,729	0.16
£1,721,000	Annington Funding 3.935% 12/7/2047	1,200	0.11
£2,610,000	Annington Funding 4.75% 9/8/2033	2,294	0.21
£1,600,000	Aroundtown 3.625% 10/4/2031	964	0.09
£4,384,000	Aroundtown 4.75% variable perpetual	1,498	0.14
£5,650,000	Arqiva Finance 4.882% 31/12/2032	3,584	0.33
£993,000	ASR Nederland NV 7% variable 7/12/2043	913	0.08
£16,250,000	Assicurazioni Generali 6.269% perpetual	16,004	1.46
£3,640,000	Aviva 6.125% variable 14/11/2036	3,634	0.33
£21,362,000	Aviva 6.875% variable 20/5/2058	22,578	2.06
£2,800,000	Aviva 6.875% variable perpetual	2,447	0.22
£3,609,000	AXA 5.625% variable 16/1/2054	11,928	1.09
£8,936,000	AXA 6.379% variable perpetual	7,397	0.67
£8,475,000	AXA 6.6862% variable perpetual	9,712	0.88
£3,609,000	AXA SA 1.875% variable 10/7/2042	2,381	0.22
£4,792,000	Barclays 5.75% 14/9/2026	4,808	0.44
£14,960,000	Barclays 6.278% variable perpetual	11,345	1.03
£2,788,000	Barclays 6.369% variable 31/1/2031	2,816	0.26
£8,617,000	Barclays 8.407% variable 14/11/2032	8,937	0.81
£2,695,000	Barclays 8.875% variable perpetual	2,472	0.23
£2,228,000	Barclays 9% perpetual	2,247	0.20
£4,280,000	Barclays 9.25% variable perpetual	6,090	0.55
£1,710,000	Barclays Bank 4.75% variable perpetual	1,236	0.11
£4,750,000	BAT International Finance 4% 23/11/2055	2,669	0.24
£2,152,000	BAT International Finance 5.75% 5/7/2040	1,782	0.16
£6,532,000	Blackstone Property Partners Europe 4.875% 29/4/2032	5,115	0.47
£943,000	Blend Funding 2.984% 15/3/2036	755	0.07
£2,401,000	Blend Funding 3.508% 4/5/2059	1,718	0.16
£4,600,000	BNP Paribas 2% variable 24/5/2031	3,987	0.36
£3,054,000	BNP Paribas SA 7.75% variable perpetual	2,320	0.21
£429,000	Boston Mayflower Finance 4.321% 8/9/2059	356	0.03
£4,346,000	BP Capital Markets 4.25% variable perpetual	3,882	0.35
£3,000,000	BPCE 2.125% variable 13/10/2046	1,857	0.17
£3,100,000	BPCE 2.5% variable 30/11/2032	2,569	0.23
£7,632,000	British Land 5.264% 24/9/2035	7,232	0.66

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
£3,257,000	British Land 5.357% 31/3/2028	3,195	0.29
£1,174,000	BWP Issuer 2.868% 30/6/2036	801	0.07
£4,025,000	Canary Wharf Finance 5.952% 22/10/2037	4,120	0.38
£6,911,000	Centrica 5.25% variable 10/4/2075	6,517	0.59
£1,129,000	Channel Link Enterprises Finance FRN 30/12/2050	853	0.08
£2,000,000	Cheltenham & Gloucester 11.75% perpetual	2,840	0.26
£5,461,000	Connect M77 GSO 5.404% 31/3/2034	3,362	0.31
£500,000	Co-operative Bank 9.5% variable 25/4/2029	494	0.05
£5,711,000	Co-operative Bank Finance 6% variable 6/4/2027	5,326	0.48
£4,493,000	Co-operative Wholesale Society 7.5% Step 8/7/2026	4,202	0.38
£1,200,000	Coventry Building Society 6.875% variable perpetual	1,055	0.10
£745,000	CPUK Finance 3.588% 28/2/2042	703	0.06
£1,890,000	CPUK Finance Ltd 6.136% 28/2/2047	1,870	0.17
£1,700,000	Credit Agricole 7.5% variable perpetual	1,590	0.14
£810,000	Credit Agricole SA 7.5% variable perpetual	757	0.07
£450,000	Credit Suisse 7% variable 30/9/2027	453	0.04
£11,574,000	Credit Suisse 7.75% 10/3/2026	11,994	1.09
£2,200,000	Credit Suisse AGLondon 1.125% 15/12/2025	1,939	0.18
£2,450,000	Credit Suisse AGNew York 2.95% 9/4/2025	1,817	0.17
£3,703,000	Credit Suisse Group 7.375% variable 7/9/2033	3,932	0.36
£1,000,000	Credit Suisse Group 7.75% variable 1/3/2029	956	0.09
£1,000,000	CYBG 4% variable 3/9/2027	917	0.08
£4,313,000	CYBG 9.25% variable perpetual	4,081	0.37
£3,750,000	Daily Mail & General 6.375% 21/6/2027	3,384	0.31
£5,820,000	Delamare Finance 5.5457% 19/2/2029	3,414	0.31
£3,700,000	Derby Healthcare 5.564% 30/6/2041	3,425	0.31
£1,722,000	Digital Dutch Finco 1% 15/1/2032	1,074	0.10
£8,732,000	Dignity Finance 3.5456% 31/12/2034	5,281	0.48
£3,700,000	Direct Line Insurance 4% 5/6/2032	2,827	0.26
£12,400,000	Electricite de France 5.875% variable perpetual	10,216	0.93
£8,800,000	Electricite de France 6% 23/1/2114	7,922	0.72
£2,600,000	Electricite de France 6% variable perpetual	2,301	0.21
£2,820,000	Equity Release Funding No.3 5.05% 26/4/2033	2,642	0.24
£3,200,000	Eskmuir Group Finance 4.255% 12/12/2047	1,964	0.18
£4,182,000	Esure Group 6% variable perpetual	2,850	0.26
£3,803,000	Esure Group 6.75% 19/12/2024	3,613	0.33
£3,825,000	Eversholt Funding 2.742% 30/6/2040	2,772	0.25
£1,790,000	Eversholt Funding 3.529% 7/8/2042	1,333	0.12
£7,100,000	Eversholt Funding 6.697% 22/2/2035	6,337	0.58
£3,449,000	First Abu Dhabi Bank 1.125% 7/9/2026	3,010	0.27
£2,097,000	First Group 6.875% 18/9/2024	2,099	0.19
£3,700,000	Freshwater Finance 4.556% 3/4/2036	3,225	0.29
£5,259,000	Freshwater Finance 5.182% 20/4/2035	5,070	0.46
£1,934,000	Gateway Funding 2.875% 5/7/2051	1,197	0.11
£900,000	Gateway Funding 3.125% 28/9/2041	644	0.06
£1,304,000	Gateway Funding 6.5% 2/3/2043	1,382	0.13
£5,098,000	GB Social Housing 5.193% 12/2/2038	4,955	0.45
£2,133,000	General Electric Capital 4.875% 18/9/2037	1,904	0.17
£2,440,000	Genfinance II 6.064% 21/12/2039	2,601	0.24
£4,000,000	Go-Ahead Group 2.5% 6/7/2024	3,820	0.35
£3,411,000	Grainger 3% 3/7/2030	2,677	0.24
£1,172,000	Grainger 3.375% 24/4/2028	1,172	0.11
£12,329,000	Great Rolling Stock 6.875% 27/7/2035	7,281	0.66
£3,090,000	Greene King Finance 3.593% 15/3/2035	2,354	0.21
£1,641,000	GreenSquareAccord 5.25% 30/11/2047	1,567	0.14
£3,662,000	Guinness Trust 7.5% 30/11/2037	3,205	0.29
£5,105,767	Harbour Funding 5.28% 31/3/2044	5,085	0.46
£1,000,000	Hastoe Capital 5.6% 27/3/2042	991	0.09
£3,685,554	Haven Funding 8.125% 30/9/2037	3,687	0.34
£3,527,000	Heathrow Finance 3.875% 1/3/2027	3,086	0.28
£2,000,000	Heathrow Finance 5.75% step 3/3/2025	1,960	0.18
£2,541,000	Heathrow Funding 2.625% 16/3/2028	2,145	0.20
£1,228,000	Heathrow Funding 2.75% 13/10/2031	1,056	0.10
£610,000	Heathrow Funding 4.625% 31/10/2046	529	0.05
£3,026,000	Heathrow Funding 5.875% 13/5/2041	3,109	0.28
£1,167,000	Heathrow Funding 6.45% 10/12/2031	1,245	0.11
£3,000,000	Heathrow Funding 7.075% variable 4/8/2028	3,188	0.29
£2,200,000	Heinz (HJ) Finance 6.25% 18/2/2030	2,255	0.21
£1,750,000	Hemingway Properties 10.375% 31/7/2023	1,758	0.16

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 91.86% (31/10/22 – 91.11%) – continued				£1,400,000	National Exhibition Center 7.5625% 30/9/2027	1,535	0.14
£2,421,000	Hexagon Housing Association 3.625% 22/4/2048	1,727	0.16	£3,271,000	National Express 4.25% variable perpetual	2,870	0.26
£2,700,000	High Speed Rail Finance 4.375% 1/11/2038	2,460	0.22	£2,275,000	NatWest 1.043% variable 14/9/2032	1,649	0.15
£1,600,000	Home Group 8.75% 11/5/2037	1,932	0.18	£3,437,000	NatWest Group 2.057% variable 9/11/2028	2,950	0.27
£3,925,000	Hong Kong And Shanghai Bank FRN perpetual	3,085	0.28	£5,800,000	Natwest Group 2.105% variable 28/11/2031	4,960	0.45
£3,180,000	Housing and Care 3.288% 8/11/2049	2,296	0.21	£2,131,000	NatWest Group 7.416% variable 6/6/2033	2,174	0.20
£6,562,000	HSBC 5.375% variable 4/11/2030	6,390	0.58	£4,923,000	NGG Finance 5.625% variable 18/6/2073	4,765	0.43
£18,398,000	HSBC 5.844% variable perpetual	18,928	1.72	£1,689,000	Notting Hill Genesis 2.875% 31/1/2029	1,494	0.14
£21,210,000	HSBC 8.201% variable 16/11/2034	22,524	2.05	£2,235,000	Octagon Healthcare 5.333% 31/12/2035	1,650	0.15
£1,623,000	HSBC Capital Funding Lp 10.176% variable perpetual	1,581	0.14	£1,900,000	Opus Chartered variable 31/3/2025	671	0.06
£6,448,000	IG Group 3.125% 18/11/2028	4,965	0.45	£1,354,000	Orsted 2.5% variable 18/2/3021	933	0.08
£5,100,000	ING Groep NV 6.25% variable 20/5/2033	4,979	0.45	£5,125,000	OSB Group 6% variable perpetual	3,947	0.36
£2,900,000	InterContinental Hotels 2.125% 24/8/2026	2,598	0.24	£3,186,000	OSB Group 9.993% variable 27/7/2033	3,187	0.29
£3,637,000	InterContinental Hotels 3.375% 8/10/2028	3,245	0.30	£4,427,980	Peel Land & Property Investments 8.375% Step 30/4/2040	4,414	0.40
£3,098,000	Intermediate Capital Group 1.625% 17/2/2027	2,229	0.20	£1,270,000	Peel South East 10% 30/4/2026	1,261	0.11
£6,000,000	Intermediate Capital Group 2.5% 28/1/2030	3,431	0.31	£8,774,000	Peterborough Progress Health 5.581% 2/10/2042	6,074	0.55
£3,100,000	Intu (SGS) Finance 4.625% 17/3/2033	1,557	0.14	£2,789,000	PGH Capital 6.625% 18/12/2025	2,794	0.25
£5,300,000	Intu Debenture 5.562% 31/12/2027	1,776	0.16	£4,658,000	Places for People Homes 5.09% 31/7/2043	4,622	0.42
£4,800,000	Intu Metrocentre Finance 4.125% 6/12/2028	2,424	0.22	£2,568,000	Places for People Homes 6.625% 30/9/2038	1,986	0.18
£16,553,000	Investec 1.875% variable 16/7/2028	13,488	1.23	£5,893,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	5,179	0.47
£1,063,000	Investec 2.625% variable 4/1/2032	863	0.08	£10,274,000	Premiertel 6.175% 8/5/2032	7,397	0.67
£286,000	Investec 4.25% variable 24/7/2028	283	0.03	£3,021,000	Protective Life Global Funding 5.248% 13/1/2028	3,019	0.27
£1,698,000	Investec 9.125% variable 6/3/2033	1,721	0.16	£1,057,000	Provident Financial 7% 4/6/2023	1,052	0.10
£3,805,000	John Lewis 4.25% 18/12/2034	2,449	0.22	£1,750,000	Prudential 6.125% 19/12/2031	1,745	0.16
£4,865,000	JRP Group 9% 26/10/2026	5,180	0.47	£7,646,000	QBE Insurance 2.5% variable 13/9/2038	6,033	0.55
£876,000	Jupiter Fund Management 8.875% variable 27/7/2030	893	0.08	£2,820,000	Quadrant Housing 7.93% Step 10/2/2033	2,478	0.23
£1,564,000	Just Group 7% variable 15/4/2031	1,517	0.14	£4,905,000	Reynolds American 8.125% 1/5/2040	4,304	0.39
£912,000	Jutura Euro Loan Conduit 5.0636% 10/8/2033	633	0.06	£3,541,000	RMPA Services 5.337% 30/9/2038	2,367	0.22
£3,884,000	Legal & General 4.5% variable 1/11/2050	3,405	0.31	£5,300,000	Rothsay Life 5% variable perpetual	3,541	0.32
£15,539,000	Legal & General 5.5% variable 27/6/2064	13,988	1.27	£2,050,000	Rothsay Life 5.5% variable 17/9/2029	2,005	0.18
£848,000	Lendlease Europe Finance 3.5% 2/12/2033	552	0.05	£5,837,000	Rothsay Life 6.875% variable perpetual	4,986	0.45
£3,900,000	Liberty Mutual Group 3.625% variable 23/5/2059	3,144	0.29	£5,894,000	Royal Bank of Scotland 3.622% variable 14/8/2030	5,530	0.50
£2,704,000	Liverpool Victoria Friendly Society 6.5% variable 22/5/2043	2,670	0.24	£1,798,000	RSA Insurance 5.125% variable 10/10/2045	1,728	0.16
£4,800,000	Lloyds Bank 0% Step 22/3/2032	3,101	0.28	£3,099,000	RSL Finance 6.625% 31/3/2038	2,725	0.25
£3,425,000	Lloyds Banking Group 8.5% variable perpetual	3,258	0.30	£3,185,000	Sainsburys Bank 10.5% variable 12/3/2033	3,332	0.30
£3,557,000	Lloyds Banking Group 8.5% variable perpetual	3,347	0.30	£1,773,000	Saltire Finance 4.809% 14/3/2055	1,842	0.17
£5,000,000	Logicor 2019 1.875% 17/11/2031	4,403	0.40	£1,714,000	Sampo Oyj 2.5% variable 3/9/2052	1,174	0.11
£9,245,000	Longstone Finance 4.791% 19/4/2036	3,543	0.32	£2,000,000	Sanctuary 8.375% 1/9/2031	1,802	0.16
£10,405,000	M&G 5% variable 20/7/2055	9,328	0.85	£5,029,000	Santander UK 7.098% variable 16/11/2027	5,152	0.47
£21,713,000	M&G 5.7% variable 19/12/2063	19,458	1.77	£4,300,000	Santander 10.0625% perpetual	6,119	0.56
£4,294,000	M&G 6.25% variable 20/10/2068	3,758	0.34	£5,314,000	Saxon Weald Capital 5.375% 6/6/2042	5,194	0.47
£3,161,000	Macquarie Group 4.08% 31/5/2029	2,878	0.26	£5,308,000	Scentre Group 5.125% variable 24/9/2080	3,564	0.32
£4,650,000	Marstons Issuer FRN 15/10/2031	2,044	0.19	£5,000,000	SCOR 5.25% variable perpetual	2,984	0.27
£14,120,000	Meadowhall Finance 4.986% 12/1/2032	6,902	0.63	£3,500,000	Scot Roads Partnership Finance 5.591% 16/3/2045	3,166	0.29
£4,012,000	Mercantile Investment Trust 6.125% 25/2/2030	4,212	0.38	£5,569,000	Scottish Widows 7% 16/6/2043	5,486	0.50
£1,024,454	Metrocentre New Money Note Sonia + 11% PIK 6/12/2023	994	0.09	£1,460,000	Severn Trent Utilities Finance P 5.25% 4/4/2036	1,464	0.13
£2,144,000	MIELI London 4.82% 12/8/2027	1,981	0.18	£6,942,000	Society of Lloyds 4.875% variable 7/2/2047	6,468	0.59
£3,343,000	Mitchells & Butler 6.013% 15/12/2028	2,190	0.20	£2,074,000	Southern Water Services Finance 1.625% 30/3/2027	1,791	0.16
£6,382,000	Mitchells & Butlers (A1N) FRN 15/12/2030	2,378	0.22	£6,513,000	Southern Water Services Finance 3% 28/5/2037	4,751	0.43
£7,250,000	Mitchells & Butlers (A4) FRN 15/12/2028	3,742	0.34	£1,185,000	Southern Water Services Finance 6.64% 31/3/2026	1,219	0.11
£2,915,000	Mitchells & Butlers 5.574% 15/12/2030	749	0.07	£650,000	South West Water 5.875% 16/7/2040	642	0.06
£8,280,000	Mitchells & Butlers FRN 15/12/2033	810	0.07	£4,210,000	SSE 3.74% variable perpetual	3,851	0.35
£8,280,000	Mitchells and Butlers Finance FRN 15/12/2030	2,409	0.22	£2,283,000	St James Oncology Financing 2.804% 31/3/2037	1,452	0.13
£2,980,000	Mizuho Financial 5.628% 13/6/2028	2,990	0.27	£3,200,000	Standard Chartered 6.409% variable perpetual	3,906	0.36
£5,225,000	Morgan Stanley 5.789% variable 18/11/2033	5,310	0.48	£5,500,000	Standard Chartered 7.014% variable perpetual	4,203	0.38
£5,170,000	Morhomes 3.4% 19/2/2040	4,138	0.38	£3,500,000	Standard Life Aberdeen 4.25% variable 30/6/2028	2,462	0.22
£2,329,000	MPT Operating Partnership 3.375% 24/4/2030	1,479	0.13	£3,392,000	Aberdeen 5.25% variable perpetual	2,711	0.25
£4,646,000	MPT Operating Partnership 3.692% 5/6/2028	3,183	0.29	£5,270,000	Stirling Water Seaford 5.822% 26/9/2026	1,304	0.12
£4,000,000	Muenchener Rueckversicherung 3.25% variable 26/5/2049	3,191	0.29	£3,824,000	Student Finance 2.6663% 30/9/2024	3,745	0.34
£4,000,000	National Australia Bank 1.699% variable 15/9/2031	1,770	0.16	£4,654,000	Summit Finance 6.484% 31/3/2028	1,547	0.14
				£7,352,000	Sunderland 6.38% 31/3/2042	7,590	0.69
				£9,007,000	Swan Housing Capital 3.625% 5/3/2048	6,861	0.62

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 91.86% (31/10/22 – 91.11%) – continued			
£5,900,000	Swedbank 7.272% variable 15/11/2032	6,033	0.55
£3,100,000	Swiss Re Finance 2.714% variable 4/6/2052	2,148	0.20
£3,600,000	Swiss Re Finance Luxembourg 2.534% variable 30/4/2050	2,638	0.24
\$5,400,000	Swiss Re Finance Luxembourg 4.25% variable perpetual	3,908	0.36
\$4,090,000	Telefonica Europe 8.25% 15/9/2030	3,828	0.35
£5,690,000	Telereal Secured Finance 4.01% 10/12/2033	2,989	0.27
£3,821,000	Telereal Securitisation 1.3657% 10/12/2033	2,484	0.23
£2,710,000	Telereal Securitisation 1.9632% variable 10/12/2033	2,415	0.22
£5,066,000	Telereal Securitisation 3.507% variable 10/12/2033	4,382	0.40
£688,900	Telereal Securitisation 3.5625% 10/12/2036	607	0.06
£1,448,100	Telereal Securitisation 3.5625% 10/12/2036	1,276	0.12
£2,500,000	Telereal Securitisation 4.9741% 10/12/2033	1,064	0.10
£3,455,000	Telereal Securitisation 5.4252% 10/12/2033	2,872	0.26
£3,636,000	Telereal Securitisation 6.1645% 10/12/2033	3,128	0.28
£5,250,000	Telereal Securitisation FRN 10/12/2033	1,640	0.15
£4,688,000	Telereal Securitisation FRN 10/12/2033	3,655	0.33
£5,300,000	Telereal Securitisation FRN 10/12/2033	4,428	0.40
£5,375,000	Tesco Property 5.6611% 13/10/2041	4,921	0.45
£4,000,000	Tesco Property 5.8006% 13/10/2040	3,617	0.33
£1,241,000	Tesco Property 6.0517% 13/10/2039	941	0.09
£1,500,000	Tesco Property Finance 7.6227% 13/7/2039	1,320	0.12
£5,343,000	Thames Water Kemble Finance 4.625% 19/5/2026	4,702	0.43
£1,000,000	Thames Water Utilities 3.5% 25/2/2028	922	0.08
£6,856,000	Thames Water Utilities 7.738% 9/4/2058	8,568	0.78
£5,064,000	THFC Funding 5.2% 11/10/2043	4,965	0.45
£4,430,000	Time Warner Cable 5.75% 2/6/2031	4,243	0.39
£1,487,000	TP ICAP 2.625% 18/11/2028	1,144	0.10
£5,729,000	TP ICAP 5.25% 29/5/2026	5,397	0.49
£908,000	TP ICAP Finance 7.875% 17/4/2030	898	0.08
£3,140,000	Trafford Centre 6.5% 28/7/2033	2,088	0.19
£8,000,000	Trafford Centre FRN 28/7/2035	6,400	0.58
£2,830,000	Uliving@essex3 LLP NEW ISSUE 2.72% 31/8/2066 FIX	1,723	0.16
£810,000	Ulster Bank Ireland DAC 11.75% perpetual	1,284	0.12
£3,900,000	Unifund 5.32% 7/12/2047	3,458	0.31
£14,530,000	Unique Pub Finance 5.659% 30/6/2027	5,992	0.55
£6,052,000	Unique Pub Fin 7.395% 30/3/2024	2,153	0.20
£7,957,000	UPP Bond Issuer 4.9023% 28/2/2040	6,211	0.57
£3,091,000	Utmost Group 6.125% variable perpetual	2,326	0.21
£2,340,000	Vattenfall AB 2.5% variable 29/6/2083	1,891	0.17
£5,533,000	Virgin Money 3.375% variable 24/4/2026	5,137	0.47
£1,400,000	Virgin Money 5.125% variable 11/12/2030	1,299	0.12
£2,530,000	Virgin Money 8.25% variable perpetual	2,157	0.20
£2,793,000	Vodafone 4.875% variable 3/10/2078	2,650	0.24
£1,280,000	Wessex Water Services Finance 5.125% 31/10/2032	1,255	0.11
£2,000,000	Western Power Distribution 1.75% 9/9/2031	1,533	0.14
£7,249,000	Western Power Distribution 5.75% 16/4/2032	7,440	0.68
£2,557,000	Westfield America Management 2.625% 30/3/2029	2,027	0.18
£2,434,000	Westfield Stratford City 1.642% 4/8/2031	2,121	0.19
£1,930,000	Westpac Banking Corp FRN perpetual	1,175	0.11
£1,800,000	White City Property 5.1202% 17/4/2035	1,381	0.13
£3,000,000	Worcestershire Hospital 5.87% 31/12/2030	1,481	0.13
£870,000	Yorkshire Building Society 3.511% variable 11/10/2030	758	0.07
£3,072,000	Yorkshire Water Finance 5.25% 28/4/2030	3,058	0.28
£1,594,000	Yorkshire Water Finance 5.5% 28/4/2035	1,604	0.15
£2,000,000	Yorkshire Water Services 4.965% 13/6/2033	1,849	0.17
\$6,081,000	Zurich Finance 3% variable 19/4/2051	3,811	0.35
£3,084,000	Zurich Finance 5.125% variable 23/11/2052	2,802	0.25
Total Corporate Bonds		1,009,613	91.86

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Preference Bonds – 1.19% (31/10/22 – 1.28%)			
£3,817,535	Lloyds Bank 9.25% Non Cumulative Preference Perpetual	5,115	0.47
£6,041,952	Santander UK Preference 10.375% perpetual	7,915	0.72
Total Corporate Preference Bonds		13,030	1.19
Government Bonds – 0.10% (31/10/22 – 0.14%)			
£1,500,000	United Mexican States 5.625% 19/3/2114	1,125	0.10
Total Government Bonds		1,125	0.10
Index Linked Bonds – 0.56% (31/10/22 – 0.65%)			
£2,750,000	Coventry & Rugby 3.246% IL 30/6/2040	3,804	0.35
£3,440,000	Road Management Services 3.642% IL 31/3/2028	2,361	0.21
Total Index Linked Bonds		6,165	0.56
Forward Currency Contracts – 0.10% (31/10/22 – 0.19%)			
	Buy £32,023,861 & Sell €36,330,000 [†]	37	–
	Buy £79,687,460 & Sell \$98,870,000 [†]	1,125	0.10
Total Forward Currency Contracts		1,162	0.10
Futures – (0.18)% (31/10/22 – 0.16%)			
	(300) CBT US 10 Year Note June 2023	(888)	(0.08)
	(100) EURO-Bund Future June 2023	(431)	(0.04)
	475 ICF Long Gilt Future June 2023	(704)	(0.06)
Total Futures		(2,023)	(0.18)
Total value of investments[^]		1,085,885	98.84
Net other assets		12,731	1.16
Total net assets		1,098,616	100.00

[^] Including investment liabilities[†] Unlisted

Other than forward currency contracts, all investments are listed on recognised stock exchanges and are "approved securities" within the meaning of the FCA rules unless otherwise stated.

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	806,058	73.40	736,096	73.04
Investments of below investment grade	143,884	13.07	113,011	11.20
Unrated bonds	123,774	11.26	127,053	12.58
Total bonds	1,073,716	97.73	976,160	96.82
Forward currency contracts – assets	1,162	0.10	2,011	0.19
Corporate preference shares	13,030	1.19	12,982	1.28
Futures – assets	–	–	4,852	0.48
Investments as shown in the balance sheet	1,087,908	99.02	996,005	98.77
Forward currency contracts – liabilities	–	–	(10)	–
Futures – liabilities	(2,023)	(0.18)	(3,315)	(0.32)
Total value of investments	1,085,885	98.84	992,680	98.44

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
UK Treasury 0.5% 31/1/2029	45,448
HSBC 8.201% variable 16/11/2034	21,210
Credit Suisse 7.75% 10/3/2026	11,173
HSBC 5.844% variable perpetual	10,983
Legal & General 5.5% variable 27/6/2064	10,617
Assicurazioni Generali 6.269% perpetual	9,264
Barclays 9.25% variable perpetual	9,016
Barclays 8.407% variable 14/11/2032	8,916
Barclays 6.278% variable perpetual	8,030
AXA 5.625% variable 16/1/2054	7,766
Subtotal	142,423
Total cost of purchases, including the above, for the period	403,160

Significant Sales

	Proceeds £'000
UK Treasury 0.5% 31/1/2029	45,909
HSBC 4.75% 24/3/2046	14,782
HSBC 5.375% 22/8/2033	11,785
Goldman Sachs 3.625% variable 29/10/2029	8,033
Shaftesbury Chinatown 2.348% 30/9/2027	7,445
Leeds Building Society 3.75% variable 25/4/2029	7,376
Barclays 5.75% 14/9/2026	6,887
Abrdn 5.5% variable 4/12/2042	6,649
Royal Bank of Canada FRN 18/1/2028	6,509
HSBC 5.375% variable 4/11/2030	5,979
Subtotal	121,354
Total proceeds from sales, including the above, for the period	338,092

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		39,173		(114,777)
Revenue	27,333		22,512	
Expenses	(2,699)		(3,281)	
Interest payable and similar charges	(15)		(7)	
Net revenue before taxation	24,619		19,224	
Taxation	–		(19)	
Net revenue after taxation		24,619		19,205
Total return/(deficit) before distributions		63,792		(95,572)
Distributions		(27,318)		(22,486)
Change in net assets attributable to shareholders from investment activities		36,474		(118,058)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	1,087,908	996,005
Current assets:		
Debtors	19,753	19,060
Cash and bank balances	14,324	11,994
Total assets	1,121,985	1,027,059
Liabilities		
Investment liabilities	2,023	3,325
Creditors:		
Bank overdraft	8,809	6,286
Other creditors	5,943	4,206
Distribution payable	6,594	4,897
Total liabilities	23,369	18,714
Net assets attributable to shareholders	1,098,616	1,008,345

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,008,345		1,406,223
Amounts receivable on creation of shares	161,893		85,139	
Amounts payable on cancellation of shares	(124,533)		(222,736)	
		37,360		(137,597)
Dilution adjustment charged		1,132		698
Change in net assets attributable to shareholders from investment activities		36,474		(118,058)
Unclaimed distributions		3		3
Retained distributions on accumulation shares		15,302		13,336
Closing net assets attributable to shareholders		1,098,616		1,164,605

Distribution Tables

For the six month period ended 30 April 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 31 January 2023

	Net income	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
Class A Income				
Group 1	1.0596	–	1.0596	0.8659
Group 2	0.6529	0.4067	1.0596	0.8659
Class M Accumulation				
Group 1	1.7469	–	1.7469	1.3682
Group 2	0.7934	0.9535	1.7469	1.3682
Class M Income				
Group 1	1.3013	–	1.3013	1.0634
Group 2	0.6055	0.6958	1.3013	1.0634
Class S Accumulation				
Group 1	1.2728	–	1.2728	0.9925
Group 2	1.2728	0.0000	1.2728	0.9925
Class Y Accumulation				
Group 1	1.3519	–	1.3519	1.0821
Group 2	0.6993	0.6526	1.3519	1.0821
Class Y Income				
Group 1	1.1157	–	1.1157	0.9086
Group 2	0.5119	0.6038	1.1157	0.9086
Class Z Income				
Group 1	1.1352	–	1.1352	0.9253
Group 2	0.2873	0.8479	1.1352	0.9253

Distribution Tables (continued)

For the six month period ended 30 April 2023

Distribution in pence per share**Second Interim**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased between 1 February 2023 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class A Income				
Group 1	1.0589	–	1.0589	0.8751
Group 2	0.2550	0.8039	1.0589	0.8751
Class M Accumulation				
Group 1	1.7681	–	1.7681	1.3955
Group 2	0.9041	0.8640	1.7681	1.3955
Class M Income				
Group 1	1.3028	–	1.3028	1.0753
Group 2	0.7104	0.5924	1.3028	1.0753
Class S Accumulation				
Group 1	1.2899	–	1.2899	1.0134
Group 2	1.2899	0.0000	1.2899	1.0134
Class Y Accumulation				
Group 1	1.4016	–	1.4016	1.1042
Group 2	0.7362	0.6654	1.4016	1.1042
Class Y Income				
Group 1	1.1157	–	1.1157	0.9192
Group 2	0.5495	0.5662	1.1157	0.9192
Class Z Income				
Group 1	1.1356	–	1.1356	0.9358
Group 2	0.5946	0.5410	1.1356	0.9358

Royal London Index Linked Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Index Linked Fund, Class M Accumulation	-2.62	-24.97	-27.30	-14.30
Royal London Index Linked Fund, Class M Income	-2.64	-24.98	-27.33	-14.34
Royal London Index Linked Fund, Class R Accumulation	-2.51	-24.78	-26.76	-
FTSE® Actuaries UK Index Linked All Stocks (Total Return)	-1.47	-24.80	-27.78	-16.20
IA UK Index Linked Gilt TR	-2.85	-26.67	-29.78	-17.58

Class R Accumulation launched on 20 September 2018.

Class A Income merged into Class M Income on 21 March 2022.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund delivered negative returns for the period under review, behind the benchmark. The Fund outperformed its Investment Association peer group average. It should be noted that returns can be distorted by the differing valuation points of the Fund and Index – with the Fund outperforming when returns are calculated on an end-of-day basis.

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England and European Central Bank all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data prints either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and Swiss regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. Index linked markets saw a similar pattern, with UK 10-year real yields rising from -0.13% to 0.12%, with FTSE® conventional and index-linked gilt indices returning -1.04% and -1.47% respectively. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

Manager's Investment Report (continued)

Portfolio commentary

Duration positioning – looking to take advantage of moves in overall market yields – was positive for returns. For some time we have had a strategic bias towards a short stance, but will trade market volatility tactically, and this was helpful during a period where volatility remained elevated. That volatility meant that our positioning was slightly short or slightly long, and avoiding taking more material positions as we feel that market volatility makes the risk-reward pay-off for larger positions unattractive.

However, curve positioning was negative. We generally had a flattening stance or bias through the period, based on our view that the lack of scheduled long-dated linker supply would favour longer-dated bonds. However, the curve steepened over the period.

Cross market exposure was perhaps the most active area, and one where we were able to add most value. We felt that the UK looked structurally expensive for some time after the Brexit vote, but the liability-driven investment (LDI) crisis last year has largely eroded this, even with the partial recovery seen in the UK market after Rishi Sunak took over as Prime Minister. Within the Fund, we have traded Australia, France, Germany and the US tactically, ending with a modest overweight in the UK.

Investment outlook

We expect that inflation has peaked. This is driven by our view that energy prices will moderate, and that weaker GDP growth will reduce the tightness of the labour market. As a result, we expect spot inflation to fall over the next few months and this should allow for a pause in central bank activity.

In our view, real yields globally look attractive, and we believe that there will be selected opportunities to go long duration (i.e. position the Fund for falling yields) over the next few months. With inflation expected to soften and supply concentrated in nominal bonds we would expect real curves to flatten over the coming months.

Paul Rayner
Fund Manager
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class A Income

Change in net assets per share	30/04/23 (p)	31/10/22** (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	–	326.28	313.38	293.26
Return before operating charges*	–	(19.94)	14.06	21.54
Operating charges	–	(0.46)	(1.16)	(1.42)
Return after operating charges*	–	(20.40)	12.90	20.12
Distributions on income shares	–	–	–	–
Cancellation price	–	(305.88)	–	–
Closing net asset value per share	–	–	326.28	313.38
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	–	(6.25)%	4.12%	6.86%
Other information				
Closing net asset value (£'000)	–	–	3,700	15,670
Closing number of shares	–	–	1,133,849	5,000,268
Operating charges	–	–	0.36%*	0.47%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	–	341.70	335.90	322.50
Lowest share price	–	305.90	284.40	258.30

** Class A Income merged into Class M Income on 21 March 2022.

* The FMF was reduced from 0.47% to 0.36% on 6 November 2020.

Class M Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	127.89	187.13	179.74	168.00
Return before operating charges*	(1.45)	(58.71)	8.03	12.36
Operating charges	(0.19)	(0.53)	(0.64)	(0.62)
Return after operating charges*	(1.64)	(59.24)	7.39	11.74
Distributions on accumulation shares	(0.95)	–	–	–
Retained distributions on accumulation shares	0.95	–	–	–
Closing net asset value per share	126.25	127.89	187.13	179.74
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(1.28)%	(31.66)%	4.11%	6.99%
Other information				
Closing net asset value (£'000)	73,366	81,526	106,958	91,226
Closing number of shares	58,109,522	63,748,985	57,156,410	50,755,196
Operating charges	0.30%	0.30%*	0.36%	0.36%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	137.10	200.60	192.60	184.90
Lowest share price	122.60	104.50	163.10	148.00

* The FMF was reduced from 0.36% to 0.30% on 23 March 2022.

Comparative Tables (continued)

Class M Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	223.50	327.04	314.12	293.63
Return before operating charges*	(2.50)	(102.59)	14.04	21.58
Operating charges	(0.34)	(0.95)	(1.12)	(1.09)
Return after operating charges*	(2.84)	(103.54)	12.92	20.49
Distributions on income shares	(1.62)	–	–	–
Closing net asset value per share	219.04	223.50	327.04	314.12
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(1.27)%	(31.66)%	4.11%	6.98%
Other information				
Closing net asset value (£'000)	59,949	87,725	170,186	125,707
Closing number of shares	27,368,733	39,250,015	52,038,465	40,019,371
Operating charges	0.30%	0.30%*	0.36%	0.36%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	239.60	350.70	336.70	323.20
Lowest share price	214.30	182.50	285.10	258.70

* The FMF was reduced from 0.36% to 0.30% on 23 March 2022.

Class A Income merged into Class M Income on 21 March 2022.

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	87.38	127.56	122.18	113.88
Return before operating charges*	(0.97)	(40.09)	5.48	8.39
Operating charges	(0.04)	(0.09)	(0.10)	(0.09)
Return after operating charges*	(1.01)	(40.18)	5.38	8.30
Distributions on accumulation shares	(0.78)	–	–	–
Retained distributions on accumulation shares	0.78	–	–	–
Closing net asset value per share	86.37	87.38	127.56	122.18
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(1.16)%	(31.50)%	4.40%	7.29%
Other information				
Closing net asset value (£'000)	269,121	198,581	257,395	291,356
Closing number of shares	311,607,551	227,250,065	201,789,783	238,467,926
Operating charges	0.08%	0.08%	0.08%	0.08%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	93.69	136.80	131.30	125.60
Lowest share price	83.85	71.36	111.00	100.40

[^] 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Government Bonds – 0.99% (31/10/22 – 2.67%)			
£4,000,000	UK Treasury 0.75% 22/7/2023	3,968	0.99
Total Government Bonds		3,968	0.99
Government Index-Linked Bonds – 98.69% (31/10/22 – 96.80%)			
£2,641,000	Network Rail 1.375% IL 22/11/2037	5,143	1.28
£10,427,247	UK Treasury 0.125% IL 22/3/2026	14,628	3.64
£15,965,907	UK Treasury 0.125% IL 10/8/2028	20,799	5.17
£11,747,871	UK Treasury 0.125% IL 22/3/2029	17,951	4.46
£4,198,000	UK Treasury 0.125% IL 10/8/2031	5,239	1.30
£11,414,000	UK Treasury 0.125% IL 22/11/2036	15,451	3.84
£10,024,000	UK Treasury 0.125% IL 22/3/2039	11,538	2.87
£6,658,613	UK Treasury 0.125% IL 10/8/2041	7,987	1.98
£16,068,476	UK Treasury 0.125% IL 22/3/2044	21,617	5.37
£11,864,000	UK Treasury 0.125% IL 22/3/2046	14,759	3.67
£16,338,892	UK Treasury 0.125% IL 10/8/2048	18,799	4.67
£6,033,430	UK Treasury 0.125% IL 22/3/2051	6,418	1.59
£9,239,000	UK Treasury 0.125% IL 22/11/2056	10,829	2.69
£9,755,500	UK Treasury 0.125% IL 22/3/2058	11,778	2.93
£4,087,000	UK Treasury 0.125% IL 22/11/2065	4,885	1.21
£7,253,136	UK Treasury 0.125% IL 22/3/2068	9,037	2.25
£3,603,848	UK Treasury 0.125% IL 22/3/2073	3,866	0.96
£3,197,000	UK Treasury 0.25% IL 22/3/2052	4,292	1.07
£6,458,021	UK Treasury 0.375% IL 22/3/2062	9,323	2.32
£3,350,206	UK Treasury 0.5% IL 22/3/2050	5,451	1.35
£7,732,530	UK Treasury 0.625% IL 22/3/2040	13,167	3.27
£11,474,000	UK Treasury 0.625% IL 22/11/2042	19,777	4.91
£4,079,000	UK Treasury 0.625% IL 22/3/2045	4,028	1.00
£13,102,000	UK Treasury 0.75% IL 22/3/2034	21,603	5.37
£6,795,864	UK Treasury 0.75% IL 22/11/2047	12,046	2.99
£5,153,000	UK Treasury 1.125% IL 22/11/2037	10,165	2.53
£9,382,359	UK Treasury 1.25% IL 22/11/2027	18,499	4.60
£7,203,347	UK Treasury 1.25% IL 22/11/2032	13,370	3.32
£6,942,725	UK Treasury 1.25% IL 22/11/2055	15,526	3.86
£6,541,000	UK Treasury 2% IL 26/1/2035	16,073	3.99
£5,982,690	UK Treasury 2.5% IL 17/7/2024	22,430	5.57
£3,133,000	UK Treasury 4.125% IL 22/7/2030	10,688	2.66
Total Government Index-Linked Bonds		397,162	98.69
Forward Currency Contracts – 0.00% (31/10/22 – 0.04%)			
Total value of investments		401,130	99.68
Net other assets		1,306	0.32
Total net assets		402,436	100.00

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

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	401,130	99.68	365,894	99.47
Total bonds	401,130	99.68	365,894	99.47
Forward currency contracts – assets	–	–	127	0.04
Investments as shown in the balance sheet	401,130	99.68	366,021	99.51
Forward currency contracts – liabilities	–	–	–	–
Total value of investments	401,130	99.68	366,021	99.51

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
UK Treasury 0.125% IL 22/3/2024	53,852
UK Treasury 0.125% IL 22/3/2029	43,857
UK Treasury 0.125% IL 10/8/2031	36,952
UK Treasury 1.25% IL 22/11/2027	36,609
UK Treasury 1.25% IL 22/11/2032	33,603
UK Treasury 0.125% IL 22/11/2036	30,906
UK Treasury 0.75% IL 22/11/2047	26,014
UK Treasury 0.75% IL 22/3/2034	25,919
UK Treasury 0.125% IL 10/8/2028	24,488
UK Treasury 0.125% IL 22/3/2044	23,948
Subtotal	336,148
Total cost of purchases, including the above, for the period	610,517

Significant Sales

	Proceeds £'000
UK Treasury 0.125% IL 22/3/2024	64,138
UK Treasury 0.125% IL 22/3/2029	53,433
UK Treasury 0.125% IL 10/8/2031	44,242
UK Treasury 0.75% IL 22/11/2047	37,990
UK Treasury 0.125% IL 22/11/2036	37,228
UK Treasury 1.25% IL 22/11/2027	31,850
UK Treasury 1.25% IL 22/11/2032	27,657
UK Treasury 0.125% IL 22/3/2068	26,476
UK Treasury 0.125% IL 22/3/2051	23,025
UK Treasury 0.75% IL 22/3/2034	20,079
Subtotal	366,118
Total proceeds from sales, including the above, for the period	567,504

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(26,144)		(66,368)
Revenue	19,872		12,917	
Expenses	(309)		(544)	
Interest payable and similar charges	(1)		(2)	
Net revenue before taxation	19,562		12,371	
Taxation	–		–	
Net revenue after taxation		19,562		12,371
Total deficit before distributions		(6,582)		(53,997)
Distributions		(2,619)		(2)
Change in net assets attributable to shareholders from investment activities		(9,201)		(53,999)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	401,130	366,021
Current assets:		
Debtors	882	673
Cash and bank balances	1,221	3,351
Total assets	403,233	370,045
Liabilities		
Creditors:		
Other creditors	353	2,213
Distribution payable	444	–
Total liabilities	797	2,213
Net assets attributable to shareholders	402,436	367,832

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		367,832		538,239
Amounts receivable on creation of shares	98,729		31,968	
Amounts payable on cancellation of shares	(58,120)		(62,327)	
		40,609		(30,359)
Dilution adjustment charged		201		42
Change in net assets attributable to shareholders from investment activities		(9,201)		(53,999)
Retained distributions on accumulation shares		2,995		–
Closing net assets attributable to shareholders		402,436		453,923

Distribution Table

For the six month period ended 30 April 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class M Accumulation				
Group 1	0.9512	–	0.9512	–
Group 2	0.0000	0.9512	0.9512	–
Class M Income				
Group 1	1.6225	–	1.6225	–
Group 2	0.0000	1.6225	1.6225	–
Class R Accumulation				
Group 1	0.7839	–	0.7839	–
Group 2	0.0000	0.7839	0.7839	–

Royal London UK Government Bond Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London UK Government Bond Fund, Class M Accumulation	-0.88	-13.79	-25.84	-12.61
Royal London UK Government Bond Fund, Class M Income	-0.92	-13.82	-25.83	-12.61
Royal London UK Government Bond Fund, Class R Accumulation	-0.81	-13.61	-25.18	-
Royal London UK Government Bond Fund, Class S Accumulation	-0.82	-13.66	-25.18	-
Royal London UK Government Bond Fund, Class X Income	-0.89	-13.78	-25.49	-
Royal London UK Government Bond Fund, Class Z Income	-0.88	-13.77	-25.66	-12.24
FTSE® Actuaries UK Conventional Gilts All Stocks Index	-1.04	-15.26	-28.32	-14.97
IA UK Gilt TR	-1.61	-16.12	-28.78	-15.30

Class R Accumulation launched on 4 October 2018, Class S Accumulation launched on 16 April 2019 and Class X Income launched on 31 July 2019.

Class A Income terminated 21 March 2022.

Class S Income terminated 29 September 2022.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund outperformed its benchmark, the FTSE® Actuaries UK Conventional Gilts All Stocks Index, in the six-month period despite posting negative returns. It has outperformed the benchmark over the past 12 months, three years and five year. It also outperformed the broader Investment Association UK Gilt sector over six-month, 12-month, three-year and five-year periods.

Market overview

Rising interest rates and stubbornly high inflation were the main themes for the global economy and markets over the past six months. The Federal Reserve, Bank of England (BoE) and European Central Bank all pushed interest rates higher in an attempt to control inflation, and bring it back towards target over time. By the end of the period, evidence was emerging that very high spot inflation had begun to peak as year-on-year base effects kicked in. As a result, the markets focus shifted more towards what higher terminal rates might mean for economic growth, and expectations began to build that, rate cuts would be coming by late 2023.

With inflation expected to fall as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weaknesses in these data points to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market event of note was the collapse of Silicon Valley Bank in the US and Credit Suisse in Switzerland, which drove markets to question the true strength of the banking sector, and its ability to survive higher rates. Whilst an initial flight to quality saw government bonds trade well, particularly in shorter maturities, the swift and highly targeted response of central banks and authorities soon calmed markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. Index linked markets saw a similar pattern, with UK 10-year real yields rising from -0.13% to 0.12%, with FTSE® conventional and index-linked gilt indices returning -1.04% and -1.47% respectively. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

Manager's Investment Report (continued)

Portfolio commentary

There was considerable volatility in the six-month period. The latter months of 2022 were dominated by the events around the short-lived Liz Truss premiership and the impact this had on pension funds, and in turn, gilt and cash markets. Following the change of leadership and BoE intervention, UK bond markets stabilised – meaning investors could focus more on the macro backdrop and the impact of growth, labour markets, and inflation on rates and rate expectations. This was then followed by January getting off to a strong start for fixed income markets. Mixed economic data points suggested that the actions of global central banks throughout 2022, might be starting to have an impact on global growth as economies entered 2023. February, however, was characterised by data coming in ahead of expectations, particularly in the US, with key growth indications suggesting the much-forecasted global recessions may have been avoided. This view was then challenged once again in March, with the banking sector crisis raising fears that central banks might have tightened too fast, and by too much. The back-and-forth continued in April, with growth numbers suggesting the UK may avoid a recession this year.

To counter the see-saw data, the Fund held a small strategic short duration position versus the benchmark for most of the period, which was a positive contributor to performance as yields rose – but we ended the period closer to a neutral stance. A big contributor to performance has been our cross-market positioning. Central to this was an overweight in dollar markets; notably 30-year US and Australia, versus the UK. This has been a core strategic position, which we traded tactically throughout the period.

Towards the end of the period, we took part in the 2045 index-linked syndication – buying UK real yields both outright and on breakeven. Buying outright, with real yields close to their highest levels this year, meant the Fund closed most of its remaining relative duration short ahead of the BoE meeting in May.

With yields in the UK generally higher across the board, rising the sharpest at the ultra-short and ultra-long end of the curve, our long-held steepening position in ultra-long dated 50-year maturity gilts versus 30-year maturity bonds was also positive for performance.

Investment outlook

We believe that whilst inflation will fall sharply this year, its likely to remain well above target by the end of the year, particularly in the UK. Shallow recessions are possible but are unlikely to be deep enough to ease the excessive tightness seen in labour markets. The reopening of China could add to the inflation pressures in the second half of the year. Given this view we believe markets are overoptimistic on the prospect of rate cuts and that yields will rise gradually from current levels over the first half of the year.

Having started 2022 knowing that rate rises were coming – although underestimating just how many – the market ended 2022 with the expectation that although there are still rises to come, the magnitude and speed of hikes will be more limited than those seen in 2022. In the UK, the market is expecting base rates to peak in late spring and then holding steady before starting to come down in late 2023. The fall in rates being priced into bond markets for the end of 2023 feels overly optimistic to us given the inflation profile and ongoing tightness of the labour market.

Assessing whether these expectations are realistic is obviously dependent on central banks. We believe that the BoE and other central banks will remain very focused on the labour market and the unemployment rate, as well as inflation. If labour markets are buoyant and unemployment remains relatively low, then the wage pressures we have seen in 2022 will continue for much of 2023. Headline inflation will fall in 2023 simply due to base effects, but if wage inflation remains in the 5-6% range, then even a fall in CPI back towards 3-4% will not be enough to stay the BoE's hand.

Supply will be an issue for the UK gilt market over the next few years, with around £200bn per annum forecast over each of the next five years. Alongside quantitative tightening (where the BoE is selling its gilt holdings back into the market), this will represent a headwind for gilts, and alongside elevated base rates for longer, means we are comfortable to run a strategic short duration position.

Craig Inches and Ben Nicholl
Fund Managers
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class A Income

Change in net assets per share	30/04/23 (p)	31/10/22** (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	–	89.84	95.03	92.29
Return before operating charges*	–	(5.56)	(3.65)	5.19
Operating charges	–	(0.22)	(0.58)	(0.81)
Return after operating charges*	–	(5.78)	(4.23)	4.38
Distributions on income shares	–	–	(0.96)	(1.64)
Cancellation price	–	(84.06)	–	–
Closing net asset value per share	–	–	89.84	95.03
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	–	(6.43)%	(4.45)%	4.75%
Other information				
Closing net asset value (£'000)	–	–	6,441	10,296
Closing number of shares	–	–	7,169,721	10,834,872
Operating charges	–	–	0.63%*	0.85%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	–	93.59	96.70	100.50
Lowest share price	–	83.74	86.95	89.15

** Class A Income terminated on 21 March 2022.

* The FMF was reduced from 0.85% to 0.63% on 6 November 2020.

Class M Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	102.41	129.50	135.28	128.61
Return before operating charges*	(0.29)	(26.67)	(5.19)	7.27
Operating charges	(0.15)	(0.42)	(0.59)	(0.60)
Return after operating charges*	(0.44)	(27.09)	(5.78)	6.67
Distributions on accumulation shares	(0.95)	(1.61)	(1.37)	(2.32)
Retained distributions on accumulation shares	0.95	1.61	1.37	2.32
Closing net asset value per share	101.97	102.41	129.50	135.28
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.43)%	(20.92)%	(4.27)%	5.19%
Other information				
Closing net asset value (£'000)	178,492	155,377	213,380	266,981
Closing number of shares	175,045,189	151,721,668	164,776,208	197,349,094
Operating charges	0.30%	0.30%*	0.45%	0.45%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	107.50	134.90	137.70	140.30
Lowest share price	100.20	92.06	124.70	124.50

* The FMF was reduced from 0.45% to 0.30% on 21 March 2022.

Comparative Tables (continued)

Class M Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	84.22	108.10	114.13	110.37
Return before operating charges*	(0.22)	(22.19)	(4.38)	6.25
Operating charges	(0.13)	(0.35)	(0.50)	(0.51)
Return after operating charges*	(0.35)	(22.54)	(4.88)	5.74
Distributions on income shares	(0.78)	(1.34)	(1.15)	(1.98)
Closing net asset value per share	83.09	84.22	108.10	114.13
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.42)%	(20.85)%	(4.28)%	5.20%
Other information				
Closing net asset value (£'000)	15,838	15,699	21,668	26,899
Closing number of shares	19,061,864	18,639,712	20,043,887	23,568,348
Operating charges	0.30%	0.30%*	0.45%	0.45%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	88.44	112.60	116.20	120.40
Lowest share price	82.39	76.38	104.60	106.80

* The FMF was reduced from 0.45% to 0.30% on 21 March 2022.

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	90.29	113.86	118.51	112.26
Return before operating charges*	(0.25)	(23.48)	(4.55)	6.36
Operating charges	(0.04)	(0.09)	(0.10)	(0.11)
Return after operating charges*	(0.29)	(23.57)	(4.65)	6.25
Distributions on accumulation shares	(0.83)	(1.42)	(1.20)	(2.03)
Retained distributions on accumulation shares	0.83	1.42	1.20	2.03
Closing net asset value per share	90.00	90.29	113.86	118.51
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.32)%	(20.70)%	(3.92)%	5.57%
Other information				
Closing net asset value (£'000)	569,412	531,966	512,849	622,974
Closing number of shares	632,685,788	589,182,476	450,431,845	525,673,233
Operating charges	0.09%	0.09%	0.09%	0.09%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	94.82	118.70	120.70	122.60
Lowest share price	88.39	81.15	109.60	108.80

Comparative Tables (continued)

Class S Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	86.47	109.06	113.53	107.56
Return before operating charges*	(0.24)	(22.50)	(4.36)	6.09
Operating charges	(0.04)	(0.09)	(0.11)	(0.12)
Return after operating charges*	(0.28)	(22.59)	(4.47)	5.97
Distributions on accumulation shares	(0.80)	(1.36)	(1.15)	(1.94)
Retained distributions on accumulation shares	0.80	1.36	1.15	1.94
Closing net asset value per share	86.19	86.47	109.06	113.53
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.32)%	(20.71)%	(3.94)%	5.55%
Other information				
Closing net asset value (£'000)	4	4	6	6
Closing number of shares	5,000	5,000	5,000	5,000
Operating charges	0.10%	0.10%	0.10%	0.10%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	90.82	113.70	115.60	117.50
Lowest share price	84.65	77.73	105.00	104.20

Class S Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21** (p)	31/10/20 (p)
Opening net asset value per share	–	–	110.32	106.30
Return before operating charges*	–	–	(5.30)	6.04
Operating charges	–	–	(0.10)	(0.11)
Return after operating charges*	–	–	(5.40)	5.93
Distributions on income shares	–	–	(0.62)	(1.91)
Cancellation price	–	–	(104.30)	–
Closing net asset value per share	–	–	–	110.32
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	–	–	(4.89)%	5.58%
Other information				
Closing net asset value (£'000)	–	–	–	8,061
Closing number of shares	–	–	–	7,307,113
Operating charges	–	–	–	0.10%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	–	–	112.30	116.10
Lowest share price	–	–	102.70	103.00

** Class S Income terminated on 29 September 2021.

Comparative Tables (continued)

Class X Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	78.34	100.44	105.84	102.14
Return before operating charges*	(0.21)	(20.62)	(4.07)	5.79
Operating charges	(0.10)	(0.23)	(0.26)	(0.26)
Return after operating charges*	(0.31)	(20.85)	(4.33)	5.53
Distributions on income shares	(0.72)	(1.25)	(1.07)	(1.83)
Closing net asset value per share	77.31	78.34	100.44	105.84
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.40)%	(20.76)%	(4.09)%	5.41%
Other information				
Closing net asset value (£'000)	32,211	29,563	46,663	47,965
Closing number of shares	41,667,461	37,736,224	46,457,586	45,319,805
Operating charges	0.25%	0.25%	0.25%	0.25%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	82.27	104.70	107.70	111.50
Lowest share price	76.65	71.05	97.20	98.92

Class Z Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	74.01	94.96	100.17	96.77
Return before operating charges*	(0.21)	(19.53)	(3.86)	5.48
Operating charges	(0.09)	(0.24)	(0.34)	(0.35)
Return after operating charges*	(0.30)	(19.77)	(4.20)	5.13
Distributions on income shares	(0.68)	(1.18)	(1.01)	(1.73)
Closing net asset value per share	73.03	74.01	94.96	100.17
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.41)%	(20.82)%	(4.19)%	5.30%
Other information				
Closing net asset value (£'000)	147,723	42,232	69,964	32,560
Closing number of shares	202,275,069	57,064,227	73,675,238	32,506,565
Operating charges	0.25%	0.25% ⁺	0.35%	0.35%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	77.72	98.92	102.00	105.60
Lowest share price	72.41	67.12	91.90	93.70

* The FMF was reduced from 0.35% to 0.20% on 21 March 2022.

[^] 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Certificates of Deposit – 1.67% (31/10/22 – 2.30%)			
£2,000,000	ABN AMRO Asset Management 0.00% 20/2/2024	1,921	0.20
£2,000,000	Barclays 4.72% 8/2/2024	1,995	0.21
£2,000,000	Barclays 4.69% 15/2/2024	1,994	0.21
£2,000,000	Cooperative Rabobank 4.62% 15/2/2024	1,992	0.21
£2,000,000	Credit Industrial et Commercial 0% 28/9/2023	1,959	0.21
£2,000,000	Credit Industrial et Commercial 4.72% 15/2/2024	1,990	0.21
£2,000,000	Natixis Securities 0% 14/2/2024	1,919	0.21
£2,000,000	Standard Chartered Bank 4.67% 16/2/2024	1,991	0.21
Total Certificates of Deposit		15,761	1.67
Commercial Papers – 0.00% (31/10/22 – 0.26%)			
Corporate Bonds – 1.19% (31/10/22 – 2.60%)			
£2,395,000	Lloyds Bank 5.125% 7/3/2025	2,393	0.25
£2,590,000	OP Corporate Bank 3.375% 14/1/2026	2,467	0.26
£5,788,000	PRS Finance 1.75% 24/11/2026	4,991	0.53
£2,600,000	University of Oxford 2.544% 8/12/2117	1,380	0.15
Total Corporate Bonds		11,231	1.19
Government Bonds – 94.33% (31/10/22 – 93.17%)			
£2,670,000	CPPIB Capital 0.875% 17/12/2024	2,506	0.27
£6,402,000	Jersey International Bond 2.875% 6/5/2052	4,440	0.47
£20,533,000	UK Treasury 0% 12/6/2023	20,434	2.16
£8,213,000	UK Treasury 0% 24/7/2023	8,130	0.86
£10,266,000	UK Treasury 0% 25/9/2023	10,080	1.07
£46,738,000	UK Treasury 0.125% 31/1/2024	45,333	4.80
£116,395,000	UK Treasury 0.25% 31/1/2025	108,729	11.52
£17,482,000	UK Treasury 0.25% 31/7/2031	13,280	1.41
£25,523,000	UK Treasury 0.375% 22/10/2026	22,696	2.40
£120,450,000	UK Treasury 0.5% 31/1/2029	100,519	10.65
£2,448,000	UK Treasury 0.5% 22/10/2061	818	0.09
£51,306,000	UK Treasury 0.625% 31/7/2035	35,273	3.74
£16,773,000	UK Treasury 0.75% 22/7/2023	16,639	1.76
£67	UK Treasury 0.875% 22/10/2029*	–	–
£30,340,000	UK Treasury 0.875% 31/7/2033	22,989	2.44
£14,251,000	UK Treasury 0.875% 31/1/2046	7,512	0.80
£7,661,000	UK Treasury 1% 22/4/2024	7,421	0.79
£4,122,000	UK Treasury 1% 31/1/2032	3,303	0.35
£82,179,000	UK Treasury 1.125% 31/1/2039	54,541	5.78
£26,717,000	UK Treasury 1.25% 22/10/2041	17,056	1.81
£40,143,000	UK Treasury 1.25% 31/7/2051	21,371	2.26
£48,259,000	UK Treasury 1.5% 22/7/2047	29,152	3.09
£58,807,000	UK Treasury 1.5% 31/7/2053	32,853	3.48
£32,320,000	UK Treasury 1.625% 22/10/2054	18,553	1.97
£15,611,000	UK Treasury 1.625% 22/10/2071	8,170	0.87
£77,282,000	UK Treasury 1.75% 7/9/2037	58,688	6.22
£29,568,000	UK Treasury 1.75% 22/7/2057	17,350	1.84
£12,457,000	UK Treasury 2.5% 22/7/2065	8,855	0.94
£20,100,000	UK Treasury 3.25% 22/1/2044	17,707	1.88
£11,803,000	UK Treasury 3.5% 22/1/2045	10,765	1.14
£2,210,000	UK Treasury 3.5% 22/7/2068	2,022	0.21
£4,515,000	UK Treasury 3.75% 22/7/2052	4,271	0.45
£1,229,000	UK Treasury 3.75% 22/10/2053	1,157	0.12
£124,483,000	UK Treasury 4.125% 29/1/2027	125,235	13.27
£4,960,000	UK Treasury 4.25% 7/12/2040	5,084	0.54
£9,931,000	UK Treasury 4.25% 7/12/2046	10,131	1.07
£10,977,000	UK Treasury 4.25% 7/12/2049	11,246	1.19
£5,657,000	UK Treasury 4.25% 7/12/2055	5,874	0.62
Total Government Bonds		890,183	94.33

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Government Index-Linked Bonds – 1.54% (31/10/22 – 0.00%)			
£5,346,000	UK Treasury 0.125% IL 22/3/2044	7,192	0.76
£7,452,000	UK Treasury 0.625% IL 22/3/2045	7,360	0.78
Total Government Index-Linked Bonds		14,552	1.54
Forward Currency Contracts – 0.00% (31/10/22 – 0.07%)			
Total value of investments			
		931,727	98.73
Net other assets			
		11,953	1.27
Total net assets			
		943,680	100.00

* Value less than £1,000

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

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	915,966	97.06	742,072	95.77
Total bonds	915,966	97.06	742,072	95.77
Certificates of deposit	15,761	1.67	17,797	2.30
Commercial paper	–	–	1,981	0.26
Forward currency contracts – assets	–	–	575	0.07
Investments as shown in the balance sheet	931,727	98.73	762,425	98.40

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
UK Treasury 4.125% 29/1/2027	125,276
UK Treasury 0.5% 31/1/2029	80,587
UK Treasury 1.75% 7/9/2037	59,073
UK Treasury 1.25% 31/7/2051	57,980
UK Treasury 1.125% 31/1/2039	55,823
UK Treasury 3.75% 29/1/2038	37,960
UK Treasury 0.75% 22/7/2023	30,324
UK Treasury 0.25% 31/1/2025	29,357
UK Treasury 1.5% 31/7/2053	29,049
UK Treasury 0.625% 31/7/2035	25,432
Subtotal	530,861
Total cost of purchases, including the above, for the period	917,239

Significant Sales

	Proceeds £'000
UK Treasury 0.375% 22/10/2026	71,496
UK Treasury 1.25% 31/7/2051	53,534
UK Treasury 3.75% 29/1/2038	39,525
UK Treasury 1.75% 7/9/2037	38,604
US Treasury 0.125% 15/1/2024	29,916
UK Treasury 0.375% 22/10/2030	29,385
UK Treasury 0.125% 31/1/2023	25,487
UK Treasury 4.5% 7/9/2034	21,698
UK Treasury 4.25% 7/12/2040	21,640
UK Treasury 0.125% 31/1/2024	20,225
Subtotal	351,510
Total proceeds from sales, including the above, for the period	734,525

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(16,535)		(80,160)
Revenue	13,546		3,875	
Expenses	(656)		(802)	
Interest payable and similar charges	(8)		(1)	
Net revenue before taxation	12,882		3,072	
Taxation	–		–	
Net revenue after taxation		12,882		3,072
Total deficit before distributions		(3,653)		(77,088)
Distributions		(7,781)		(4,848)
Change in net assets attributable to shareholders from investment activities		(11,434)		(81,936)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	931,727	762,425
Current assets:		
Debtors	20,889	31,105
Cash and bank balances	8,197	6,248
Total assets	960,813	799,778
Liabilities		
Creditors:		
Other creditors	15,300	24,162
Distribution payable	1,833	775
Total liabilities	17,133	24,937
Net assets attributable to shareholders	943,680	774,841

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		774,841		870,971
Amounts receivable on creation of shares	285,709		243,642	
Amounts payable on cancellation of shares	(112,610)		(314,365)	
		173,099		(70,723)
Dilution adjustment charged		235		97
Change in net assets attributable to shareholders from investment activities		(11,434)		(81,936)
Unclaimed distributions		1		–
Retained distributions on accumulation shares		6,938		3,686
Closing net assets attributable to shareholders		943,680		722,095

Distribution Table

For the six month period ended 30 April 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class M Accumulation				
Group 1	0.9463	–	0.9463	0.7154
Group 2	0.4068	0.5395	0.9463	0.7154
Class M Income				
Group 1	0.7782	–	0.7782	0.5972
Group 2	0.4163	0.3619	0.7782	0.5972
Class R Accumulation				
Group 1	0.8348	–	0.8348	0.6296
Group 2	0.3623	0.4725	0.8348	0.6296
Class S Accumulation				
Group 1	0.7994	–	0.7994	0.6030
Group 2	0.7994	0.0000	0.7994	0.6030
Class X Income				
Group 1	0.7240	–	0.7240	0.5552
Group 2	0.4051	0.3189	0.7240	0.5552
Class Z Income				
Group 1	0.6839	–	0.6839	0.5244
Group 2	0.2276	0.4563	0.6839	0.5244

Royal London Short Term Fixed Income Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Short Term Fixed Income Fund, Class R Accumulation	2.19	2.61	3.50	–
Royal London Short Term Fixed Income Fund, Class S Accumulation	2.19	2.61	3.50	–
Royal London Short Term Fixed Income Fund, Class S Income	2.19	2.61	3.50	–
Royal London Short Term Fixed Income Fund, Class X Income	2.15	2.53	3.25	4.96
Royal London Short Term Fixed Income Fund, Class Y Accumulation	2.13	2.48	3.13	4.75
Royal London Short Term Fixed Income Fund, Class Y Income	2.13	2.48	3.13	4.75
Royal London Short Term Fixed Income Fund, Class Z Accumulation	2.19	2.61	3.50	5.37
Royal London Short Term Fixed Income Fund, Class Z Income	2.19	2.61	3.50	5.37
Sterling Overnight Index Average Rate (SONIA)	1.76	2.51	2.77	3.94
Sterling Overnight Index Average Rate (SONIA) + 0.5% p.a.	2.01	3.01	4.27	6.44

Class R Accumulation launched on 6 September 2018, Class S Income launched on 9 April 2019 and Class S Accumulation launched on 21 June 2019. Class X Accumulation launched on 31 March 2023, therefore 6 month performance is not available.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund delivered positive returns for the period under review, also outperforming the benchmark Sterling Overnight Index Average Rate (SONIA).

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England (BoE) and European Central Bank all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data prints either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and Swiss regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

UK money markets saw mixed moves on yields, with short rates moving higher with BoE rate increases, while longer tenors generally moved slightly lower by the end of the period due to expectations that the BoE was at or near to a peak in the current interest rate cycle. SONIA started the period at 2.18% and ended at 4.18%. Two-year gilts, often seen as a proxy for market expectations of BoE rates, increased from 3.26% to 3.78%, albeit with lows of less than 3% and highs of over 4% during the six months.

Manager's Investment Report (continued)

Portfolio commentary

The period was dominated by two themes: the ongoing tightening of monetary policy by major central banks, and the concerns over the strength of the global financial system. Although these dominated headlines, we did not make any major changes to our strategy over the period as a direct result of these. On central bank action, the moves by the BoE were in line with our expectations, while in the banking sector, we have an ongoing, proven process for assessing banks that differentiates between those where we are happy to use for overnight deposits or subordinated debt, and those that we will only consider senior bonds. The Fund had no exposure of any kind to Silicon Valley Bank or Credit Suisse.

The run-up to year end always causes small distortions in the market as investors look to extend beyond the 31 December. With the start of the new year, we saw this effect unwind somewhat. This effect, as well as the further rate hikes from the BoE meant that we were able to increase portfolio yield. The yield built into the portfolio and the mix of assets used, led to strong performance for the period.

Activity was focused on Fund flows, with the uncertainty in the financial system leading to outflows from the Fund in March. The Fund places an emphasis on high quality exposure in money market instruments and covered bonds, meaning we were able to meet investors' increased need for cash without having to sell at distressed prices or focus our sales on one particular part of the market and hence changing the shape of the portfolios and thus disadvantaging other investors.

Covered bonds still account for the majority of non-money market exposure. These were helpful for returns over the period with tighter credit spreads, while the high overall portfolio yield was also helpful. The main activity seen over the period was trimming that covered exposure slightly. Following strong performance from many of these, yields on many covereds at 12-24 months to maturity were looking less attractive given the performance objective of the Fund. We recycled some of these proceeds into longer-dated new issue covered bonds from TSB and Royal Bank of Canada.

Investment outlook

Market attention is invariably focused on where the peak is for UK base rates, and how quickly we get there. We believe that this is less important than what happens once we get there. Current market pricing suggests that rates will start to fall not long after that peak is reached. As a result, the premium for buying longer-dated money market instruments is lower. We feel that there is no compelling case to extend maturities on a wholesale basis as we believe that inflation will be stickier than expected and that rates may need to spend some time at or near the eventual peak. In practical terms, that means we remain comfortable with money market exposure focused on three-four month CDs, adding selectively to longer paper but also adding to floating rate CDs where available as these reduce rate risk and in the 6-12 part of the market, are yielding an attractive excess over SONIA.

Adding to floating CDs, and to covered bonds where available, helps immunise some of the uncertainty around future rate moves, while helping us deliver against yield objectives and helping us mitigate risk more generally through the level of the diversification we have built into all strategies. For funds such as this one that can accept more credit risk, we are being somewhat cautious – not on a view that credit risk is inherently bad, but because with yields at more attractive levels generally and spreads somewhat compressed, we want to be much more targeted when adding covered bonds to ensure that the Fund receives adequate additional premium for the risk taken.

Craig Inches and Tony Cole

Fund Managers

Royal London Asset Management Limited

30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class M Income

Change in net assets per share	30/04/23** (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	101.32	102.08	102.16	101.84
Return before operating charges*	0.06	0.35	0.25	1.14
Operating charges	–	(0.26)	(0.26)	(0.26)
Return after operating charges*	0.06	0.09	(0.01)	0.88
Distributions on income shares	–	(0.85)	(0.07)	(0.56)
Cancellation price	(101.38)	–	–	–
Closing net asset value per share	–	101.32	102.08	102.16
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.06%	0.09%	(0.01)%	0.86%
Other information				
Closing net asset value (£'000)	–	24,723	33,012	28,422
Closing number of shares	–	24,400,759	32,338,802	27,820,150
Operating charges	–	0.25%	0.25%	0.25%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	101.38	102.20	102.30	102.30
Lowest share price	101.38	101.55	102.11	101.50

** Class M Income merged into Class Y Income on 1 November 2022.

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	102.78	102.47	102.26	101.15
Return before operating charges*	2.29	0.34	0.24	1.14
Operating charges	(0.02)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.27	0.31	0.21	1.11
Distributions on accumulation shares	(1.74)	(1.08)	(0.29)	(0.78)
Retained distributions on accumulation shares	1.74	1.08	0.29	0.78
Closing net asset value per share	105.05	102.78	102.47	102.26
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.21%	0.30%	0.21%	1.10%
Other information				
Closing net asset value (£'000)	2,660,717	4,087,179	4,576,024	3,869,399
Closing number of shares	2,532,853,310	3,976,479,397	4,465,808,123	3,783,938,651
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	105.08	102.82	102.58	102.30
Lowest share price	102.83	102.27	102.31	101.10

Comparative Tables (continued)

Class S Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	101.94	101.62	101.41	100.32
Return before operating charges*	2.26	0.35	0.24	1.12
Operating charges	(0.02)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.24	0.32	0.21	1.09
Distributions on accumulation shares	(1.73)	(1.07)	(0.29)	(0.77)
Retained distributions on accumulation shares	1.73	1.07	0.29	0.77
Closing net asset value per share	104.18	101.94	101.62	101.41
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.20%	0.31%	0.21%	1.09%
Other information				
Closing net asset value (£'000)	155,400	88,634	497,360	101,179
Closing number of shares	149,162,407	86,950,845	489,417,802	99,767,208
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	104.21	101.98	101.73	101.50
Lowest share price	101.98	101.42	101.47	100.30

Class S Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	99.54	100.29	100.37	100.05
Return before operating charges*	2.20	0.33	0.24	1.12
Operating charges	(0.01)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.19	0.30	0.21	1.09
Distributions on income shares	(1.68)	(1.05)	(0.29)	(0.77)
Closing net asset value per share	100.05	99.54	100.29	100.37
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.20%	0.30%	0.21%	1.09%
Other information				
Closing net asset value (£'000)	46,929	46,941	47,306	57,835
Closing number of shares	46,907,261	47,157,144	47,169,733	57,621,963
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	101.01	100.43	100.56	100.50
Lowest share price	99.58	99.79	100.37	99.71

Class X Accumulation

Change in net assets per share	30/04/23** (p)
Opening net asset value per share	100.00
Return before operating charges*	0.33
Operating charges	(0.01)
Return after operating charges*	0.32
Distributions on accumulation shares	(0.33)
Retained distributions on accumulation shares	0.33
Closing net asset value per share	100.32
* after direct transaction costs of:	–
Performance	
Return after charges	0.32%
Other information	
Closing net asset value (£'000)	2
Closing number of shares	2,500
Operating charges	0.11%
Direct transaction costs	–
Prices*	
Highest share price	100.35
Lowest share price	100.02

** Class X Accumulation launched on 31 March 2023.

Class X Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	99.53	100.27	100.35	100.03
Return before operating charges*	2.19	0.34	0.24	1.12
Operating charges	(0.05)	(0.11)	(0.11)	(0.11)
Return after operating charges*	2.14	0.23	0.13	1.01
Distributions on income shares	(1.64)	(0.97)	(0.21)	(0.69)
Closing net asset value per share	100.03	99.53	100.27	100.35
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.15%	0.23%	0.13%	1.01%
Other information				
Closing net asset value (£'000)	126,196	84,066	74,855	179,393
Closing number of shares	126,156,789	84,466,293	74,651,323	178,762,432
Operating charges	0.11%	0.11%	0.11%	0.11%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	100.97	100.40	100.52	100.50
Lowest share price	99.57	99.77	100.34	99.68

Comparative Tables (continued)

Class Y Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	104.76	104.56	104.47	103.47
Return before operating charges*	2.32	0.36	0.25	1.16
Operating charges	(0.08)	(0.16)	(0.16)	(0.16)
Return after operating charges*	2.24	0.20	0.09	1.00
Distributions on accumulation shares	(1.71)	(0.98)	(0.17)	(0.67)
Retained distributions on accumulation shares	1.71	0.98	0.17	0.67
Closing net asset value per share	107.00	104.76	104.56	104.47
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.14%	0.19%	0.09%	0.97%
Other information				
Closing net asset value (£'000)	728,365	693,117	1,058,933	1,029,667
Closing number of shares	680,690,625	661,627,135	1,012,720,788	985,566,138
Operating charges	0.15%	0.15%	0.15%	0.15%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	107.03	104.80	104.69	104.50
Lowest share price	104.80	104.31	104.53	103.30

Class Y Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	99.62	100.37	100.45	100.13
Return before operating charges*	2.20	0.34	0.24	1.12
Operating charges	(0.07)	(0.15)	(0.15)	(0.15)
Return after operating charges*	2.13	0.19	0.09	0.97
Distributions on income shares	(1.62)	(0.94)	(0.17)	(0.65)
Closing net asset value per share	100.13	99.62	100.37	100.45
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.14%	0.19%	0.09%	0.97%
Other information				
Closing net asset value (£'000)	466,972	371,236	458,433	493,406
Closing number of shares	466,373,146	372,642,584	456,744,322	491,194,203
Operating charges	0.15%	0.15%	0.15%	0.15%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	101.06	100.49	100.61	100.60
Lowest share price	99.66	99.86	100.43	99.77

Comparative Tables (continued)

Class Z Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	108.72	108.39	108.17	107.01
Return before operating charges*	2.42	0.36	0.25	1.19
Operating charges	(0.02)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.40	0.33	0.22	1.16
Distributions on accumulation shares	(1.84)	(1.14)	(0.31)	(0.82)
Retained distributions on accumulation shares	1.84	1.14	0.31	0.82
Closing net asset value per share	111.12	108.72	108.39	108.17
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.21%	0.30%	0.20%	1.08%
Other information				
Closing net asset value (£'000)	90	88	19,619	14,521
Closing number of shares	80,845	80,845	18,100,443	13,424,061
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	111.15	108.76	108.51	108.20
Lowest share price	108.77	108.18	105.22	106.90

Class Z Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	100.26	101.01	101.09	100.77
Return before operating charges*	2.22	0.34	0.24	1.12
Operating charges	(0.02)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.20	0.31	0.21	1.09
Distributions on income shares	(1.69)	(1.06)	(0.29)	(0.77)
Closing net asset value per share	100.77	100.26	101.01	101.09
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.19%	0.31%	0.21%	1.08%
Other information				
Closing net asset value (£'000)	3,000	2,985	3,007	3,009
Closing number of shares	2,976,891	2,976,891	2,976,891	2,976,891
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	101.74	101.15	101.29	101.30
Lowest share price	100.30	100.51	101.10	100.40

[^] 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Certificates of Deposit – 41.42% (31/10/22 – 35.93%)			
£99,915,688	ABN AMRO Bank 0% 5/5/2023	99,916	2.39
£22,092,745	ABN AMRO Bank 0% 20/2/2024	22,093	0.53
£29,732,860	Bank of Montreal 0% 13/7/2023	29,733	0.71
£74,692,293	Barclays 3.35% 18/8/2023	74,692	1.78
£49,874,382	Barclays 4.72% 8/2/2024	49,874	1.19
£33,254,408	Barclays 4.74% 9/2/2024	33,254	0.79
£7,517,460	Barclays 5.38% 11/10/2023	7,517	0.18
£99,900,100	BNP Paribas 4.42% 4/8/2023	99,900	2.39
£49,923,804	Commonwealth Bank of Australia 4.82% 10/1/2024	49,924	1.19
£74,953,297	Cooperative Rabobank 4.83% 1/11/2023	74,953	1.79
£29,239,313	Crédit Industriel et Commercial 0% 1/11/2023	29,239	0.70
£47,920,125	Crédit Industriel et Commercial 0% 20/2/2024	47,920	1.14
£49,901,015	DNB Bank 4.78% 22/11/2023	49,901	1.19
£49,880,042	Goldman Sachs 0% 19/5/2023	49,880	1.19
£48,015,924	ING Bank 0% 13/2/2024	48,016	1.15
£14,934,158	ING Bank 3% 1/8/2023	14,934	0.36
£148,492,026	Lloyds Bank 0% 17/7/2023	148,492	3.55
£25,027,012	Lloyds Bank Corporate Markets SONIA 4/8/2023	25,027	0.60
£59,952,600	National Bank of Abu Dhabi 4.46% 7/8/2023	59,953	1.43
£64,945,926	National Bank of Abu Dhabi 4.5% 1/8/2023	64,946	1.55
£62,806,671	National Bank of Abu Dhabi 4.58% 9/11/2023	62,807	1.50
£49,864,562	National Westminster Bank 4.85% 16/1/2024	49,865	1.19
£49,760,284	Natixis Securities 4.72% 22/2/2024	49,760	1.19
£34,921,524	Nordea Bank 3.05% 23/6/2023	34,922	0.83
£49,914,182	Nordea Bank 4.71% 22/11/2023	49,914	1.19
£39,949,667	Nordea Bank 4.83% 22/1/2024	39,950	0.95
£50,040,289	Nordea Bank SONIA 31/7/2023	50,040	1.19
£9,957,712	Skandinaviska Enskilda Banken 3.55% 25/8/2023	9,958	0.24
£9,958,317	Societe General 3.64% 22/8/2023	9,958	0.24
£49,912,555	Societe General 4.49% 8/9/2023	49,913	1.19
£49,936,275	Standard Chartered Bank 2.22% 19/5/2023	49,936	1.19
£37,963,394	Toronto Dominion Bank 0% 2/5/2024	37,963	0.91
£99,738,428	Toronto Dominion Bank 5.14% 15/4/2024	99,738	2.38
£49,885,564	UBS 4.83% 22/11/2023	49,886	1.19
£9,976,613	UBS 4.86% 7/12/2023	9,977	0.24
Total Certificates of Deposit		1,734,751	41.42
Commercial Papers – 3.44% (31/10/22 – 4.99%)			
£114,565,025	Macquarie Bank 0% 30/5/2023	114,565	2.74
£29,429,841	OP Corporate Bank 0% 26/9/2023	29,430	0.70
Total Commercial Papers		143,995	3.44

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 51.30% (31/10/22 – 55.09%)			
£113,657,280	Aareal Bank FRN 29/4/2025	113,657	2.71
£75,665,645	Bank of Montreal FRN 9/6/2025	75,666	1.81
£96,144,370	Bank of Montreal FRN 15/9/2026	96,144	2.30
£47,802,015	Bank of Nova Scotia FRN 9/11/2024	47,802	1.14
£51,062,636	Bank of Nova Scotia FRN 14/3/2025	51,063	1.22
£105,140,934	Bank of Nova Scotia FRN 22/6/2026	105,141	2.51
£4,963,920	Banque Fédérative du Crédit Mutuel FRN 26/1/2025	4,964	0.12
£70,607,994	Canadian Imperial Bank of Commerce FRN 9/6/2025	70,608	1.69
£13,997,340	Canadian Imperial Bank of Commerce FRN 30/6/2025	13,997	0.33
£116,625,458	Canadian Imperial Bank of Commerce FRN 23/6/2026	116,625	2.78
£35,160,691	Clydesdale Bank FRN 22/3/2026	35,161	0.84
£55,168,877	Commonwealth Bank of Australia FRN 16/1/2025	55,169	1.32
£102,607,200	CPPIB Capital FRN 15/6/2026	102,607	2.45
£116,550,003	DBS Bank FRN 17/11/2025	116,550	2.78
£46,185,193	Deutsche Pfandbriefbank FRN 29/9/2023	46,185	1.10
£133,173,739	Deutsche Pfandbriefbank FRN 26/4/2024	133,174	3.18
£6,834,520	DNB Bank 1.625% 15/12/2023	6,835	0.16
£69,855,741	Leeds Building Society FRN 15/9/2026	69,856	1.67
£49,253,023	National Australia Bank FRN 4/2/2025	49,253	1.18
£105,373,177	National Bank of Canada FRN 5/5/2026	105,373	2.52
£36,431,738	Nationwide Building Society FRN 20/4/2026	36,432	0.87
£12,501,375	OP Corporate Bank FRN 18/11/2025	12,501	0.30
£33,411,032	Royal Bank of Canada FRN 3/10/2024	33,411	0.80
£7,993,680	Royal Bank of Canada FRN 30/1/2025	7,994	0.19
£111,332,540	Royal Bank of Canada FRN 13/7/2026	111,333	2.66
£50,120,000	Royal Bank of Canada FRN 18/1/2028	50,120	1.20
£79,861,280	Santander UK FRN 12/3/2026	79,861	1.91
£48,973,551	Toronto Dominion Bank FRN 22/4/2025	48,974	1.17
£145,380,038	TSB Bank FRN 14/2/2027	145,380	3.47
£20,670,110	UK Municipal Bonds Agency Finance FRN 12/3/2025	20,670	0.49
£163,103,004	United Overseas Bank FRN 21/9/2026	163,103	3.89
£22,562,025	Westpac Banking Corporation FRN 16/3/2026	22,562	0.54
Total Corporate Bonds		2,148,171	51.30
Government Bonds – 2.05% (31/10/22 – 0.42%)			
£11,385,439	UK Treasury 0% 15/5/2023	11,385	0.27
£49,883,000	UK Treasury 0% 22/5/2023	49,883	1.19
£24,426,872	UK Treasury 0% 30/10/2023	24,427	0.59
Total Government Bonds		85,695	2.05
Total value of investments		4,112,612	98.21
Net other assets		75,059	1.79
Total net assets		4,187,671	100.00

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

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	2,233,866	53.35	2,996,711	55.51
Total bonds	2,233,866	53.35	2,996,711	55.51
Certificates of deposit	1,734,751	41.42	1,940,027	35.93
Commercial paper	143,995	3.44	269,415	4.99
Investments as shown in the balance sheet	4,112,612	98.21	5,206,153	96.43

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
Nordea Bank 3.94% 15/3/2023	175,000
TSB Bank FRN 14/2/2027	165,229
Barclays 4.18% 20/4/2023	150,000
Nationwide Building Society 4.17% 27/4/2023	150,000
Lloyds Bank 0% 17/7/2023	146,833
Santander UK 4.18% 5/4/2023	125,000
Santander UK 4.18% 12/4/2023	125,000
Santander UK 4.18 27/4/2023	125,000
BNP Paribas 4.42% 4/8/2023	100,000
Toronto Dominion Bank 5.14% 15/4/2024	100,000
Subtotal	1,362,062
Total cost of purchases, including the above, for the period	2,920,523

Significant Sales

	Proceeds £'000
Nordea Bank 3.94% 15/3/2023	175,000
Barclays 4.18% 20/4/2023	150,000
Nationwide Building Society 4.17% 27/4/2023	150,000
Santander UK 4.18% 5/4/2023	125,000
Santander UK 4.18% 12/4/2023	125,000
Santander UK 4.18 27/4/2023	125,000
TSB Bank FRN 15/2/2024	116,472
DZ Bank 2.10% 28/4/2023	114,784
Cooperative Rabobank 0.88% 17/1/2023	110,000
Natixis Securities 0.82% 4/11/2022	100,000
Subtotal	1,291,256
Total proceeds from sales, including the above, for the period	4,043,721

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		26,351		(24,160)
Revenue	84,764		18,991	
Expenses	(1,453)		(1,979)	
Interest payable and similar charges	(1)		(4)	
Net revenue before taxation	83,310		17,008	
Taxation	–		–	
Net revenue after taxation		83,310		17,008
Total return/(deficit) before distributions		109,661		(7,152)
Distributions		(83,295)		(17,009)
Change in net assets attributable to shareholders from investment activities		26,366		(24,161)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	4,112,612	5,206,153
Current assets:		
Debtors	60,070	50,147
Cash and bank balances	85,390	148,077
Total assets	4,258,072	5,404,377
Liabilities		
Creditors:		
Other creditors	64,558	3,133
Distribution payable	5,843	2,275
Total liabilities	70,401	5,408
Net assets attributable to shareholders	4,187,671	5,398,969

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		5,398,969		6,768,549
Amounts receivable on creation of shares	449,819		755,405	
Amounts payable on cancellation of shares	(1,754,906)		(481,864)	
		(1,305,087)		273,541
Dilution adjustment charged		669		106
Change in net assets attributable to shareholders from investment activities		26,366		(24,161)
Retained distributions on accumulation shares		66,754		16,117
Closing net assets attributable to shareholders		4,187,671		7,034,152

Distribution Tables

For the six month period ended 30 April 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 31 January 2023

	Net income	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
Class M Income*				
Group 1	–	–	–	0.0335
Group 2	–	–	–	0.0335
Class R Accumulation				
Group 1	0.7703	–	0.7703	0.0905
Group 2	0.4215	0.3488	0.7703	0.0905
Class S Accumulation				
Group 1	0.7640	–	0.7640	0.0898
Group 2	0.1851	0.5789	0.7640	0.0898
Class S Income				
Group 1	0.7460	–	0.7460	0.0886
Group 2	0.7460	0.0000	0.7460	0.0886
Class X Income				
Group 1	0.7256	–	0.7256	0.0682
Group 2	0.4460	0.2796	0.7256	0.0682
Class Y Accumulation				
Group 1	0.7531	–	0.7531	0.0607
Group 2	0.4289	0.3242	0.7531	0.0607
Class Y Income				
Group 1	0.7162	–	0.7162	0.0582
Group 2	0.4294	0.2868	0.7162	0.0582
Class Z Accumulation				
Group 1	0.8150	–	0.8150	0.0957
Group 2	0.8150	0.0000	0.8150	0.0957
Class Z Income				
Group 1	0.7514	–	0.7514	0.0892
Group 2	0.7514	0.0000	0.7514	0.0892

* Class M Income merged into Class Y Income on 1 November 2022.

Distribution Tables (continued)

For the six month period ended 30 April 2023

Distribution in pence per share**Second Interim**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased between 1 February 2023 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class M Income*				
Group 1	–	–	–	0.1220
Group 2	–	–	–	0.1220
Class R Accumulation				
Group 1	0.9718	–	0.9718	0.1775
Group 2	0.2904	0.6814	0.9718	0.1775
Class S Accumulation				
Group 1	0.9638	–	0.9638	0.1760
Group 2	0.9638	0.0000	0.9638	0.1760
Class S Income				
Group 1	0.9342	–	0.9342	0.1735
Group 2	0.9342	0.0000	0.9342	0.1735
Class X Accumulation**				
Group 1	0.3253	–	0.3253	–
Group 2	0.3253	0.0000	0.3253	–
Class X Income				
Group 1	0.9146	–	0.9146	0.1539
Group 2	0.4759	0.4387	0.9146	0.1539
Class Y Accumulation				
Group 1	0.9589	–	0.9589	0.1505
Group 2	0.5724	0.3865	0.9589	0.1505
Class Y Income				
Group 1	0.9054	–	0.9054	0.1444
Group 2	0.2719	0.6335	0.9054	0.1444
Class Z Accumulation				
Group 1	1.0281	–	1.0281	0.1877
Group 2	1.0281	0.0000	1.0281	0.1877
Class Z Income				
Group 1	0.9409	–	0.9409	0.1748
Group 2	0.9409	0.0000	0.9409	0.1748

* Class M Income merged into Class Y Income on 1 November 2022.

** Class X Accumulation launched on 31 March 2023.

Royal London International Government Bond Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London International Government Bond Fund, Class M Income	3.33	-1.97	-7.91	2.42
Royal London International Government Bond Fund, Class R Accumulation	3.47	-1.70	-7.21	–
Royal London International Government Bond Fund, Class S Income	3.41	-1.74	-7.25	–
JP Morgan Global Bond Index ex UK Traded, GBP hedged	3.46	-2.38	-10.66	0.47
IA Global Government Bond TR	1.57	-2.49	-11.38	-0.97

Class R Accumulation launched on 20 September 2018 and Class S Income launched on 16 April 2019.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund delivered positive returns for the period under review, performing broadly in line with the benchmark and ahead of its peer group.

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England (BoE) and European Central Bank (ECB) all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With spot inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data prints either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and Swiss regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. Index linked markets saw a similar pattern, with UK 10-year real yields rising from -0.13% to 0.12%, with FTSE® conventional and index-linked gilt indices returning -1.04% and -1.47% respectively.

Manager's Investment Report (continued)

Portfolio commentary

Duration positioning was the principal contributor to performance over the period. For some time we have had a strategic bias towards a short stance, but will trade market volatility tactically, and this was helpful during a period where volatility remained elevated, with the Fund generally remaining short, but increasing and decreasing the scale of this through the period – for instance taking advantage of volatility in Italy early in the period, when sentiment changes and investor flows saw the yield on 10-year Italian debt trade as high as 4.8% and as low as 3.6% in the last months of 2022. The Fund maintained its duration short in Italy over the course of the review period, but actively traded the changes in yield, increasing and decreasing the scale of the short and adding to performance.

Cross market strategies were a small positive over the period. Within Europe, the Fund benefitted from a long Spain position vs Italy and our preference for semi-core markets over core, while our overweight Australia vs the US was also helpful. These positions were somewhat offset by our short Japan stance.

The Fund also benefited from new issues with Europe later in the period. New issue premia were higher than normal due to a combination of higher yields, increased volatility and a helpful demand/supply dynamic – due to decreased ECB buying but with countries having higher funding requirements. We participated in new issues from Italy, Spain, Portugal, France, Belgium and the EU, typically selling existing holdings to accommodate the new issues and take advantage of attractive discounts issued.

Investment outlook

Markets are expected to remain volatile, driven by data. Our own view is that inflation has peaked. This is driven by our view that energy prices will moderate and that weaker GDP growth will reduce the tightness of the labour market. However, even with inflation starting to fall, it is well above well above central bank targets while recessionary fears – having abated somewhat in recent months – have increased somewhat as a result of the banking crisis. We believe that central banks are getting close to pausing in the US and UK, and we expect perhaps one more hike – with the BoE in particular likely to want to focus on bringing inflation under control.

Our key area for our short duration stance is now Japan. We increased the size of the position later in the period as the 10-year JGB yield moved further away from the upper bound of 50bps of the Bank of Japan's (BoJ) Yield Curve control policy. This was predominantly in response to BoJ remaining adamant that the policy was to remain in place, as we believe this will become increasingly difficult to justify as Japanese inflation picks up, and that JGB yields look anomalous on a global basis. We suspect that some of the reticence to change policy may have been due to the new BoJ governor not wanting to change direction in his tenure, but this may well have to change. We retain a small short in Europe – through underweight core and peripheral exposure vs semi-core – and are broadly neutral dollar block.

Gareth Hill
Fund Manager
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class M Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	100.89	114.09	117.22	113.64
Return before operating charges*	3.79	(11.42)	(1.82)	5.10
Operating charges	(0.15)	(0.32)	(0.35)	(0.35)
Return after operating charges*	3.64	(11.74)	(2.17)	4.75
Distributions on income shares	(1.12)	(1.46)	(0.96)	(1.17)
Closing net asset value per share	103.41	100.89	114.09	117.22
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	3.61%	(10.29)%	(1.85)%	4.18%
Other information				
Closing net asset value (£'000)	511,265	432,799	163,188	116,567
Closing number of shares	494,392,229	429,000,030	143,039,794	99,439,028
Operating charges	0.30%	0.30%	0.30%	0.30%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	105.00	115.50	117.90	119.60
Lowest share price	100.10	100.40	113.20	112.20

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	100.67	111.96	113.79	108.95
Return before operating charges*	3.80	(11.24)	(1.77)	4.90
Operating charges	(0.03)	(0.05)	(0.06)	(0.06)
Return after operating charges*	3.77	(11.29)	(1.83)	4.84
Distributions on accumulation shares	(1.12)	(1.44)	(0.93)	(1.12)
Retained distributions on accumulation shares	1.12	1.44	0.93	1.12
Closing net asset value per share	104.44	100.67	111.96	113.79
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	3.74%	(10.08)%	(1.61)%	4.44%
Other information				
Closing net asset value (£'000)	358,116	284,511	295,217	359,276
Closing number of shares	342,901,985	282,622,599	263,681,964	315,728,223
Operating charges	0.05%	0.05%	0.05%	0.05%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	104.90	113.40	114.50	114.70
Lowest share price	99.93	99.31	110.40	107.60

Class S Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	93.46	105.43	108.06	104.50
Return before operating charges*	3.52	(10.56)	(1.69)	4.69
Operating charges	(0.03)	(0.06)	(0.06)	(0.06)
Return after operating charges*	3.49	(10.62)	(1.75)	4.63
Distributions on income shares	(1.04)	(1.35)	(0.88)	(1.07)
Closing net asset value per share	95.91	93.46	105.43	108.06
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	3.73%	(10.07)%	(1.62)%	4.43%
Other information				
Closing net asset value (£'000)	5	5	5	5
Closing number of shares	5,000	5,000	5,000	5,000
Operating charges	0.05%	0.05%	0.05%	0.05%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	97.37	106.80	108.70	110.00
Lowest share price	92.77	92.99	104.50	103.20

* 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Government Bonds – 90.20% (31/10/22 – 91.12%)			
€1,821,000	Federal Republic of Germany 0% 15/2/2030	1,374	0.16
€4,703,000	Federal Republic of Germany 0% 15/5/2035	3,103	0.36
€3,245,301	Federal Republic of Germany 0% 15/8/2050	1,520	0.17
€1,771,000	Federal Republic of Germany 0% 15/8/2050	831	0.10
€6,140,000	Federal Republic of Germany 0.5% 15/2/2028	4,959	0.57
€5,785,000	Federal Republic of Germany 1.3% 15/10/2027	4,856	0.56
€5,571,000	Federal Republic of Germany 2.3% 15/2/2033	4,880	0.56
€2,000	Federal Republic of Germany 4.75% 4/7/2040	2	0.00
AUD\$7,973,000	Government of Australia 0.5% 21/9/2026	3,855	0.44
AUD\$5,892,000	Government of Australia 1.75% 21/6/2051	1,981	0.23
AUD\$14,513,000	Government of Australia 3.5% 21/12/2034	7,689	0.88
AUD\$7,409,000	Government of Australia 3.75% 21/5/2034	4,024	0.46
€16,408,814	Government of Belgium 0% 22/10/2031	11,313	1.30
€1,035,000	Government of Belgium 0.4% 22/6/2040	563	0.06
€4,218,000	Government of Belgium 1.45% 22/6/2037	2,962	0.34
€100,000	Government of Belgium 1.7% 22/6/2050	62	0.01
€105,000	Government of Belgium 1.9% 22/6/2038	77	0.01
€1,693,000	Government of Belgium 5.5% 28/3/2028	1,679	0.19
C\$7,414,000	Government of Canada 1.5% 1/6/2023	4,339	0.50
C\$4,759,000	Government of Canada 1.5% 1/6/2031	2,525	0.29
C\$2,250,000	Government of Canada 2.25% 1/6/2029	1,280	0.15
C\$22,137,000	Government of Canada 3.5% 1/3/2028	13,287	1.53
€9,980,000	Government of France 0.75% 25/5/2028	7,981	0.92
€1,640,000	Government of France 1% 25/5/2027	1,349	0.16
€24,616,000	Government of France 1.5% 25/5/2031	19,763	2.27
€2,632,000	Government of France 1.75% 25/5/2023	2,309	0.27
€2,758,000	Government of France 2.5% 25/5/2030	2,395	0.28
€3,779,000	Government of France 3% 25/5/2054	3,100	0.36
€2,360,000	Government of France 4% 25/4/2055	2,355	0.27
€4,053,000	Government of France 4.75% 25/4/2035	4,172	0.48
¥1,897,450,000	Government of Japan 0.1% 20/3/2029	11,047	1.27
¥4,286,800,000	Government of Japan 0.4% 20/3/2025	25,262	2.91
¥2,661,700,000	Government of Japan 0.4% 20/3/2039	14,512	1.67
¥991,550,000	Government of Japan 0.5% 20/12/2041	5,311	0.61
¥3,059,600,000	Government of Japan 0.8% 20/3/2048	16,554	1.90
¥1,470,950,000	Government of Japan 1.2% 20/12/2034	9,203	1.06
¥867,900,000	Government of Japan 1.4% 20/9/2045	5,356	0.62
¥74,350,000	Government of Japan 1.4% 20/3/2055	450	0.05
¥1,218,500,000	Government of Japan 1.8% 20/9/2030	7,922	0.91
¥509,600,000	Government of Japan 1.8% 20/3/2043	3,380	0.39
¥317,400,000	Government of Japan 1.9% 20/3/2029	2,043	0.24
¥1,410,800,000	Government of Japan 2.1% 20/9/2024	8,492	0.98
¥757,300,000	Government of Japan 2.2% 20/3/2028	4,873	0.56
¥786,850,000	Government of Japan 2.2% 20/3/2031	5,278	0.61
¥866,600,000	Government of Japan 2.4% 20/3/2048	6,371	0.73
€6,817,000	Government of Netherlands 0% 15/7/2031	4,848	0.56

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
€2,236,000	Government of Netherlands 0.5% 15/1/2040	1,380	0.16
€7,518,000	Government of Spain 0% 31/1/2028	5,742	0.66
€13,403,000	Government of Spain 0.35% 30/7/2023	11,692	1.35
€5,888,000	Government of Spain 1.50% 30/4/2027	4,892	0.56
€1,610,000	Government of Spain 1.9% 31/10/2052	921	0.11
€6,439,000	Government of Spain 1.95% 30/7/2030	5,230	0.60
€18,517,000	Government of Spain 3.15% 30/04/2033	15,947	1.83
€8,073,000	Government of Spain 4.4% 31/10/2023	7,132	0.82
€4,028,000	Government of Spain 4.7% 30/7/2041	3,967	0.46
SEK5,805,000	Government of Sweden 1% 12/11/2026	426	0.05
€7,637,000	Republic of Italy 0.3% 15/8/2023	6,652	0.77
€15,405,000	Republic of Italy 0.65% 15/10/2023	13,370	1.54
€3,622,000	Republic of Italy 0.95% 1/3/2037	2,085	0.24
€6,430,000	Republic of Italy 1.45% 1/3/2036	4,075	0.47
€9,402,000	Republic of Italy 3.5% 1/3/2030	8,097	0.93
€15,625,000	Republic of Italy 4% 30/10/2031	13,745	1.58
€19,020,000	Republic of Italy 4.5% 1/10/2053	2,588	0.30
\$154,000	US Treasury 0.125% 15/8/2023	121	0.01
£469,000	UK Treasury 0.125% 31/1/2024	455	0.05
\$28,868,000	US Treasury 0.375% 15/4/2024	22,018	2.53
\$24,569,000	US Treasury 0.625% 30/11/2027	17,150	1.97
\$13,572,000	US Treasury 0.625% 15/5/2030	8,907	1.02
\$19,061,600	US Treasury 0.625% 15/8/2030	12,446	1.43
\$33,665,000	US Treasury 0.75% 31/3/2026	24,618	2.83
\$21,354,000	US Treasury 0.75% 30/4/2026	15,564	1.79
\$15,688,600	US Treasury 1.125% 15/2/2031	10,602	1.22
\$31,554,600	US Treasury 1.125% 15/5/2040	16,822	1.94
\$12,194,000	US Treasury 1.25% 15/8/2031	8,204	0.94
\$3,738,000	US Treasury 1.25% 15/5/2050	1,734	0.20
\$3,383,000	US Treasury 1.375% 31/10/2028	2,404	0.28
\$10,783,200	US Treasury 1.5% 30/11/2024	8,214	0.94
\$14,532,400	US Treasury 1.5% 15/2/2030	10,203	1.17
\$19,224,000	US Treasury 1.625% 15/2/2026	14,426	1.66
\$25,952,700	US Treasury 1.625% 30/9/2026	19,308	2.22
\$23,555,100	US Treasury 1.75% 31/12/2026	17,539	2.02
\$10,210,900	US Treasury 1.875% 15/2/2051	5,559	0.64
\$15,326,700	US Treasury 2% 15/8/2025	11,681	1.34
\$22,937,000	US Treasury 2.125% 15/5/2025	17,562	2.02
\$30,552,900	US Treasury 2.25% 15/11/2024	23,550	2.71
\$1,510,800	US Treasury 2.25% 15/11/2025	1,156	0.13
\$1,915,000	US Treasury 2.25% 15/8/2046	1,153	0.13
\$9,110,500	US Treasury 2.375% 15/5/2029	6,800	0.78
\$494,600	US Treasury 2.75% 15/2/2024	387	0.04
\$16,752,000	US Treasury 2.75% 15/2/2028	12,872	1.48
\$21,907,000	US Treasury 2.75% 31/5/2029	16,696	1.92
\$22,348,700	US Treasury 2.875% 15/5/2032	17,018	1.96
\$13,292,000	US Treasury 2.875% 15/5/2049	9,061	1.04
\$11,756,000	US Treasury 3% 15/2/2049	8,198	0.94
\$4,810,200	US Treasury 3.125% 15/11/2041	3,500	0.40
\$14,668,700	US Treasury 3.125% 15/8/2044	10,461	1.20
\$3,961,700	US Treasury 3.375% 15/5/2044	2,945	0.34
\$6,495,500	US Treasury 3.375% 15/11/2048	4,839	0.56
\$8,463,900	US Treasury 3.5% 15/2/2039	6,691	0.77
\$6,842,700	US Treasury 3.625% 15/8/2043	5,310	0.61
\$5,798,000	US Treasury 3.625% 15/2/2044	4,482	0.52
\$29,009,600	US Treasury 3.875% 31/3/2025	22,987	2.64
\$13,044,900	US Treasury 4.125% 30/9/2027	10,613	1.22
\$7,121,900	US Treasury 4.375% 15/5/2041	6,190	0.71
\$4,794,000	US Treasury 4.625% 15/2/2040	4,312	0.50
Total Government Bonds		784,186	90.20

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Government Index-Linked Bonds – 7.31% (31/10/22 – 6.27%)			
¥4,331,300,000	Government of Japan 0.1% IL 10/3/2026	27,880	3.21
€26,279,000	Republic of Italy 1.4% IL 26/5/2025	23,798	2.74
£7,904,000	UK Treasury 0.125% IL 22/3/2024	11,804	1.36
Total Government Index-Linked Bonds		63,482	7.31
Supranational Bonds – 0.73% (31/10/22 – 0.59%)			
€7,200,000	European Union 3.375% 4/10/2038	6,361	0.73
Total Supranational Bonds		6,361	0.73
Forward Currency Contracts – 1.24% (31/10/22 – 1.51%)			
	Buy £18,311,665 & Sell AUD33,885,000 [†]	464	0.05
	Buy £22,147,744 & Sell CAD36,846,000 [†]	533	0.06
	Buy £233,314,066 & Sell €263,924,000 [†]	875	0.10
	Buy £158,882,304 & Sell JPY26,222,459,000 [†]	4,147	0.48
	Buy £420,266 & Sell SEK5,362,000 [†]	3	–
	Buy £436,578,272 & Sell \$543,382,400 [†]	4,873	0.56
	Buy JPY204,326,000 & Sell £1,237,366 [†]	(32)	–
	Buy \$5,998,000 & Sell £4,809,029 [†]	(44)	(0.01)
Total Forward Currency Contracts		10,819	1.24
Futures – 0.01% (31/10/22 – (0.01%))			
(100)	EUX EURO-BTP Future June 2023	61	0.01
Total Futures		61	0.01
Total value of investments[^]		864,909	99.49
Net other assets		4,477	0.51
Total net assets		869,386	100.00

[^] Including investment liabilities[†] Unlisted

Other than forward currency contracts, all investments are listed on recognised stock exchanges and are “approved securities” within the meaning of the FCA rules unless otherwise stated.

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	854,029	98.24	702,800	97.98
Total bonds	854,029	98.24	702,800	97.98
Forward currency contracts – assets	10,895	1.25	10,838	1.51
Futures – assets	61	0.01	–	–
Investments as shown in the balance sheet	864,985	99.50	713,638	99.49
Forward currency contracts – liabilities	(76)	(0.01)	–	–
Futures – liabilities	–	–	(69)	(0.01)
Total value of investments	864,909	99.49	713,569	99.48

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
US Treasury 2.75% 31/5/2029	28,730
Government of France 1.5% 25/5/2031	27,891
US Treasury 0.75% IL 15/7/2028	27,611
Government of Japan 0.4% 20/3/2025	26,335
Government of Belgium 0% 22/10/2031	25,861
US Treasury 3.875% 31/3/2025	23,456
US Treasury 2.125% 15/5/2025	17,962
US Treasury 0.625% 30/11/2027	17,590
Government of Spain 3.15% 30/4/2033	16,365
Republic of Italy 4% 30/10/2031	13,874
Subtotal	225,675
Total cost of purchases, including the above, for the period	603,388

Significant Sales

	Proceeds £'000
Republic of Italy 0.95% 1/3/2023	34,103
Government of France 0% 25/3/2023	31,096
US Treasury 0.75% IL 15/7/2028	27,433
US Treasury 2.125% 29/2/2024	17,409
Government of France 1.75% 25/5/2023	14,599
Government of Belgium 0% 22/10/2031	14,561
US Treasury 2.375% 15/5/2029	14,038
Government of Japan 1.8% 20/12/2032	13,936
US Treasury 2.75% 15/2/2028	13,303
Government of Canada 0.25% 1/2/2023	12,239
Subtotal	192,717
Total proceeds from sales, including the above, for the period	441,333

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		19,915		(30,627)
Revenue	8,494		2,594	
Expenses	(763)		(358)	
Interest payable and similar charges	(10)		(13)	
Net revenue before taxation	7,721		2,223	
Taxation	–		(1)	
Net revenue after taxation		7,721		2,222
Total return/(deficit) before distributions		27,636		(28,405)
Distributions		(8,484)		(2,579)
Change in net assets attributable to shareholders from investment activities		19,152		(30,984)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	864,985	713,638
Current assets:		
Debtors	24,275	4,582
Cash and bank balances	5,175	3,876
Total assets	894,435	722,096
Liabilities		
Investment liabilities	76	69
Creditors:		
Bank overdraft	1,611	769
Other creditors	17,827	211
Distribution payable	5,535	3,732
Total liabilities	25,049	4,781
Net assets attributable to shareholders	869,386	717,315

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		717,315		458,410
Amounts receivable on creation of shares	152,258		179,163	
Amounts payable on cancellation of shares	(23,267)		(15,016)	
		128,991		164,147
Dilution adjustment charged		95		97
Change in net assets attributable to shareholders from investment activities		19,152		(30,984)
Retained distributions on accumulation shares		3,833		1,548
Closing net assets attributable to shareholders		869,386		593,218

Distribution Table

For the six month period ended 30 April 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class M Income				
Group 1	1.1196	–	1.1196	0.5872
Group 2	0.3924	0.7272	1.1196	0.5872
Class R Accumulation				
Group 1	1.1179	–	1.1179	0.5766
Group 2	0.4346	0.6833	1.1179	0.5766
Class S Income				
Group 1	1.0376	–	1.0376	0.5430
Group 2	1.0376	0.0000	1.0376	0.5430

Royal London Diversified Asset-Backed Securities Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Diversified Asset-Backed Securities Fund, Class R Accumulation	5.76	4.24	16.05	15.60
Royal London Diversified Asset-Backed Securities Fund, Class S Accumulation	5.72	4.28	16.04	–
Royal London Diversified Asset-Backed Securities Fund, Class Z Accumulation	5.48	3.82	14.64	13.42
Royal London Diversified Asset-Backed Securities Fund, Class Z Income	5.49	3.83	–	–
Sterling Overnight Index Average Rate (SONIA)	1.76	2.51	2.77	4.26
Sterling Overnight Index Average Rate (SONIA) +2% p.a.	2.76	4.51	8.77	14.26
IA Targeted Absolute Return TR	2.57	0.51	11.71	8.85

Class S Accumulation launched on 9 April 2019 and Class Z Income launched 29 November 2021.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund posted strong returns in the six-month period, outperforming the Sterling Overnight Index Average (SONIA). The Fund has outperformed SONIA in the 12-month period and has far outpaced the index over three and five years.

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central bank will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and Swiss regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. Index linked markets saw a similar pattern, with UK 10-year real yields rising from -0.13% to 0.12%, with FTSE® conventional and index-linked gilt indices returning -1.04% and -1.47% respectively. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

Manager's Investment Report (continued)

Portfolio commentary

The latter part of the period, in particular, saw increased volatility, with strong performance in the first two months of 2023 retraced in March, following the fallout from the enforced takeover of Credit Suisse by UBS. However, despite this backdrop the Fund performed well over the period.

This performance was boosted by our exposure to secured sectors, offsetting our overweight in insurance, which was weak in sympathy with the banking sector later in the period. In social housing, our secured exposure to Swan Housing was a key contributor. Reflecting our active management, we added to our position in the period in the belief that the downgrade of the bonds to sub-investment grade following the collapse of a merger with Orbit Housing Association was premature. Post a subsequent merger with the much larger housing association, Sanctuary, which completed in early 2023, the bonds were upgraded back to an investment grade rating, prompting very significant bond performance.

The Fund also benefitted from its holdings in two Shaftesbury bonds. Although unrated, the bonds were supported by high quality collateral backing and effective covenants. The latter required the bonds to be repurchased by the issuer at significant premia to market price following the completion of its merger with another London property company, Capital & Counties, in the first quarter of 2023.

The main negative towards the end of the six months was our overweight exposure to bank bonds, which sold off following the Credit Suisse collapse. This sector, however, rebounded in April somewhat after Swiss regulators stepped in to calm the market. The Fund was able to purchase attractively priced bonds issued by HSBC and Australian lender, Westpac, taking advantage of more indiscriminate selling that occurred around the Credit Suisse fallout. Both these bonds have older style features that makes them incompatible with newer regulatory requirements, and this supports our view that they may benefit from early buy backs due to loss of capital treatment for their issuers. In insurance, we increased our exposure to French insurance giant Axa, with these bonds subsequently tendered at an attractive premium to market pricing.

We continued to add to the Fund's exposure to secured bonds across a diversified range of economic sectors in secondary markets and, despite more muted primary issuance, selectively added to our securitisation positions. Most notably, we purchased a AAA tranche of a new RMBS (Parkmore Point). Despite the well-seasoned mortgages in this pool exhibiting some payment challenges, we consider this a compelling investment due to a combination of a particularly protective note structure and significant excess bond yield.

Investment outlook

We expect that inflation has peaked. This is driven by our view that energy prices will moderate and that weaker GDP growth will reduce the tightness of the labour market. Nonetheless, UK interest rates are likely to rise a bit further as the Bank of England (BoE) continues to focus on bringing inflation under control.

Although the economic data remain very mixed, we still believe that higher rates will lead to a slowdown in the UK, impacting company earnings and leading to some increase in credit rating downgrades and default rates. Nevertheless, it is our view that an asset allocation in favour of sterling credit bonds is appropriate as credit spreads remain at attractive levels, on both a relative basis compared to government bonds and in absolute terms. We consider that credit spreads discount a significant portion of bad news and that investors are being paid well to take credit over government bond risk. Against this background, we will maintain our focus on identifying companies with strong balance sheets, favouring issues with security and downside protection, and ensuring that portfolios are diversified across issuers and sectors.

Spreads on sterling investment grade credit remain attractive from a historical default perspective, with potential Fund returns further enhanced by the significant amount of bond security we have embedded. The Fund also hedges interest rate risk, and therefore, the attractions of longer dated spread assets are fully encompassed into the Fund, with a view to capture attractive absolute returns relative to risk free rates over the medium term.

Shalin Shah
Fund Manager
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	108.83	111.31	102.53	101.77
Return before operating charges*	6.24	(2.41)	8.84	0.82
Operating charges	(0.03)	(0.07)	(0.06)	(0.06)
Return after operating charges*	6.21	(2.48)	8.78	0.76
Distributions on accumulation shares	(2.86)	(3.55)	(2.45)	(3.56)
Retained distributions on accumulation shares	2.86	3.55	2.45	3.56
Closing net asset value per share	115.04	108.83	111.31	102.53
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	5.71%	(2.23)%	8.56%	0.75%
Other information				
Closing net asset value (£'000)	23,007	13,724	29,815	71,271
Closing number of shares	19,999,264	12,610,351	26,786,190	69,508,924
Operating charges	0.06%	0.06%	0.06%	0.06%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	116.10	113.10	111.80	104.90
Lowest share price	107.70	108.10	103.20	97.60

Class S Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	107.80	110.25	101.57	100.80
Return before operating charges*	6.18	(2.38)	8.74	0.83
Operating charges	(0.03)	(0.07)	(0.06)	(0.06)
Return after operating charges*	6.15	(2.45)	8.68	0.77
Distributions on accumulation shares	(2.83)	(3.52)	(2.42)	(3.52)
Retained distributions on accumulation shares	2.83	3.52	2.42	3.52
Closing net asset value per share	113.95	107.80	110.25	101.57
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	5.71%	(2.22)%	8.55%	0.76%
Other information				
Closing net asset value (£'000)	50,941	50,426	60,104	58,899
Closing number of shares	44,705,023	46,776,929	54,517,747	57,989,893
Operating charges	0.06%	0.06%	0.06%	0.06%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	115.00	112.00	110.70	103.90
Lowest share price	106.70	107.00	102.30	96.68

Comparative Tables (continued)

Class Z Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	130.79	134.24	124.15	123.83
Return before operating charges*	7.50	(2.88)	10.67	1.01
Operating charges	(0.29)	(0.57)	(0.58)	(0.69)
Return after operating charges*	7.21	(3.45)	10.09	0.32
Distributions on accumulation shares	(3.18)	(3.78)	(2.46)	(3.70)
Retained distributions on accumulation shares	3.18	3.78	2.46	3.70
Closing net asset value per share	138.00	130.79	134.24	124.15
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	5.51%	(2.57)%	8.13%	0.26%
Other information				
Closing net asset value (£'000)	138,349	136,171	106,275	77,964
Closing number of shares	100,256,217	104,116,980	79,166,355	62,798,730
Operating charges	0.43%	0.43%	0.43%*	0.56%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	139.20	136.20	134.80	127.40
Lowest share price	129.40	129.90	125.00	118.50

* The FMF was reduced from 0.56% to 0.425% on 21 December 2020.

Class Z Income

Change in net assets per share	30/04/23 (p)	31/10/22** (p)
Opening net asset value per share	94.66	100.00
Return before operating charges*	5.42	(2.47)
Operating charges	(0.21)	(0.38)
Return after operating charges*	5.21	(2.85)
Distributions on income shares	(2.28)	(2.49)
Closing net asset value per share	97.59	94.66
* after direct transaction costs of:	–	–
Performance		
Return after charges	5.50%	(2.85)%
Other information		
Closing net asset value (£'000)	2	2
Closing number of shares	2,500	2,500
Operating charges	0.43%	0.43%
Direct transaction costs	–	–
Prices[^]		
Highest share price	99.09	101.20
Lowest share price	93.90	94.96

** Class Z Income launched on 14 December 2021.

[^] 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 12.28% (31/10/22 – 11.34%)			
£1,381,000	Atom Mortgage Securities FRN 22/7/2031	1,043	0.49
£677,000	Canary Wharf Finance II (A7) FRN 22/10/2037	558	0.26
£7,148,000	Castell FRN 25/3/2053	2,005	0.94
£778,000	Deco 2019-RAM DAC FRN 7/8/2030	615	0.29
£1,850,000	Equity Release Funding FRN 14/7/2045	1,301	0.61
£2,460,664	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058	1,882	0.89
£2,100,000	Finance for Residence Social Housing 'A2' 8.569% 5/10/2058	1,392	0.66
£2,732,000	Income Contingent Student Loan 2 FRN 24/7/2058	600	0.28
£2,166,000	Income Contingent Student Loan 2.5% 24/7/2056	1,240	0.58
£1,306,000	Income Contingent Student Loan 2.5% 24/7/2058	780	0.37
£393,000	Income Contingent Student Loan FRN 24/7/2056	62	0.03
£1,274,000	Magenta 2020 FRN 20/12/2024	1,116	0.53
£1,300,000	Parkmore Point RMBS 2022-1 FRN 25/7/2045	1,121	0.53
£1,562,000	PCL Funding FRN 15/10/2025	1,560	0.73
£792,000	PCL Funding FRN 15/7/2026	795	0.37
£780,000	Sage AR Funding FRN 17/11/2030	755	0.36
£1,317,000	Sage AR Funding FRN 17/11/2051	1,211	0.57
£358,000	Scorpio European Loan Conduit No.34 FRN 17/5/2029	342	0.16
£4,840,000	Taurus 2018 FRN 22/5/2028	2,831	1.33
£616,000	Taurus 2019-2 FRN 17/11/2029	575	0.27
£1,650,000	Taurus FRN 17/5/2030	1,608	0.76
£1,300,000	Taurus FRN 17/5/2031	1,251	0.59
£1,950,000	Together Asset Backed Securitisation 2019 FRN 15/7/2061	476	0.22
£282,000	Together Asset Backed Securitisation FRN 12/7/2063	165	0.08
£2,000,000	Together Asset Backed Securitisation FRN 15/12/2061	798	0.38
Total Commercial Mortgage Backed Securities		26,082	12.28

Corporate Bonds – 77.42% (31/10/22 – 82.80%)			
£604,000	3i Group 3.75% 5/6/2040	452	0.21
£175,000	AA Bond 3.25% 31/7/2050	138	0.07
£678,000	AA Bond 6.269% 2/7/2043	658	0.31
£560,000	AA Bond 7.375% 31/7/2050	531	0.25
£311,000	AA Bond 8.45% 31/7/2050	311	0.15
£516,000	abrdn 5.25% variable perpetual	412	0.19
£600,000	Aggregate Micro Power Infrastructure No.2 8% 17/10/2036	544	0.26
£808,000	Anglian Water Osprey Financing 4% 8/3/2026	758	0.36
£2,000,000	Annes Gate Property 5.661% 30/6/2031	1,982	0.93
£350,000	Annington Funding 3.685% 12/7/2034	275	0.13
£543,000	Annington Funding 3.935% 12/7/2047	379	0.18
£486,000	Annington Funding 4.75% 9/8/2033	427	0.20
£1,720,000	Arqiva Financing 4.882% 31/12/2032	1,091	0.51
£1,510,000	Arqiva Financing 5.34% 30/12/2037	1,436	0.68
£1,070,000	Artesian Finance 6% 30/9/2033	1,134	0.53
£550,000	Assicurazioni Generali 6.269% perpetual	542	0.26
£1,547,000	Aviva 6.875% variable 20/5/2058	1,635	0.77
£1,135,000	AXA 5.625% variable 16/1/2054	1,120	0.53
\$1,900,000	AXA 6.379% variable perpetual	1,573	0.74
£1,496,514	Bankers Investment Trust 8% 31/10/2023	1,516	0.71
£592,000	Barclays 6.369% variable 31/1/2031	598	0.28
£340,000	Barclays 8.407% variable 14/11/2032	353	0.17
£549,000	Barclays 8.875% variable perpetual	504	0.24
£544,000	Barclays 9.25% variable perpetual	489	0.23
£400,000	Barclays Bank 5.75% 14/9/2026	401	0.19
£350,000	BAT International Finance 4% 23/11/2055	197	0.09
£1,343,000	BBC Pacific Quay Finance 5.5653% 25/7/2034	1,050	0.49

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
£359,000	Blackstone Property Partners Europe 2.625% 20/10/2028	272	0.13
£282,000	Blackstone Property Partners Europe 4.875% 29/4/2032	221	0.10
£100,000	Blend Funding 2.467% 16/6/2063	53	0.02
£100,000	Blend Funding 2.984% 15/3/2036	80	0.04
£500,000	BPCE 2.5% variable 30/11/2032	414	0.20
£3,649,000	British Land 5.264% 24/9/2035	3,458	1.63
£705,000	British Land 5.357% 31/3/2028	692	0.33
£383,829	British Land 5.357% 31/3/2028	377	0.18
£2,510,000	Broadgate 4.999% 5/10/2033	2,409	1.13
£604,000	BWP Issuer 2.868% 30/6/2036	412	0.19
£1,775,000	Canary Wharf Finance II 5.952% 22/10/2037	1,817	0.86
£618,000	Canary Wharf Finance II (C2) FRN 22/10/2037	495	0.23
£5,355,000	Canary Wharf Finance II 6.455% 22/10/2033	736	0.35
£1,096,000	Channel Link Enterprises Finance FRN 30/12/2050	828	0.39
£1,414,000	Charm Finance 3.509% 12/4/2048	981	0.46
£800,000	Cheltenham & Gloucester 11.75% perpetual	1,136	0.54
£1,991,000	Connect M77 GSO 5.404% 31/3/2034	1,226	0.58
£600,000	Coventry Building Society 6.875% variable perpetual	527	0.25
£900,000	CPUK Finance 3.69% 28/2/2047	800	0.38
£315,000	CPUK Finance 4.5% 28/8/2027	264	0.12
£273,000	CPUK Finance Ltd 6.136% 28/2/2047	270	0.13
£1,890,000	Credit Suisse 7.75% 10/3/2026	1,959	0.92
£202,000	CYBG 9.25% variable perpetual	191	0.09
£450,000	Daily Mail & General 6.375% 21/6/2027	406	0.19
£900,000	Delamare Finance 5.5457% 19/2/2029	528	0.25
£610,000	Delamare Finance 6.067% 19/2/2029	594	0.28
£1,505,000	Derby Healthcare 5.564% 30/6/2041	1,393	0.66
£2,402,000	Dignity Finance 3.5456% 31/12/2034	1,453	0.68
£1,800,000	Electricite de France 5.875% variable perpetual	1,483	0.70
£1,100,000	Electricite de France 6% 23/1/2114	990	0.47
£1,000,000	Electricite de France 6% variable perpetual	885	0.42
\$3,270,000	Equity Release Funding 5.7% 26/2/2031	1,638	0.77
£1,138,000	Equity Release Funding 5.88% 26/5/2032	734	0.35
£775,000	Equity Release Funding No.3 5.05% 26/4/2033	726	0.34
£650,000	Eskmuir Group Finance 4.255% 12/12/2047	399	0.19
£736,000	Eversholt Funding 2.742% 30/6/2040	533	0.25
£630,000	Eversholt Funding 3.529% 7/8/2042	469	0.22
£1,222,000	Eversholt Funding 6.697% 22/2/2035	1,091	0.51
£1,182,000	Folio Residential Finance 1.246% 31/10/2037	997	0.47
£559,175	Freshwater Finance 4.556% 3/4/2036	487	0.23
£1,859,000	Freshwater Finance 5.182% 20/4/2035	1,792	0.84
£889,100	Fuller Smith & Turner 6.875% 30/4/2028	939	0.44
£256,000	Gatwick Funding 2.5% 15/4/2032	214	0.10
£649,000	Gatwick Funding 2.875% 5/7/2051	402	0.19
£110,000	Gatwick Funding 5.75% 23/1/2037	109	0.05
£102,000	Gatwick Funding 6.5% 2/3/2043	108	0.05
£631,000	General Electric Capital 4.875% 18/9/2037	563	0.27
£1,199,401	Great Portland Estates 5.625% 31/1/2029	1,192	0.56
£808,000	Great Rolling Stock 6.5% 5/4/2031	618	0.29
£1,619,000	Great Rolling Stock 6.875% 27/7/2035	956	0.45
£1,539,000	Greene King Finance 3.593% 15/3/2035	1,172	0.55
£835,000	Greene King Finance 4.0643% 15/3/2035	491	0.23
£250,000	Greene King Finance 5.106% 15/3/2034	204	0.10
£601,000	GreenSquareAccord 5.25% 30/11/2047	574	0.27
£1,982,973	Grosvenor UK Finance 6.5% 29/9/2026	2,061	0.97
£1,564,560	Guinness Trust 7.5% 30/11/2037	1,369	0.64
£200,000	Gwynnt y Môr OFTO 2.778% 17/2/2034	119	0.06
£1,726,726	Harbour Funding 5.28% 31/3/2044	1,720	0.81
£345,000	Hastoe Capital 5.6% 27/3/2042	342	0.16
£973,072	Haven Funding 8.125% 30/9/2037	973	0.46

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 77.42% (31/10/22 – 82.80%) – continued							
£363,000	Heathrow Funding 2.625% 16/3/2028	306	0.14	£500,000	Natwest Group 2.105% variable 28/11/2031	428	0.20
£100,000	Heathrow Funding 2.75% 13/10/2031	86	0.04	£344,000	NatWest Group 3.619% variable 29/3/2029	312	0.15
£717,000	Heathrow Funding 5.875% 13/5/2041	737	0.35	£460,000	NatWest Group 7.416% variable 6/6/2033	469	0.22
£500,000	Heathrow Funding 6.45% 10/12/2031	533	0.25	£100,000	Notting Hill Genesis 2.875% 31/1/2029	88	0.04
£500,000	Heathrow Funding 7.075% variable 4/8/2028	531	0.25	£883,000	Octagon Healthcare 5.333% 31/12/2035	652	0.31
£499,000	Heinz (HJ) Finance 6.25% 18/2/2030	512	0.24	£300,000	Opus Chartered variable 31/3/2025	106	0.05
£1,240,000	Hexagon Housing Association 3.625% 22/4/2048	885	0.42	£237,000	Orsted 2.5% variable 18/2/3021	163	0.08
£500,000	Home Group 8.75% 11/5/2037	604	0.28	£732,000	OSB Group 6% variable perpetual	564	0.27
\$570,000	Hong Kong And Shanghai Bank FRN perpetual	448	0.21	£593,000	OSB Group 9.993% variable 27/7/2033	593	0.28
£1,626,000	HSBC 5.844% variable perpetual	1,673	0.79	£1,000,567	Peel Land & Property Investments 8.375% Step 30/4/2040	997	0.47
£1,189,000	HSBC 8.201% variable 16/11/2034	1,263	0.59	£2,144,000	Peterborough Progress Health 5.581% 2/10/2042	1,484	0.70
\$305,000	HSBC Capital Funding Lp 10.176% variable perpetual	297	0.14	£908,000	Places for People Homes 5.09% 31/7/2043	901	0.42
£1,040,000	IG Group 3.125% 18/11/2028	801	0.38	£491,000	Places for People Homes 6.625% 30/9/2038	380	0.18
£650,000	Intu (SGS) Finance 4.25% 17/9/2035	325	0.15	£977,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	859	0.40
£250,000	Intu (SGS) Finance 4.625% 17/3/2033	126	0.06	£560,000	Porterbrook Rail Finance 4.625% 4/4/2029	531	0.25
£580,000	Intu Debenture 5.562% 31/12/2027	194	0.09	£1,000,000	Premier Transmission Finance 5.2022% 31/3/2030	409	0.19
£750,000	Intu Metrocentre Finance 4.125% 6/12/2028	379	0.18	£300,000	Premiertel 5.683% 8/8/2029	169	0.08
£930,000	Investec 1.875% variable 16/7/2028	758	0.36	£2,054,000	Premiertel 6.175% 8/5/2032	1,479	0.70
£100,000	Investec 2.625% variable 4/1/2032	81	0.04	£942,000	Protective Life Global Funding 5.248% 13/1/2028	941	0.44
£373,000	Investec 9.125% variable 6/3/2033	378	0.18	£400,000	Provident Financial 7% 4/6/2023	398	0.19
£400,000	John Lewis 4.25% 18/12/2034	257	0.12	£589,000	QBE Insurance 2.5% variable 13/9/2038	465	0.22
£550,000	John Lewis 6.125% 21/1/2025	536	0.25	£1,500,000	Quadrant Housing 7.93% Step 10/2/2033	1,318	0.62
£900,000	JRP Group 9% 26/10/2026	958	0.45	£669,000	Reassure Group 5.867% 13/6/2029	625	0.29
£122,000	Jupiter Fund Management 8.875% variable 27/7/2030	124	0.06	£816,000	RMPA Services 5.337% 30/9/2038	546	0.26
£650,000	Just Group 8.125% 26/10/2029	663	0.31	£800,000	Rothsay Life 5.5% variable 17/9/2029	783	0.37
£1,744,000	Law Debenture 6.125% 12/10/2034	1,862	0.88	£686,000	RSL Finance 6.625% 31/3/2038	603	0.28
£2,022,000	Legal & General 5.5% variable 27/6/2064	1,820	0.86	£697,000	Sainsburys Bank 10.5% variable 12/3/2033	729	0.34
£750,000	Lendinvest Secured Income 5.375% 6/10/2023	730	0.34	£816,600	Sanctuary 8.375% 1/9/2031	736	0.35
£257,000	Liverpool Victoria Friendly Society 6.5% variable 22/5/2043	254	0.12	£300,000	Santander UK 10.0625% perpetual	427	0.20
£427,000	Lloyds Banking Group 8.5% variable perpetual	402	0.19	£525,000	Santander UK 2.421% variable 17/01/2029	448	0.21
£761,000	London Merchant Securities 6.5% 16/3/2026	773	0.36	£2,052,000	Saxon Weald Capital 5.375% 6/6/2042	2,006	0.94
£90,000	Longstone Finance 4.774% 19/4/2036	83	0.04	£500,000	Scot Roads Partnership Finance 5.591% 16/3/2045	452	0.21
£2,500,000	Longstone Finance 4.791% 19/4/2036	958	0.45	£430,000	Scottish Investment Trust 5.75% 17/4/2030	438	0.21
£240,000	Longstone Finance 4.896% 19/4/2036	221	0.10	£1,257,500	Scottish Mortgage Investment Trust 12% 30/6/2026	1,500	0.71
£350,000	M&G 5% variable 20/7/2055	314	0.15	£195,000	Severn Trent Utilities Finance Plc 5.25% 4/4/2036	195	0.09
£642,000	M&G 5.625% variable 20/10/2051	590	0.28	£700,000	Society of Lloyds 4.875% variable 7/2/2047	652	0.31
£1,552,000	M&G 5.7% variable 19/12/2063	1,391	0.65	£300,000	Southern Water Services Finance 3% 28/5/2037	219	0.10
£894,000	Majedie Investments 7.25% 31/3/2025	918	0.43	£200,000	Southern Water Services Finance 6.64% 31/3/2026	206	0.10
£1,300,000	Marstons Issuer FRN 15/10/2031	571	0.27	£397,000	SSE 3.74% variable perpetual	363	0.17
£2,270,000	Meadowhall Finance 4.986% 12/1/2032	1,110	0.52	£399,000	St James Oncology Financing 2.804% 31/3/2037	254	0.12
£1,035,000	Meadowhall Finance FRN 12/7/2037	572	0.27	£2,029,000	Stirling Water Seafield 5.822% 26/9/2026	502	0.24
£300,700	Mercantile Investment Trust 4.25% perpetual	241	0.11	£1,400,000	Student Finance 2.6663% 30/9/2024	1,371	0.65
£1,900,000	Mercantile Investment Trust 6.125% 25/2/2030	1,995	0.94	£2,153,000	Summit Finance 6.484% 31/3/2028	716	0.34
£1,000,000	Merchants Trust 5.875% 20/12/2029	1,038	0.49	£1,519,000	Sunderland 6.38% 31/3/2042	1,568	0.74
£180,786	Metrocentre New Money Note Sonia + 11% PIK 6/12/2024	175	0.08	£1,820,000	Swan Housing Capital 3.625% 5/3/2048	1,386	0.65
£559,000	MIELI London 4.82% 12/8/2027	516	0.24	£809,000	Swedbank 7.272% variable 15/11/2032	827	0.39
£2,433,000	Mitchells & Butlers (A1N) FRN 15/12/2030	907	0.43	£1,700,000	Telereal Secured Finance 4.01% 10/12/2033	893	0.42
£2,440,000	Mitchells & Butlers (A4) FRN 15/12/2028	1,259	0.59	£669,000	Telereal Securitisation 1.9632% variable 10/12/2033	596	0.28
£4,195,000	Mitchells & Butlers 5.574% 15/12/2030	1,079	0.51	£650,000	Telereal Securitisation 3.507% variable 10/12/2033	562	0.26
£7,964,000	Mitchells & Butlers 5.965% 15/12/2023	357	0.17	£745,000	Telereal Securitisation 3.5625% 10/12/2036	656	0.31
£1,193,000	Mitchells & Butlers FRN 15/12/2033	884	0.42	£1,178,000	Telereal Securitisation 5.3887% 10/12/2033	457	0.22
\$900,000	Mitchells and Butlers Finance FRN 15/12/2030	262	0.12				
£829,000	Morhomes 3.4% 19/2/2040	664	0.31				
£340,000	MPT Operating Partnership 3.375% 24/4/2030	216	0.10				
£650,000	MPT Operating Partnership 3.692% 5/6/2028	445	0.21				

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 77.42% (31/10/22 – 82.80%) – continued			
£873,000	Telereal Securitisation 6.1645% 10/12/2033	751	0.35
£500,000	Telereal Securitisation FRN 10/12/2033	418	0.20
£3,861,000	Telereal Securitisation FRN 10/12/2033	3,010	1.42
£1,250,000	Telereal Securitisation FRN 10/12/2033	390	0.18
£500,000	Tesco Property 5.6611% 13/10/2041	458	0.22
£350,000	Tesco Property 5.744% Sink 13/4/2040	310	0.15
£1,400,000	Tesco Property 5.8006% 13/10/2040	1,266	0.60
£694,000	Thames Water Kemble Finance 4.625% 19/5/2026	611	0.29
£780,000	THFC Funding 5.2% 11/10/2043	765	0.36
£330,000	TP ICAP 5.25% 29/5/2026	311	0.15
£291,000	TP ICAP Finance 7.875% 17/4/2030	288	0.14
£750,000	Trafford Centre 6.5% 28/7/2033	490	0.23
£350,000	Trafford Centre 7.03% 28/1/2029	117	0.05
£3,250,000	Trafford Centre FRN 28/7/2035	2,600	1.22
£416,000	Uliver@essex3 LLP NEW ISSUE 2.72% 31/8/2066 FIX	253	0.12
£190,000	Ulster Bank Ireland DAC 11.75% perpetual	301	0.14
£1,061,000	Unifund 5.32% 7/12/2047	941	0.44
£2,624,000	Unique Pub Fin 7.395% 30/3/2024	933	0.44
£7,017,000	Unique Pub Finance 5.659% 30/6/2027	2,894	1.36
£1,000,000	University of Greenwich 6.36% 31/7/2028	369	0.17
£1,702,000	UPP Bond Issuer 4.9023% 28/2/2040	1,329	0.63
£595,000	Varsity Funding 8.7915% Step 24/7/2026	81	0.04
£193,000	Virgin Money 2.625% variable 19/8/2031	162	0.08
£360,000	Westpac Banking Corp FRN perpetual	219	0.10
£1,785,000	White City Property 5.1202% 17/4/2035	1,370	0.65
£1,270,000	Worcestershire Hospital 5.87% 31/12/2030	627	0.30
£374,000	Workspace Group 2.25% 11/3/2028	284	0.13
£614,000	Yorkshire Water Finance 5.25% 28/4/2030	611	0.29
£319,000	Yorkshire Water Finance 5.5% 28/4/2035	321	0.15
£617,000	Zurich Finance 5.125% variable 23/11/2052	560	0.26
Total Corporate Bonds		164,372	77.42
Government Bonds – 3.10% (31/10/22 – 0.22%)			
£6,200,000	UK Treasury 2.75% 7/9/2024	6,083	2.87
£650,000	United Mexican States 5.625% 19/3/2114	488	0.23
Total Government Bonds		6,571	3.10
Index Linked Bonds – 0.11% (31/10/22 – 0.14%)			
£350,000	Road Management Services 3.642% IL 31/3/2028	240	0.11
Total Index Linked Bonds		240	0.11
Public Authorities – 1.05% (31/10/22 – 0.86%)			
£998,000	Highways 2021 FRN 18/11/2026	946	0.44
£1,293,000	PCL Funding VIII FRN 15/5/2028	1,293	0.61
Total Public Authorities		2,239	1.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Total Return Swaps – 0.85% (31/10/22 – (0.55%))			
(£20,000,000)	TRS 31/5/2023 Floating	(18,130)	(8.54)
£18,027,552	TRS 3.48% 31/5/2023 Fixed	18,027	8.49
(£20,000,000)	TRS 31/5/2023 Floating	(19,373)	(9.13)
£19,388,879	TRS 3.48% 31/5/2023 Fixed	19,389	9.13
(£25,000,000)	TRS 31/5/2023 Floating	(23,422)	(11.03)
£23,390,628	TRS 3.48% 31/5/2023 Fixed	23,391	11.02
(£11,000,000)	TRS 31/5/2023 Floating	(9,984)	(4.70)
£9,931,902	TRS 3.48% 31/5/2023 Fixed	9,932	4.68
(£4,500,000)	TRS 27/9/2023 Floating	(4,798)	(2.26)
£5,006,005	TRS 4.1% 27/9/2023 Fixed	5,006	2.36
(£19,000,000)	TRS 27/9/2023 Floating	(12,130)	(5.71)
£12,922,986	TRS 4.18% 27/9/2023 Fixed	12,923	6.09
(£3,500,000)	TRS 27/9/2023 Floating	(1,832)	(0.86)
£2,019,725	TRS 4.15% 27/9/2023 Fixed	2,020	0.95
(£22,000,000)	TRS 27/9/2023 Floating	(17,630)	(8.31)
£18,330,825	TRS 4.16% 27/9/2023 Fixed	18,331	8.63
(£2,000,000)	TRS 27/9/2023 Floating	(876)	(0.41)
£947,957	TRS 4% 27/9/2023 Fixed	948	0.45
Total Return Swaps		1,792	0.85
Overnight Index Swaps – 3.48% (31/10/22 – 3.71%)			
(£2,000,000)	OIS 0.62% 1/11/2071	1,272	0.60
(£5,000,000)	OIS 0.715% 7/4/2030	929	0.44
(£5,000,000)	OIS 0.744% 13/11/2034	1,410	0.66
(£7,000,000)	OIS 0.77% 19/6/2028	1,140	0.54
(£10,000,000)	OIS 0.9% 19/6/2034	2,637	1.24
Total Overnight Index Swaps		7,388	3.48
Forward Currency Contracts – 0.02% (31/10/22 – 0.02%)			
	Buy £2,643,783 & Sell \$3,280,000†	37	0.02
Total Forward Currency Contracts		37	0.02
Total value of investments^			
		208,721	98.31
Net other assets			
		3,578	1.69
Total net assets			
		212,299	100.00

† Unlisted

^ Including investment liabilities

Other than forward currency contracts, all investments are listed on recognised stock exchanges and are "approved securities" within the meaning of the FCA rules unless otherwise stated.

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	139,978	65.91	133,244	66.53
Investments of below investment grade	14,878	7.02	12,870	6.43
Unrated bonds	44,648	21.03	44,843	22.40
Total bonds	199,504	93.96	190,957	95.36
Swaps – asset	9,366	4.41	8,790	4.35
Forward currency contracts – assets	37	0.02	34	0.02
Investments as shown in the balance sheet	208,907	98.39	199,781	99.73
Swaps – liabilities	(186)	(0.08)	(2,387)	(1.19)
Total value of investments	208,721	98.31	197,394	98.54

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
UK Treasury 1% 31/1/2032	18,297
UK Treasury 0.75% 22/7/2023	17,870
UK Treasury 2.75% 7/9/2024	6,090
UK Treasury 1.625% 22/10/2071	1,995
Legal & General 5.5% variable 27/6/2064	1,883
Credit Suisse 7.75% 10/3/2026	1,805
Taurus FRN 17/5/2030	1,583
Unique Pub Finance 5.659% 30/6/2027	1,523
PCL Funding VIII FRN 15/5/2028	1,293
Santander UK 7.098% variable 16/11/2027	1,286
Subtotal	53,625
Total cost of purchases, including the above, for the period	90,594

Significant Sales

	Proceeds £'000
UK Treasury 1% 31/1/2032	18,297
UK Treasury 0.75% 22/7/2023	17,881
Scottish Mortgage Investment Trust 6.875% 31/1/2023	3,553
Shaftesbury Chinatown 2.348% 30/9/2027	2,272
UK Treasury 1.625% 22/10/2071	1,995
Taurus 2019-3 FRN 22/6/2029	1,980
Housing Finance 8.625% 13/11/2023	1,560
Shaftesbury Carnaby 2.487% 30/9/2031	1,473
Together Asset Backed Securitisation 2018 FRN 12/7/2050	1,419
Santander UK 7.098% variable 16/11/2027	1,314
Subtotal	51,744
Total proceeds from sales, including the above, for the period	86,521

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		6,294		(3,723)
Revenue	5,506		2,867	
Expenses	(321)		(273)	
Interest payable and similar charges	(7)		(6)	
Net revenue before taxation	5,178		2,588	
Taxation	–		–	
Net revenue after taxation		5,178		2,588
Total return/(deficit) before distributions		11,472		(1,135)
Distributions		(5,178)		(2,587)
Change in net assets attributable to shareholders from investment activities		6,294		(3,722)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	208,907	199,781
Current assets:		
Debtors	3,069	2,891
Cash and bank balances	2,384	477
Total assets	214,360	203,149
Liabilities		
Investment liabilities	186	2,387
Creditors:		
Other creditors	1,875	439
Total liabilities	2,061	2,826
Net assets attributable to shareholders	212,299	200,323

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		200,323		196,194
Amounts receivable on creation of shares	24,400		43,488	
Amounts payable on cancellation of shares	(24,014)		(38,305)	
		386		5,183
Dilution adjustment charged		168		255
Change in net assets attributable to shareholders from investment activities		6,294		(3,722)
Retained distributions on accumulation shares		5,128		2,603
Closing net assets attributable to shareholders		212,299		200,513

Distribution Tables

For the six month period ended 30 April 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 31 January 2023

	Net income	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
Class R Accumulation				
Group 1	1.5348	–	1.5348	0.6839
Group 2	1.3873	0.1475	1.5348	0.6839
Class S Accumulation				
Group 1	1.5201	–	1.5201	0.6777
Group 2	1.5201	0.0000	1.5201	0.6777
Class Z Accumulation				
Group 1	1.7203	–	1.7203	0.7010
Group 2	1.0494	0.6709	1.7203	0.7010
Class Z Income*				
Group 1	1.2432	–	1.2432	0.2408
Group 2	1.2432	0.0000	1.2432	0.2408

* Class Z Income launched on 14 December 2021.

Second Interim

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased between 1 February 2023 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class R Accumulation				
Group 1	1.3218	–	1.3218	0.8765
Group 2	0.9950	0.3268	1.3218	0.8765
Class S Accumulation				
Group 1	1.3061	–	1.3061	0.8680
Group 2	0.9856	0.3205	1.3061	0.8680
Class Z Accumulation				
Group 1	1.4642	–	1.4642	0.9355
Group 2	1.0204	0.4438	1.4642	0.9355
Class Z Income*				
Group 1	1.0411	–	1.0411	0.6898
Group 2	1.0411	0.0000	1.0411	0.6898

* Class Z Income launched on 14 December 2021.

Royal London Short Duration Gilts Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Short Duration Gilts Fund, Class M Income	0.85	-1.60	-4.08	-1.55
Royal London Short Duration Gilts Fund, Class R Accumulation	0.95	-1.39	-3.50	-
Royal London Short Duration Gilts Fund, Class S Income	0.95	-1.40	-3.46	-
Royal London Short Duration Gilts Fund, Class Z Income	0.88	-1.53	-3.87	-1.24
FTSE® Actuaries UK Conventional Gilts Up to 5 Years Index	0.75	-2.15	-5.17	-2.32
IA UK Gilts TR	-1.61	-16.12	-28.78	-15.30

Class R Accumulation launched on 4 October 2018 and Class S Income launched on 9 April 2019.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund outperformed the shorter dated UK gilt market in the period, using the FTSE® Actuaries UK Conventional Gilts up to 5 years Index as a guide. The Fund is ahead of this benchmark over the past 12 months, three years and five years. It also outperformed the broader Investment Association UK Gilt sector, as shorter-dated bonds outperformed longer-dated peers.

Market overview

Rising interest rates and stubbornly high inflation were the main themes for the global economy and markets over the past six months. The Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) all pushed interest rates higher in an attempt to control inflation, and bring it back towards target over time. By the end of the period, evidence was emerging that very high spot inflation had begun to peak as year-on-year base effects kicked in. As a result, the markets focus shifted more towards what higher terminal rates might mean for economic growth, and expectations began to build that, rate cuts would be coming by late 2023.

With inflation expected to fall as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weaknesses in these data points to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market event of note was the collapse of Silicon Valley Bank in the US and Credit Suisse in Switzerland, which drove markets to question the true strength of the banking sector, and its ability to survive higher rates. Whilst an initial flight to quality saw government bonds trade well, particularly in shorter maturities, the swift and highly targeted response of central banks and authorities soon calmed markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. Index linked markets saw a similar pattern, with UK 10-year real yields rising from -0.13% to 0.12%, with FTSE® conventional and index-linked gilt indices returning -1.04% and -1.47% respectively. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

Manager's Investment Report (continued)

Portfolio commentary

The Fund's strategic positioning was a key driver of performance, but we reduced the magnitude of the relative short position as yields rose. The Fund continued to use market volatility to trade relative duration tactically throughout the period.

The Fund's curve position was broadly positive, but did have to clear some hurdles during the period with very short-dated bonds being particularly volatile. Our holdings in the ultra-short end were a boost to performance, while longer-dated bonds were a drag. The Fund also benefitted from holding of UK treasury bills, which significantly outperformed sub-1-year UK government bonds early in the year.

During the period the Fund held two-year maturity US treasury bonds versus equivalent maturity gilts. This benefited performance as the US banking crisis took hold in early March. The Fund took profits on its US holdings, and had no exposure to overseas markets by the end of the period.

Investment outlook

We believe that whilst inflation will fall sharply this year, its likely to remain well above target by the end of the year, particularly in the UK. Shallow recessions are possible but are unlikely to be deep enough to ease the excessive tightness seen in labour markets. The reopening of China could add to the inflation pressures in the second half of the year. Given this view we believe markets are overoptimistic on the prospect of rate cuts and that yields will rise gradually from current levels over the first half of the year.

Having started 2022 knowing that rate rises were coming – although underestimating just how many – the market ended 2022 with the expectation that although there are still rises to come, the magnitude and speed of hikes will be more limited than those seen in 2022. In the UK, the market is expecting base rates to peak in late spring and then holding steady before starting to come down in late 2023. The fall in rates being priced into bond markets for the end of 2023 feels overly optimistic to us given the inflation profile and ongoing tightness of the labour market.

Assessing whether these expectations are realistic is obviously dependent on central banks. We believe that the Bank of England (BoE) and other central banks will remain very focused on the labour market and the unemployment rate, as well as inflation. If labour markets are buoyant and unemployment remains relatively low, then the wage pressures we have seen in 2022 will continue for much of 2023. Headline inflation will fall in 2023 simply due to base effects, but if wage inflation remains in the 5-6% range, then even a fall in CPI back towards 3-4% will not be enough to stay the Bank of England's (BoE) hand.

Supply will be an issue for the UK gilt market over the next few years, with around £200bn per annum forecast over each of the next five years. Alongside quantitative tightening (where the Bank of England (BoE) is selling its gilt holdings back into the market), this will represent a headwind for gilts, and alongside elevated base rates for longer, means we are comfortable to run a strategic short duration position.

Craig Inches and Ben Nicholl
Fund Managers
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class M Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	94.86	99.70	101.31	100.71
Return before operating charges*	1.08	(3.53)	(1.14)	1.36
Operating charges	(0.14)	(0.28)	(0.29)	(0.29)
Return after operating charges*	0.94	(3.81)	(1.43)	1.07
Distributions on income shares	(1.35)	(1.03)	(0.18)	(0.47)
Closing net asset value per share	94.45	94.86	99.70	101.31
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.99%	(3.82)%	(1.41)%	1.06%
Other information				
Closing net asset value (£'000)	489,291	405,812	212,720	242,410
Closing number of shares	518,027,121	427,787,909	213,368,451	239,274,553
Operating charges	0.29%	0.29%	0.29%	0.29%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	96.74	100.50	101.50	101.70
Lowest share price	95.03	92.91	99.85	100.50

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	98.24	101.95	103.21	101.91
Return before operating charges*	1.12	(3.62)	(1.17)	1.39
Operating charges	(0.04)	(0.09)	(0.09)	(0.09)
Return after operating charges*	1.08	(3.71)	(1.26)	1.30
Distributions on accumulation shares	(1.40)	(1.05)	(0.18)	(0.48)
Retained distributions on accumulation shares	1.40	1.05	0.18	0.48
Closing net asset value per share	99.32	98.24	101.95	103.21
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.10%	(3.64)%	(1.22)%	1.28%
Other information				
Closing net asset value (£'000)	308,959	430,413	384,418	448,000
Closing number of shares	311,088,479	438,119,037	377,060,350	434,060,564
Operating charges	0.09%	0.09%	0.09%	0.09%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	100.20	102.80	103.40	103.40
Lowest share price	98.42	95.47	102.00	101.70

Class S Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	95.29	99.93	101.33	100.51
Return before operating charges*	1.09	(3.54)	(1.15)	1.36
Operating charges	(0.04)	(0.07)	(0.07)	(0.07)
Return after operating charges*	1.05	(3.61)	(1.22)	1.29
Distributions on income shares	(1.36)	(1.03)	(0.18)	(0.47)
Closing net asset value per share	94.98	95.29	99.93	101.33
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.10%	(3.61)%	(1.20)%	1.28%
Other information				
Closing net asset value (£'000)	5	5	5	5
Closing number of shares	5,000	5,000	5,000	5,000
Operating charges	0.07%	0.07%	0.07%	0.07%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	97.23	100.80	101.60	101.70
Lowest share price	95.46	93.31	100.10	100.30

Comparative Tables (continued)

Class Z Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	95.42	100.21	101.76	101.08
Return before operating charges*	1.08	(3.54)	(1.15)	1.37
Operating charges	(0.10)	(0.22)	(0.22)	(0.22)
Return after operating charges*	0.98	(3.76)	(1.37)	1.15
Distributions on income shares	(1.36)	(1.03)	(0.18)	(0.47)
Closing net asset value per share	95.04	95.42	100.21	101.76
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.03%	(3.75)%	(1.35)%	1.14%
Other information				
Closing net asset value (£'000)	321,528	373,128	261,461	156,973
Closing number of shares	338,316,847	391,048,508	260,910,672	154,256,079
Operating charges	0.22%	0.22%	0.22%	0.22%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	97.33	101.10	102.00	102.20
Lowest share price	95.59	93.44	100.40	100.80

[^] 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Certificates of Deposit – 1.09% (31/10/22 – 0.61%)			
£2,500,000	Barclays 5.38% 11/10/2023	2,506	0.22
£2,500,000	BNP Paribas 4.84% 27/2/2024	2,492	0.22
£2,500,000	Nordea Bank 0.00% 27/2/2024	2,399	0.21
£2,500,000	Torrie 0.00% 13/10/2023	2,444	0.22
£2,500,000	UBS 5.54% 13/10/2023	2,504	0.22
Total Certificates of Deposit		12,345	1.09
Commercial Mortgage Backed Securities – 0.13% (31/10/22 – 0.11%)			
£6,413,000	Income Contingent Student Loan 2 FRN 24/7/2058	1,408	0.13
Total Commercial Mortgage Backed Securities		1,408	0.13
Corporate Bonds – 3.11% (31/10/22 – 3.33%)			
£1,400,000	Banque Federative du Credit Mutuel 1.875% 26/10/2028	1,187	0.11
£3,903,000	DNB Bank 1.375% variable 2/12/2025	3,649	0.33
£3,583,000	Leeds Building Society 1.375% 6/10/2027	3,019	0.27
£6,038,000	Lloyds Bank 5.125% 7/3/2025	6,033	0.54
£1,300,000	Muenchener Hypothekenbank 0.5% 11/12/2024	1,211	0.11
£2,013,000	Nestle Holdings 0.625% 18/12/2025	1,822	0.16
£4,447,000	OP Corporate Bank 3.375% 14/1/2026	4,235	0.38
£5,598,000	PRS Finance 1.75% 24/11/2026	4,827	0.43
£2,765,000	Royal Bank of Canada 1% 9/9/2026	2,431	0.22
£2,500,000	Bank of Nova Scotia FRN 9/11/2024	2,516	0.22
£1,818,000	TSB Bank FRN 14/2/2027	1,820	0.16
£2,000,000	Unite USAF II 3.374% 30/6/2028	1,992	0.18
Total Corporate Bonds		34,742	3.11
Government Bonds – 95.93% (31/10/22 – 93.30%)			
£2,000,000	CPPIB Capital 0.875% 17/12/2024	1,877	0.17
£642,000	Development Bank of Japan 4.5% 6/6/2025	638	0.06
£1,900,000	Dexia Credit Local 1.25% 21/7/2025	1,763	0.16
£1,341,000	KfW 1.125% 4/7/2025	1,249	0.11
20,000,000	UK Treasury 0% 12/6/2023	19,903	1.78
23,200,000	UK Treasury 0% 24/7/23	22,965	2.05
£156,000,000	UK Treasury 0.125% 31/1/2024	151,311	13.51
£325,000,000	UK Treasury 0.25% 31/1/2025	303,595	27.11
£177,000,000	UK Treasury 0.375% 22/10/2026	157,395	14.06
£43,000,000	UK Treasury 0.75% 22/7/2023	42,657	3.81
£40,000,000	UK Treasury 1% 22/4/2024	38,745	3.46
£88,000,000	UK Treasury 3.5% 22/10/2025	86,614	7.73
£244,000,000	UK Treasury 4.125% 29/1/2027	245,474	21.92
Total Government Bonds		1,074,186	95.93
Forward Currency Contracts – 0.00% (31/10/22 – 0.07%)			
Total value of investments		1,122,681	100.26
Net other liabilities		(2,898)	(0.26)
Total net assets		1,119,783	100.00

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

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	1,110,336	99.17	1,170,009	96.74
Total bonds	1,110,336	99.17	1,170,009	96.74
Certificates of deposit	12,345	1.09	7,414	0.61
Forward currency contracts – assets	–	–	790	0.07
Investments as shown in the balance sheet	1,122,681	100.26	1,178,213	97.42
Total value of investments	1,122,681	100.26	1,178,213	97.42

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
UK Treasury 4.125% 29/1/2027	269,337
UK Treasury 0.75% 22/7/2023	171,986
UK Treasury 3.5% 22/10/2025	104,054
UK Treasury 0.25% 31/1/2025	86,494
UK Treasury 0.375% 22/10/2026	60,483
UK Treasury 0% 8/5/2023	58,939
UK Treasury 0.125% IL 22/3/2024	58,860
UK Treasury 0.125% 31/1/2024	54,047
US Treasury 3.875% 15/1/2026	44,268
UK Treasury 1% 22/4/2024	41,607
Subtotal	950,075
Total cost of purchases, including the above, for the period	1,060,536

Significant Sales

	Proceeds £'000
UK Treasury 0.375% 22/10/2026	207,017
UK Treasury 0.125% 31/1/2023	195,178
UK Treasury 0.75% 22/7/2023	154,352
UK Treasury 2.25% 7/9/2023	115,077
UK Treasury 0.25% 31/1/2025	68,105
UK Treasury 4.125% 29/1/2027	62,482
UK Treasury 0% 8/5/2023	59,516
UK Treasury 0.125% IL 22/3/2024	59,259
US Treasury 3.875% 15/1/2026	44,993
US Treasury 0.125% 15/1/2024	44,950
Subtotal	1,010,929
Total proceeds from sales, including the above, for the period	1,120,721

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(3,643)		(17,954)
Revenue	17,663		3,226	
Expenses	(1,252)		(973)	
Interest payable and similar charges	(4)		(3)	
Net revenue before taxation	16,407		2,250	
Taxation	–		–	
Net revenue after taxation		16,407		2,250
Total return/(deficit) before distributions		12,764		(15,704)
Distributions		(17,659)		(3,223)
Change in net assets attributable to shareholders from investment activities		(4,895)		(18,927)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	1,122,681	1,178,213
Current assets:		
Debtors	26,036	11,254
Cash and bank balances	1,696	26,015
Total assets	1,150,413	1,215,482
Liabilities		
Creditors:		
Bank overdraft	152	–
Other creditors	18,860	198
Distribution payable	11,618	5,926
Total liabilities	30,630	6,124
Net assets attributable to shareholders	1,119,783	1,209,358

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,209,358		858,604
Amounts receivable on creation of shares	230,094		322,018	
Amounts payable on cancellation of shares	(319,289)		(97,764)	
		(89,195)		224,254
Dilution adjustment charged		152		105
Change in net assets attributable to shareholders from investment activities		(4,895)		(18,927)
Retained distributions on accumulation shares		4,363		1,195
Closing net assets attributable to shareholders		1,119,783		1,065,231

Distribution Table

For the six month period ended 30 April 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class M Income				
Group 1	1.3535	–	1.3535	0.3039
Group 2	0.7029	0.6506	1.3535	0.3039
Class R Accumulation				
Group 1	1.4024	–	1.4024	0.3109
Group 2	0.3942	1.0082	1.4024	0.3109
Class S Income				
Group 1	1.3604	–	1.3604	0.3048
Group 2	1.3604	0.0000	1.3604	0.3048
Class Z Income				
Group 1	1.3617	–	1.3617	0.3055
Group 2	0.7568	0.6049	1.3617	0.3055

Royal London Short Term Fixed Income Enhanced Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month return %	1 year return %	3 year return %	5 year return %
Royal London Short Term Fixed Income Enhanced Fund, Class R Accumulation	2.68	1.80	2.73	–
Royal London Short Term Fixed Income Enhanced Fund, Class S Accumulation	2.68	1.80	2.73	–
Royal London Short Term Fixed Income Enhanced Fund, Class S Income	2.68	1.80	2.73	–
Royal London Short Term Fixed Income Enhanced Fund, Class Y Accumulation	2.61	1.65	2.27	4.47
Royal London Short Term Fixed Income Enhanced Fund, Class Y Income	2.61	1.65	2.27	4.47
Royal London Short Term Fixed Income Enhanced Fund, Class Z Accumulation	2.69	1.81	2.41	4.93
Sterling Overnight Index Average Rate (SONIA)	1.76	2.51	2.77	3.94

Class R Accumulation launched on 6 September 2018, Class S Accumulation and Class S Income launched on 9 April 2019.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund delivered positive returns for the period under review, also outperforming the benchmark Sterling Overnight Index Average Rate (SONIA).

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data prints either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and Swiss regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

UK money markets saw mixed moves on yields, with short rates moving higher with BoE rate increases, while longer tenors generally moved slightly lower by the end of the period due to expectations that the BoE was at or near to a peak in the current interest rate cycle. SONIA started the period at 2.18% and ended at 4.18%. Two-year gilts, often seen as a proxy for market expectations of BoE rates, increased from 3.26% to 3.78%, albeit with lows of less than 3% and highs of over 4% during the six months.

Manager's Investment Report (continued)

Portfolio commentary

The period was dominated by two themes: the ongoing tightening of monetary policy by major central banks, and the concerns over the strength of the global financial system. Although these dominated headlines, we did not make any major changes to our strategy over the period as a direct result of these. On central bank action, the moves by the BoE were in line with our expectations, while in the banking sector, we have an ongoing, proven process for assessing banks that differentiates between those where we are happy to use for overnight deposits or subordinated debt, and those that we will only consider senior bonds. The Fund had no exposure of any kind to Silicon Valley Bank, and no deposits or subordinated exposure to Credit Suisse – with the Fund having a modest (less than 0.5%) exposure to senior short-dated Credit Suisse bonds, with these subsequently sold based on our view that we already held a small amount of UBS senior paper and therefore did not want excessive exposure to the new combined entity.

The run-up to year end always causes small distortions in the market as investors look to extend beyond the 31 December. With the start of the new year, we saw this effect unwind somewhat. This effect, as well as the further rate hikes from the Bank of England (BoE) meant that we were able to increase portfolio yield. The yield built into the portfolio and the mix of assets used, led to strong performance for the period.

Performance over the period was positive in absolute terms – helped by rising yields generally and the high yield built into the portfolio. While the overall shape of the portfolio was unchanged as a whole, at the margin we trimmed exposure to short-dated bank paper and covered bonds as we felt spreads were attractive – the former obviously helping in the short term with the weakness in the bank sector on the Credit Suisse news. We sold our small exposure to senior Credit Suisse following the rescue by UBS. This was a small negative for performance given the sell-off in this name, but the bonds had recovered most of the ground lost during that period of uncertainty, and hence the effect was marginal. We now have no exposure to Credit Suisse and only very short-dated (around six months maturity) senior exposure to UBS, which reduces downgrade risk once ratings agencies assess the health of the new combined entity. Other activity of note included adding new issues of two-year bonds from Development Bank of Japan, a new issue RMBS from Parkmore Point and four-year covered bonds from TSB and senior bank new issue from Danske, all at attractive levels, helping lift the overall Fund yield.

Investment outlook

Market attention is invariably focused on where the peak is for UK base rates, and how quickly we get there. We believe that this is less important than what happens once we get there. Current market pricing suggests that rates will start to fall not long after that peak is reached. As a result, the premium for buying longer-dated money market instruments is lower. We feel that there is no compelling case to extend maturities on a wholesale basis as we believe that inflation will be stickier than expected and that rates may need to spend some time at or near the eventual peak. In practical terms, that means we remain comfortable with money market exposure focused on three-four month CDs, adding selectively to longer paper but also adding to floating rate CDs where available as these reduce rate risk and in the 6-12 part of the market, are yielding an attractive excess over SONIA.

Adding to floating CDs, and to covered bonds where available, helps immunise some of the uncertainty around future rate moves, while helping us deliver against yield objectives and helping us mitigate risk more generally through the level of the diversification we have built into all strategies. For funds such as this one that can accept more credit risk, we are being somewhat cautious – not on a view that credit risk is inherently bad, but because with yields at more attractive levels generally and spreads somewhat compressed, we want to be much more targeted when adding covered bonds or short-term credit to ensure that the Fund receives adequate additional premium for the risk taken.

Tony Cole & Craig Inches
Fund Managers
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	102.05	103.91	103.40	102.02
Return before operating charges*	2.84	(1.83)	0.54	1.41
Operating charges	(0.02)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.82	(1.86)	0.51	1.38
Distributions on accumulation shares	(1.56)	(1.36)	(0.88)	(1.27)
Retained distributions on accumulation shares	1.56	1.36	0.88	1.27
Closing net asset value per share	104.87	102.05	103.91	103.40
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.76%	(1.79)%	0.49%	1.35%
Other information				
Closing net asset value (£'000)	569,621	868,855	1,424,780	1,359,360
Closing number of shares	543,186,739	851,368,248	1,371,138,059	1,314,647,954
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	104.94	104.28	104.34	103.50
Lowest share price	102.22	100.86	103.52	101.40

Class S Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	101.06	102.90	102.40	101.03
Return before operating charges*	2.81	(1.81)	0.53	1.40
Operating charges	(0.02)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.79	(1.84)	0.50	1.37
Distributions on accumulation shares	(1.55)	(1.35)	(0.87)	(1.25)
Retained distributions on accumulation shares	1.55	1.35	0.87	1.25
Closing net asset value per share	103.85	101.06	102.90	102.40
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.76%	(1.79)%	0.49%	1.36%
Other information				
Closing net asset value (£'000)	18,138	8,899	291,383	6,419
Closing number of shares	17,466,124	8,805,774	283,164,031	6,269,325
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	103.92	103.27	103.32	102.50
Lowest share price	101.22	99.88	102.51	100.40

Class S Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	96.86	99.94	100.30	100.19
Return before operating charges*	2.68	(1.75)	0.52	1.38
Operating charges	(0.01)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.67	(1.78)	0.49	1.35
Distributions on income shares	(1.48)	(1.30)	(0.85)	(1.24)
Closing net asset value per share	98.05	96.86	99.94	100.30
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.76%	(1.78)%	0.49%	1.35%
Other information				
Closing net asset value (£'000)	117,486	318,217	383,665	397,207
Closing number of shares	119,819,245	328,518,056	383,885,575	396,035,675
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	98.93	100.30	100.79	100.90
Lowest share price	97.02	96.22	100.17	99.16

Comparative Tables (continued)

Class Y Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	104.11	106.17	105.80	104.55
Return before operating charges*	2.88	(1.87)	0.56	1.44
Operating charges	(0.09)	(0.19)	(0.19)	(0.19)
Return after operating charges*	2.79	(2.06)	0.37	1.25
Distributions on accumulation shares	(1.51)	(1.23)	(0.74)	(1.14)
Retained distributions on accumulation shares	1.51	1.23	0.74	1.14
Closing net asset value per share	106.90	104.11	106.17	105.80
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.68%	(1.94)%	0.35%	1.20%
Other information				
Closing net asset value (£'000)	153,201	221,881	398,692	222,008
Closing number of shares	143,312,929	213,121,493	375,539,703	209,835,768
Operating charges	0.18%	0.18%	0.18%	0.18%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	106.98	106.52	106.62	105.90
Lowest share price	104.28	102.91	105.92	103.80

Class Y Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	95.64	98.68	99.03	98.92
Return before operating charges*	2.65	(1.72)	0.52	1.37
Operating charges	(0.09)	(0.18)	(0.18)	(0.18)
Return after operating charges*	2.56	(1.90)	0.34	1.19
Distributions on income shares	(1.39)	(1.14)	(0.69)	(1.08)
Closing net asset value per share	96.81	95.64	98.68	99.03
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.68%	(1.93)%	0.34%	1.20%
Other information				
Closing net asset value (£'000)	848,380	808,725	404,558	352,665
Closing number of shares	876,308,986	845,592,703	409,973,580	356,128,048
Operating charges	0.18%	0.18%	0.18%	0.18%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	97.64	99.01	99.48	99.56
Lowest share price	95.79	94.98	98.87	97.88

Class Z Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	104.87	106.76	106.23	105.17
Return before operating charges*	2.90	(1.87)	0.55	1.09
Operating charges	(0.01)	(0.02)	(0.02)	(0.03)
Return after operating charges*	2.89	(1.89)	0.53	1.06
Distributions on accumulation shares	(1.61)	(1.41)	(0.91)	(0.97)
Retained distributions on accumulation shares	1.61	1.41	0.91	0.97
Closing net asset value per share	107.76	104.87	106.76	106.23
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.76%	(1.77)%	0.50%	1.01%
Other information				
Closing net asset value (£'000)	3	2	3	3
Closing number of shares	2,359	2,359	2,359	2,359
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	107.84	107.14	107.20	106.40
Lowest share price	105.03	103.64	106.35	104.50

* 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Certificates of Deposit – 26.81% (31/10/22 – 17.87%)							
£10,000,000	Bank of Montreal 0% 13/7/2023	9,911	0.58	£3,700,000	Banque Federative du Credit Mutuel 1.875% 26/10/2028	3,138	0.18
£25,000,000	Barclays 3.35% 18/8/2023	24,897	1.46	£12,800,000	Banque Federative Du Credit Mutuel 5% 19/1/2026	12,690	0.74
£10,000,000	Barclays 4.72% 8/2/2024	9,975	0.58	£22,000,000	Barclays 3.125% 17/1/2024	21,608	1.27
£16,666,667	Barclays 4.74% 9/2/2024	16,627	0.97	£17,200,000	BNP Paribas 2% variable 24/5/2031	14,909	0.87
£25,000,000	Co-operative Rabobank 4.83% 1/11/2023	24,984	1.46	£15,000,000	Canadian Imperial Bank of Commerce FRN 9/6/2025	15,130	0.89
£75,000,000	Credit Agricole 4.55% 11/7/2023	74,981	4.39	£10,210,000	Canadian Imperial Bank of Commerce FRN 23/6/2026	10,325	0.60
£20,000,000	Credit Industrial et Commercial 0% 1/11/2023	19,493	1.14	£15,868,000	Citigroup 5.875% 1/7/2024	15,800	0.93
£25,000,000	Credit Industrial et Commercial 0% 20/2/2024	23,960	1.40	£2,705,000	Close Brothers Group 2% variable 11/9/2031	2,262	0.13
£25,000,000	ING Bank 0% 13/2/2024	24,008	1.41	£9,500,000	Commerzbank 1.75% 22/1/2025	8,756	0.51
£10,000,000	ING Bank 3% 1/8/2023	9,956	0.58	£35,714,000	Commonwealth Bank of Australia FRN 16/1/2025	35,734	2.09
£15,000,000	National Bank of Abu Dhabi 4.46% 7/8/2023	14,988	0.88	£4,800,000	Coventry Building Society 1% 21/9/2025	4,333	0.25
£10,000,000	National Bank of Abu Dhabi 4.50% 1/8/2023	9,992	0.59	£17,000,000	Coventry Building Society 1.875% 24/10/2023	16,706	0.98
£10,000,000	National Bank of Abu Dhabi 4.58% 9/11/2023	9,969	0.58	£10,100,000	Deutsche Bank 2.625% 16/12/2024	9,418	0.55
£50,000,000	Natis Securities 4.72% 22/2/2024	49,760	2.92	£4,925,000	Danske Bank AS 4.625% variable 13/4/2027	4,816	0.28
£35,000,000	Nordea Bank 4.47% 27/9/2023	34,935	2.05	£10,400,000	Deutsche Pfandbriefbank FRN 29/9/2023	10,419	0.61
£25,000,000	Nordea Bank 4.71% 22/11/2023	24,957	1.46	£8,500,000	Deutsche Pfandbriefbank FRN 26/4/2024	8,530	0.50
£15,000,000	Societe General 3.64% 22/8/2023	14,938	0.88	£23,097,000	DBS Bank FRN 17/11/2025	23,310	1.37
£10,000,000	Toronto Dominion Bank 0% 2/5/2024	9,491	0.56	£12,887,000	DNB Bank 1.375% variable 2/12/2025	12,047	0.71
£25,000,000	Toronto Dominion Bank 3.24% 15/8/2023	24,885	1.46	£3,000,000	DNB Bank 1.625% 15/12/2023	2,929	0.17
£25,000,000	UBS 4.83% 22/11/2023	24,943	1.46	£8,236,000	DNB Bank 2.625% variable 10/6/2026	7,787	0.46
Total Certificates of Deposit		457,650	26.81	£16,374,000	Goldman Sachs Group 1% variable 16/12/2025	15,268	0.89
Commercial Mortgage Backed Securities – 6.70% (31/10/22 – 6.09%)				£17,000,000	Heathrow Funding 6.75% 3/12/2028	17,703	1.04
£7,891,000	Atom Mortgage Securities DAC FRN 22/7/2031	5,961	0.35	£19,081,000	HSBC 1.75% variable 24/7/2027	16,781	0.98
£13,475,000	Castell 2020-1 FRN 25/3/2053	3,779	0.22	£3,000,000	HSBC 6.5% 20/5/2024	3,026	0.18
£9,000,000	Elvet Mortgages 2020-1 FRN 22/3/2065	1,674	0.10	£11,303,000	Industrial Commercial Bank of China 1.625% 28/12/2025	9,961	0.58
£4,718,000	Frost CMBS 2021 1 DAC FRN 22/11/2026	4,595	0.27	£11,200,000	ING Groep 5% variable 30/8/2026	11,033	0.65
£6,650,000	Highways 2021 FRN 18/11/2026	6,302	0.37	£19,609,000	JP Morgan Chase 0.991% variable 28/4/2026	17,995	1.05
£57,617,000	Income Contingent Student Loan FRN 24/7/2056	9,088	0.53	£8,600,000	KBC Group 1.25% variable 21/9/2027	7,461	0.44
£111,155,000	Income Contingent Student Loan 2 FRN 24/7/2058	24,411	1.43	£3,544,000	Land Securities Capital Markets 1.974% 8/2/2026	3,449	0.20
£4,331,000	Parkmore Point RMBS 2022-1 FRN 25/7/2045	3,735	0.22	£6,799,000	Leeds Building Society FRN 15/1/2025	6,807	0.40
£7,313,000	PCL Funding FRN 15/10/2025	7,306	0.43	£18,184,000	Leeds Building Society 1.375% 6/10/2027	15,320	0.90
£7,203,000	PCL Funding FRN 15/7/2026	7,230	0.43	£7,000,000	Legal & General 5.375% variable 27/10/2045	6,839	0.40
£8,080,000	PCL Funding VIII FRN 15/5/2028	8,080	0.47	£4,718,000	Lloyds Bank 1.985% variable 15/12/2031	4,043	0.24
£5,660,000	Sage AR Funding FRN 17/11/2030	5,478	0.32	£7,000,000	Lloyds Bank 2.25% 16/10/2024	6,683	0.39
£9,682,000	Taurus 2018 FRN 22/5/2028	5,663	0.33	£8,925,000	Lloyds Bank Corporate Markets 1.5% 23/6/2023	8,871	0.52
£3,820,000	Taurus 2019-2 FRN 17/11/2029	3,565	0.21	£8,300,000	M&G 3.875% variable 20/7/2049	8,040	0.47
£7,162,000	Taurus FRN 17/5/2030	6,981	0.41	£6,210,000	Metropolitan Life Global Funding 4.125% 2/9/2025	6,051	0.35
£4,500,000	Taurus FRN 17/5/2031	4,331	0.25	£10,960,000	Mitchells & Butlers (A4) FRN 15/12/2028	5,657	0.33
£5,623,000	Together Asset Backed Securitisation 2019 FRN 15/7/2061	1,372	0.08	£3,000,000	Mitchells & Butlers (A1N) FRN 15/12/2030	1,118	0.07
£5,000,000	Together Asset Backed Securitisation FRN 15/12/2061	1,995	0.12	£26,159,000	National Australia Bank FRN 4/2/2025	26,162	1.53
£4,703,000	Together Asset Backed Securitisation FRN 12/7/2063	2,750	0.16	£4,871,000	National Australia Bank 1.699% variable 15/9/2031	4,105	0.24
Total Commercial Mortgage Backed Securities		114,296	6.70	£5,500,000	National Express 2.5% 11/11/2023	5,411	0.32
Commercial Paper – 2.63% (31/10/22 – 2.63%)				£18,250,000	Nationwide Building Society FRN 24/2/2031	17,868	1.05
£45,000,000	Macquarie Bank Limited 0% 30/5/2023	44,830	2.63	£16,300,000	Nationwide Building Society FRN 15/12/2023	16,184	0.95
Total Commercial Paper		44,830	2.63	£7,552,000	NatWest Group 2.105% variable 28/11/2031	6,458	0.38
Corporate Bonds – 58.11% (31/10/22 – 64.24%)				£700,000	New York Life Global Funding 1.25% 17/12/2026	612	0.04
£9,600,000	Aareal Bank AG FRN 29/4/2025	9,673	0.57	£6,613,000	New York Life Global Funding 1.625% 15/12/2023	6,459	0.38
£6,830,000	Australia & New Zealand Banking 1.809% variable 16/9/2031	5,752	0.34	£10,000,000	NIE Finance 2.5% 27/10/2025	9,349	0.55
£15,000,000	Banco Santander SA FRN 17/4/2025	14,992	0.88	£1,146,000	Northern Powergrid Yorkshire 2.5% 1/4/2025	1,076	0.06
£23,200,000	Banco Santander SA 1.375% 31/7/2024	22,044	1.29	£12,500,000	OP Corporate Bank FRN 18/11/2025	12,501	0.73
£5,800,000	Banco Santander SA 3.125% variable 6/10/2026	5,400	0.32	£11,661,000	OP Corporate Bank 3.375% 14/1/2026	11,105	0.65
£15,000,000	Bank of Montreal FRN 15/9/2026	15,181	0.89	£17,051,000	Principality Building Society 2.375% 23/11/2023	16,706	0.98
£10,000,000	Bank of Nova Scotia FRN 9/11/2024	10,064	0.59	£6,904,000	Protective Life Global Funding 5.248% 13/1/2028	6,900	0.41
£13,000,000	Bank of Nova Scotia FRN 15/10/2024	13,085	0.77				
£13,436,000	Bank of Nova Scotia FRN 14/3/2025	13,555	0.79				
£11,513,000	Bank of Nova Scotia FRN 22/6/2026	11,649	0.68				
£10,000,000	Bank of Nova Scotia 2.875% 3/5/2027	9,094	0.53				

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 58.11% (31/10/22 – 64.24%) – continued			
£30,425,000	Royal Bank of Canada FRN 3/10/2024	30,480	1.79
£38,941,000	Royal Bank of Canada 1% 9/9/2026	34,236	2.01
£19,500,000	Santander 2.75% 12/9/2023	19,302	1.13
£3,057,000	Scottish Power 6.75% 29/5/2023	3,060	0.18
£30,490,000	Scottish Widows 5.5% 16/6/2023	30,455	1.78
£26,960,000	Skipton Building Society 2% variable 2/10/2026	24,305	1.42
£3,300,000	Societe Generale 1.875% 3/10/2024	3,135	0.18
£5,000,000	Swedbank 7.272% variable 15/11/2032	5,112	0.30
£10,000,000	Telereal Securitisation FRN 10/12/2033	3,124	0.18
£2,500,000	Telereal Securitisation FRN 10/12/2033	2,089	0.12
£15,000,000	Thames Water Utilities Finance 0.875% 19/10/2023	14,556	0.85
£3,668,000	Toronto Dominion Bank 2.875% 5/4/2027	3,346	0.20
£33,046,000	TSB Bank FRN 14/2/2027	33,080	1.94
£20,317,000	UK Municipal Bonds Agency Finance FRN 12/3/2025	20,353	1.19
£2,285,000	Unite USAF 3.374% 30/6/2028	2,276	0.13
£4,500,000	Unite USAF II 3.921% 30/6/2030	4,310	0.25
£13,867,000	United Overseas Bank FRN 21/9/2026	13,990	0.82
£13,500,000	Volkswagen Financial Services 1.125% 18/9/2023	13,290	0.78
£5,700,000	Volkswagen Financial Services 1.125% 5/7/2026	4,996	0.29
£5,000,000	Volkswagen Financial Services 3.25% 13/4/2027	4,608	0.27
£10,200,000	Wells Fargo Bank 5.25% 1/8/2023	10,177	0.60
£10,900,000	Westfield Stratford City 1.642% 4/8/2031	9,497	0.56
£17,865,000	Yorkshire Building Society FRN 21/11/2024	17,905	1.05
Total Corporate Bonds		991,820	58.11
Government Bonds – 4.25% (31/10/22 – 0.79%)			
£32,903,000	UK Treasury 0% 15/5/2023	32,852	1.93
£30,000,000	UK Treasury 0% 22/5/2023	29,930	1.75
£10,000,000	UK Treasury 0% 30/10/2023	9,771	0.57
Total Government Bonds		72,553	4.25
Total value of investments		1,681,149	98.50
Net other assets		25,680	1.50
Total net assets		1,706,829	100.00

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

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	1,150,830	67.43	1,566,577	70.36
Investments of below investment grade	–	–	6,120	0.27
Unrated bonds	27,839	1.63	10,789	0.49
Total bonds	1,178,669	69.06	1,583,486	71.12
Certificates of deposit	457,650	26.81	397,834	17.87
Commercial paper	44,830	2.63	58,703	2.63
Total value of investments	1,681,149	98.50	2,040,023	91.62

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
UK Treasury 4.125% 29/1/2027	81,789
Credit Agricole 4.55% 11/7/2023	75,000
Nordea Bank 3.94% 15/3/2023	75,000
Natixis Securities 4.72% 22/2/2024	50,000
Nationwide Building Society 4.17% 3/4/2023	50,000
Belfius 0% 22/3/2023	49,962
UK Treasury 0% 22/5/2023	49,073
UK Treasury 0.125% 31/1/2023	37,278
TSB Bank FRN 14/2/2027	33,046
UK Treasury 0% 15/5/2023	32,310
Subtotal	533,458
Total cost of purchases, including the above, for the period	889,907

Significant Sales

	Proceeds £'000
UK Treasury 4.125% 29/1/2027	82,213
Nordea Bank 3.94% 15/3/2023	75,000
Nationwide Building Society 4.17% 3/4/2023	50,000
Belfius 0% 22/3/2023	49,962
TSB Bank FRN 15/2/2024	46,563
UK Treasury 0.125% 31/1/2023	37,455
Nationwide Building Society FRN 10/1/2024	34,589
National Bank of Canada 0% 14/7/2023	29,610
HSBC 6.5% 7/7/2023	26,922
Clydesdale Bank FRN 22/3/2024	26,754
Subtotal	459,068
Total proceeds from sales, including the above, for the period	1,274,431

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		26,065		(39,847)
Revenue	31,405		13,872	
Expenses	(1,074)		(1,059)	
Interest payable and similar charges	(4)		(15)	
Net revenue before taxation	30,327		12,798	
Taxation	–		–	
Net revenue after taxation		30,327		12,798
Total return/(deficit) before distributions		56,392		(27,049)
Distributions		(30,327)		(12,798)
Change in net assets attributable to shareholders from investment activities		26,065		(39,847)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	1,681,149	2,040,023
Current assets:		
Debtors	26,952	15,772
Cash and bank balances	33,926	176,325
Total assets	1,742,027	2,232,120
Liabilities		
Creditors:		
Bank overdraft	1	–
Other creditors	27,603	137
Distribution payable	7,594	5,404
Total liabilities	35,198	5,541
Net assets attributable to shareholders	1,706,829	2,226,579

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		2,226,579		2,903,081
Amounts receivable on creation of shares	175,807		241,508	
Amounts payable on cancellation of shares	(735,517)		(153,895)	
		(559,710)		87,613
Dilution adjustment charged		711		92
Change in net assets attributable to shareholders from investment activities		26,065		(39,847)
Retained distributions on accumulation shares		13,184		9,304
Closing net assets attributable to shareholders		1,706,829		2,960,243

Distribution Tables

For the six month period ended 30 April 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 31 January 2023

	Net income	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
Class R Accumulation				
Group 1	0.7103	–	0.7103	0.2042
Group 2	0.2189	0.4914	0.7103	0.2042
Class S Accumulation				
Group 1	0.7033	–	0.7033	0.2023
Group 2	0.7033	0.0000	0.7033	0.2023
Class S Income				
Group 1	0.6741	–	0.6741	0.1964
Group 2	0.6741	0.0000	0.6741	0.1964
Class Y Accumulation				
Group 1	0.6845	–	0.6845	0.1684
Group 2	0.3168	0.3677	0.6845	0.1684
Class Y Income				
Group 1	0.6290	–	0.6290	0.1566
Group 2	0.3138	0.3152	0.6290	0.1566
Class Z Accumulation				
Group 1	0.7322	–	0.7322	0.2123
Group 2	0.7322	0.0000	0.7322	0.2123

Distribution Tables (continued)

For the six month period ended 30 April 2023

Distribution in pence per share**Second Interim**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased between 1 February 2023 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class R Accumulation				
Group 1	0.8513	–	0.8513	0.2648
Group 2	0.2684	0.5829	0.8513	0.2648
Class S Accumulation				
Group 1	0.8433	–	0.8433	0.2622
Group 2	0.0292	0.8141	0.8433	0.2622
Class S Income				
Group 1	0.8026	–	0.8026	0.2541
Group 2	0.8026	0.0000	0.8026	0.2541
Class Y Accumulation				
Group 1	0.8290	–	0.8290	0.2317
Group 2	0.3756	0.4534	0.8290	0.2317
Class Y Income				
Group 1	0.7569	–	0.7569	0.2150
Group 2	0.4729	0.2840	0.7569	0.2150
Class Z Accumulation				
Group 1	0.8779	–	0.8779	0.2746
Group 2	0.8779	0.0000	0.8779	0.2746

Royal London Cautious Managed Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Cautious Managed Fund, Class A Accumulation	3.00	-2.59	1.69	6.74
Benchmark*	2.85	-2.38	-0.31	6.87
IA Mixed Investment 0-35% Shares TR	3.72	-3.86	1.56	3.11

* The Fund has a custom composite benchmark comprised of equities, gilts and cash indices.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

After fees, the Fund outperformed its composite benchmark during the period under review, lagging the return from the peer group, which contains funds with a variety of risk profiles.

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England and European Central Bank all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods when economic data either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

Against this backdrop, bond markets fell with yields rising for most 10-year government benchmark bonds, with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. This was a negative backdrop for the sterling corporate bond market. However, the combination of higher running yield and tightening credit spreads (the additional yield on a corporate bond over an equivalent gilt) meant that returns were positive, while the hope that interest rates may be nearing a turning point helped global equity markets with the MSCI World Index (an industry standard gauge for global equity markets in general) returning 2.68% in sterling terms.

Manager's Investment Report (continued)

Portfolio commentary

On a tactical basis, have held an overweight position in equities over the period. Having initially moved overweight stocks due to depressed investor sentiment towards the end of 2022, we have since added to this overweight position, noting the improvement in economic conditions shown by growth indicators seeming to bottom out and inflation peaking.

Within equity exposures, we generally favoured European stocks over the US, with the latter looking relatively expensive versus other regions. At the sector level, we have favoured US technology and consumer discretionary, given the stronger earnings we have witnessed in these sectors.

Investment outlook

We see a new regime characterised by periodic spikes in inflation and short boom-bust cycles. The Investment Clock has moved into Recovery, with lower energy prices and the Chinese economy re-opening helping growth to pick up as inflation drops. This makes us positive on stocks, but in the absence of a dramatic fall in core inflation, further rate hikes and credit tightening could ultimately push economies into recession, making defensive positioning necessary.

Trevor Greetham

Fund Manager

Royal London Asset Management Limited

30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Table

Class A Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	116.80	127.70	120.35	119.54
Return before operating charges*	3.96	(10.04)	8.23	1.65
Operating charges	(0.42)	(0.86)	(0.88)	(0.84)
Return after operating charges*	3.54	(10.90)	7.35	0.81
Distributions on accumulation shares	–	(1.90)	(1.76)	(2.33)
Retained distributions on accumulation shares	–	1.90	1.76	2.33
Closing net asset value per share	120.34	116.80	127.70	120.35
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	3.03%	(8.54)%	6.11%	0.68%
Other information				
Closing net asset value (£'000)	179,052	189,177	240,838	257,036
Closing number of shares	148,791,645	161,964,836	188,592,058	213,579,097
Operating charges	0.70%	0.70%	0.70%	0.70%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	122.50	129.90	128.80	122.80
Lowest share price	117.00	112.60	120.60	109.70

* 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Bond Collective Investment Schemes – 72.86% (31/10/22 – 81.07%)			
6,336,877	Royal London Diversified Asset-Backed Securities Fund R Acc [†]	7,324	4.09
15,066,817	Royal London Investment Grade Short Dated Credit Fund R Acc [†]	15,415	8.61
18,255,116	Royal London Short Duration Gilts Fund R Acc [†]	18,128	10.13
7,361,561	Royal London Short Term Fixed Income Fund R Acc [†]	7,735	4.32
28,384,896	Royal London Short-Term Money Market Fund R Acc [†]	29,561	16.51
28,961,612	Royal London Sterling Credit Fund R Acc [†]	30,219	16.88
24,522,885	Royal London UK Government Bond Fund R Acc [†]	22,053	12.32
Total Bond Collective Investment Schemes		130,435	72.86
Equity Collective Investment Schemes – 26.87% (31/10/22 – 18.51%)			
2,678,735	Royal London Asia Pacific ex Japan Tilt Fund R Acc [†]	3,456	1.93
4,561,823	Royal London Emerging Markets ESG Leaders Equity Tracker Fund R Acc [†]	5,194	2.90
3,622,461	Royal London Europe ex UK Equity Tilt Fund R Acc [†]	5,465	3.05
3,420,109	Royal London Japan Equity Tilt Fund R Acc [†]	3,834	2.14
14,573,814	Royal London UK Broad Equity Tilt Fund R Acc [†]	16,015	8.94
8,913,161	Royal London US Equity Tilt Fund R Acc [†]	14,165	7.91
Total Equity Collective Investment Schemes		48,129	26.87
Total value of investments		178,564	99.73
Net other assets		488	0.27
Total net assets		179,052	100.00

[†] Related party

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
Royal London Emerging Markets ESG Leaders Equity Tracker Fund R Acc	6,171
Royal London Europe ex UK Equity Tilt Fund R Acc	5,398
Royal London Short-Term Money Market Fund R Acc	4,939
Royal London UK Government Bond Fund R Acc	4,114
Royal London Asia Pacific ex Japan Tilt Fund R Acc	4,103
Royal London Japan Equity Tilt Fund R Acc	3,672
Royal London US Equity Tilt Fund R Acc	3,667
Royal London Diversified Asset-Backed Securities Fund R Acc	2,807
Royal London Short Term Fixed Income Fund R Acc	2,725
Royal London UK Broad Equity Tilt Fund R Acc	1,599
Subtotal	39,195
Total cost of purchases, including the above, for the period	39,974

Significant Sales

	Proceeds £'000
Royal London Short Term Fixed Income Fund R Acc	13,824
Royal London Short-Term Money Market Fund R Acc	10,326
Royal London UK Government Bond Fund R Acc	9,188
Royal London Sterling Credit Fund R Acc	5,418
Royal London Emerging Markets ESG Leaders Equity Tracker Fund R Acc	3,733
Royal London Europe ex UK Equity Tilt Fund R Acc	3,091
Royal London Japan Equity Tilt Fund R Acc	2,471
Royal London UK Broad Equity Tilt Fund R Acc	2,284
Royal London US Equity Tilt Fund R Acc	1,805
Royal London Investment Grade Short Dated Credit Fund R Acc	1,617
Subtotal	53,757
Total proceeds from sales, including the above, for the period	56,022

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		4,177		(8,302)
Revenue	2,126		1,418	
Expenses	(646)		(805)	
Interest payable and similar charges	–		–	
Net revenue before taxation	1,480		613	
Taxation	–		–	
Net revenue after taxation		1,480		613
Total return/(deficit) before distributions		5,657		(7,689)
Distributions		(140)		(73)
Change in net assets attributable to shareholders from investment activities		5,517		(7,762)

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		189,177		240,838
Amounts receivable on creation of shares	17		13	
Amounts payable on cancellation of shares	(15,659)		(15,434)	
		(15,642)		(15,421)
Change in net assets attributable to shareholders from investment activities		5,517		(7,762)
Closing net assets attributable to shareholders		179,052		217,655

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	178,564	188,379
Current assets:		
Debtors	13	11
Cash and bank balances	691	1,029
Total assets	179,268	189,419
Liabilities		
Creditors:		
Other creditors	216	242
Total liabilities	216	242
Net assets attributable to shareholders	179,052	189,177

Distribution Table

For the six month period ended 30 April 2023

No distributions have been paid during the six months to 30 April 2023 (30/04/22: nil).

The Fund distributes annually.

Royal London Investment Grade Short Dated Credit Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month return %	1 year return %	3 year return %	5 year return %
Royal London Investment Grade Short Dated Credit Fund, Class N Accumulation	4.07	-1.95	-1.41	2.30
Royal London Investment Grade Short Dated Credit Fund, Class R Accumulation	4.14	-1.92	-1.06	-
Royal London Investment Grade Short Dated Credit Fund, Class S Accumulation	4.15	-1.85	-1.08	-
Royal London Investment Grade Short Dated Credit Fund, Class S Income	4.16	-1.88	-1.08	-
Royal London Investment Grade Short Dated Credit Fund, Class Z Accumulation	4.06	-2.07	-	-
Royal London Investment Grade Short Dated Credit Fund, Class Z Income	4.07	-2.07	-1.66	1.85
ICE BofAML 1-5yr Sterling Non-Gilt All Stocks Index	2.85	-2.12	-3.18	0.27
ICE BofAML 1-5yr Sterling Non-Gilt All Stocks Index + 0.25% per rolling 3 years	2.90	-2.04	-2.93	0.69
IA £ Corporate Bond TR	4.63	-6.88	-9.49	-1.67

Class R Accumulation launched on 24 August 2018, Class S Accumulation and Class S Income launched on 16 April 2019 and Class Z Accumulation launched on 22 July 2021.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund posted strong returns in the six-month period, outperforming the shorter-dated sterling investment grade credit market, using the ICE BofAML 1-5 year Sterling Non-Gilt Index as a guide. It is slightly ahead of this benchmark over the past 12 months but has strongly outperformed over the three and five years.

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England (BoE) and European Central Bank (ECB) all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has been mixed, giving rise to periods of market volatility.

The final market trend of note was the collapse of Silicon Valley Bank and Credit Suisse, which refocused attention on the strength of the banking sector and dragged returns for equity and bond markets sharply lower before US and Swiss regulator actions seemed to calm markets.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.5% to 3.7%. and this was a headwind for the sterling credit bonds. However, the combination of higher initial yield and tightening of credit spreads (the additional yield on a corporate bond over equivalent gilt) resulted in a 2.9% benchmark return in the period.

Manager's Investment Report (continued)

Portfolio commentary

The Fund's performance was driven by its security selection and sector allocation. In particular, our overweight positions in banks and insurance proved helpful despite the failure of several US banks and the rescue of Credit Suisse. Conversely, our overweight exposure to asset backed bonds hindered performance, reflecting their failure to rally as much as the wider credit market.

Our bank holdings continued to recover from the Credit Suisse-linked sell-off with Investec and HSBC among the best performers during the interim period. Our insurance holdings enjoyed a similar tailwind, with M&G a notable outperformer.

Despite ongoing volatility, financials remained a key area of activity for us. We participated in a number of new issues in the banking and insurance sector in the latter part of the period, including senior bonds from Mizuho, Intesa Sanpaolo, Investec, ABN Amro and Danske Bank, all at attractive yields whilst, in the subordinated area, we bought issues from ING.

A notable new issue trade towards the end of the period was in the structured area that remains a key component of our portfolio. Yorkshire Water issued a 2030 sustainability bond through its Sustainable Finance Framework. Green and Sustainable bonds remain a key area of issuance in the market and we are happy to retain a selective approach that looks at the underlying features and characteristics of individual bonds, rather than focus on the labels applied to these.

Investment outlook

We expect that inflation has peaked. This is driven by our view that energy prices will moderate, and that weaker GDP growth will reduce the tightness of the labour market. Nonetheless, UK interest rates are likely to rise a bit further as the Bank of England (BoE) continues to focus on bringing inflation under control.

We believe that higher rates will lead to a slowdown in the UK, impacting company earnings and leading to some increase in credit rating downgrades and default rates. Nevertheless, an asset allocation in favour of sterling credit bonds is appropriate as credit spreads remain at reasonably attractive levels. We consider that credit spreads discount a significant portion of bad news and that investors are being paid well to take credit over government bond risk. Against this background, we will maintain our focus on identifying companies with strong balance sheets, favouring issues with security and downside protection, and ensuring that portfolios are diversified across issuers and sectors.

The 'all-in yield' on shorter dated sterling investment grade credit (government yield plus credit spread) is attractive, particularly if inflation starts to fall as we expect. The Fund has maintained its overweight exposure to BBB rated bonds, and we believe that compensation for default risk remains most attractive in this rating band.

Paola Binns
Fund Manager
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on market events or positioning since then, please go to www.rlam.com.

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

Comparative Tables

Class N Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	101.49	111.85	110.41	107.59
Return before operating charges*	4.46	(10.33)	1.47	2.85
Operating charges	(0.02)	(0.03)	(0.03)	(0.03)
Return after operating charges*	4.44	(10.36)	1.44	2.82
Distributions on accumulation shares	(1.91)	(2.79)	(2.48)	(2.50)
Retained distributions on accumulation shares	1.91	2.79	2.48	2.50
Closing net asset value per share	105.93	101.49	111.85	110.41
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	4.37%	(9.26)%	1.30%	2.62%
Other information				
Closing net asset value (£'000)	760,346	723,835	366,844	488,379
Closing number of shares	717,754,665	713,243,022	327,992,663	442,321,723
Operating charges	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	107.60	113.00	113.30	110.80
Lowest share price	102.00	98.38	110.70	104.60

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	97.85	107.85	106.47	103.77
Return before operating charges*	4.30	(9.96)	1.42	2.74
Operating charges	(0.02)	(0.04)	(0.04)	(0.04)
Return after operating charges*	4.28	(10.00)	1.38	2.70
Distributions on accumulation shares	(1.84)	(2.69)	(2.39)	(2.41)
Retained distributions on accumulation shares	1.84	2.69	2.39	2.41
Closing net asset value per share	102.13	97.85	107.85	106.47
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	4.37%	(9.27)%	1.30%	2.60%
Other information				
Closing net asset value (£'000)	665,722	375,759	579,858	593,059
Closing number of shares	651,808,385	383,996,919	537,629,212	557,003,303
Operating charges	0.04%	0.04%	0.04%	0.04%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	103.80	109.00	109.20	106.90
Lowest share price	98.32	94.86	106.70	100.80

Comparative Tables (continued)

Class S Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	96.32	106.18	104.81	102.15
Return before operating charges*	4.24	(9.82)	1.41	2.70
Operating charges	(0.02)	(0.04)	(0.04)	(0.04)
Return after operating charges*	4.22	(9.86)	1.37	2.66
Distributions on accumulation shares	(1.81)	(2.65)	(2.35)	(2.37)
Retained distributions on accumulation shares	1.81	2.65	2.35	2.37
Closing net asset value per share	100.54	96.32	106.18	104.81
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	4.38%	(9.29)%	1.31%	2.60%
Other information				
Closing net asset value (£'000)	9,853	9,439	17,530	10,262
Closing number of shares	9,800,081	9,800,081	16,509,835	9,790,910
Operating charges	0.04%	0.04%	0.04%	0.04%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	102.20	107.30	107.50	105.20
Lowest share price	96.78	93.38	105.00	99.26

Class S Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	88.50	100.14	101.06	100.79
Return before operating charges*	3.90	(9.12)	1.37	2.63
Operating charges	(0.02)	(0.04)	(0.04)	(0.04)
Return after operating charges*	3.88	(9.16)	1.33	2.59
Distributions on income shares	(1.66)	(2.48)	(2.25)	(2.32)
Closing net asset value per share	90.72	88.50	100.14	101.06
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	4.38%	(9.15)%	1.32%	2.57%
Other information				
Closing net asset value (£'000)	94,594	92,985	105,215	100,748
Closing number of shares	104,268,119	105,071,616	105,071,616	99,691,338
Operating charges	0.04%	0.04%	0.04%	0.04%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	93.05	101.20	103.10	102.20
Lowest share price	88.92	86.44	100.80	97.35

Comparative Tables (continued)

Class Z Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21** (p)
Opening net asset value per share	89.72	99.08	100.00
Return before operating charges*	3.94	(9.13)	(0.86)
Operating charges	(0.11)	(0.23)	(0.06)
Return after operating charges*	3.83	(9.36)	(0.92)
Distributions on accumulation shares	(1.69)	(2.47)	(0.60)
Retained distributions on accumulation shares	1.69	2.47	0.60
Closing net asset value per share	93.55	89.72	99.08
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	4.27%	(9.45)%	(0.92)%
Other information			
Closing net asset value (£'000)	111,845	103,444	30,307
Closing number of shares	119,552,590	115,301,087	30,587,411
Operating charges	0.24%	0.24%	0.24%
Direct transaction costs	–	–	–
Prices[^]			
Highest share price	95.11	100.10	100.30
Lowest share price	90.15	86.98	99.17

** Class Z Accumulation launched on 22 July 2021.

Class Z Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	87.35	99.03	100.14	100.05
Return before operating charges*	3.84	(9.00)	1.35	2.63
Operating charges	(0.11)	(0.23)	(0.24)	(0.24)
Return after operating charges*	3.73	(9.23)	1.11	2.39
Distributions on income shares	(1.63)	(2.45)	(2.22)	(2.30)
Closing net asset value per share	89.45	87.35	99.03	100.14
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	4.27%	(9.32)%	1.11%	2.39%
Other information				
Closing net asset value (£'000)	358,190	334,496	359,833	244,346
Closing number of shares	400,426,344	382,958,815	363,348,889	244,011,742
Operating charges	0.24%	0.24%	0.24%	0.24%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	91.79	100.10	102.10	101.40
Lowest share price	87.76	85.33	99.66	96.58

[^] 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Fixed Income – 97.81% (31/10/22 – 97.93%%)			
Commercial Mortgage Backed Securities – 0.32% (31/10/22 – 0.69%%)			
£6,079,000	Canary Wharf Finance II (A7) FRN 22/10/2037	5,015	0.25
£6,467,000	Gosforth Funding FRN 25/8/2060	1,407	0.07
Total Commercial Mortgage Backed Securities		6,422	0.32
Corporate Bonds – 97.10% (31/10/22 – 97.06%%)			
£3,064,900	A2D Funding II 4.5% 30/9/2026	2,990	0.15
£12,425,000	A2Dominion Housing Group 3.5% 15/11/2028	11,344	0.57
£7,916,000	AA Bond 6.269% 2/7/2043	7,678	0.38
£2,473,000	AA Bond 8.45% 31/7/2050	2,471	0.12
£4,800,000	ABN AMRO 5.125% 22/2/2028	4,750	0.24
£8,737,000	Akelus Residential Property 2.375% 15/8/2025	8,020	0.40
\$4,000,000	Allianz 3.5% variable perpetual	2,597	0.13
£12,318,000	Anglian Water Osprey Financing 4% 8/3/2026	11,561	0.58
£10,500,000	Annington Funding 2.646% 12/7/2025	9,759	0.49
£150,000	APT Pipelines 3.125% 18/7/2031	124	0.01
£9,475,000	APT Pipelines 3.5% 22/3/2030	8,238	0.41
£13,241,000	Arqiva Financing 4.882% 31/12/2032	8,400	0.42
£4,363,000	Arqiva Financing 5.34% 30/12/2037	4,148	0.21
£14,424,000	Asciano Finance 5% 19/9/2023	14,317	0.72
£11,800,000	Assicurazioni Generali 6.269% perpetual	11,622	0.58
£4,600,000	AT&T 2.9% 4/12/2026	4,263	0.21
£8,192,000	Australia and New Zealand Banking Group 1.809% variable 16/9/2031	6,899	0.34
£1,000,000	Aviva 4.375% variable 12/9/2049	888	0.04
£14,960,000	Aviva 6.125% variable 14/11/2036	14,936	0.75
£6,440,000	AXA 5.453% variable perpetual	6,357	0.32
£18,789,000	AXA 6.6862% variable perpetual	19,002	0.95
£8,000,000	Banco Santander 1.375% 31/7/2024	7,601	0.38
£9,700,000	Banco Santander 1.5% 14/4/2026	8,591	0.43
£9,300,000	Banco Santander 2.25% variable 4/10/2032	7,629	0.38
£2,900,000	Banco Santander 3.125% variable 6/10/2026	2,700	0.13
£4,700,000	Banco Santander 4.75% variable 30/8/2028	4,558	0.23
£2,000,000	Bank of America 7% 31/7/2028	2,148	0.11
£2,430,000	Bank of Montreal 1% 9/9/2026	2,120	0.11
£2,500,000	Banque Federative du Credit Mutuel 1.875% 26/10/2028	2,120	0.11
£7,800,000	Banque Federative Du Credit Mutuel 5% 19/1/2026	7,733	0.39
£4,623,000	Barclays 1.7% variable 3/11/2026	4,176	0.21
£6,820,000	Barclays 3% 8/5/2026	6,299	0.31
£7,600,000	Barclays 3.25% 12/2/2027	6,935	0.35
£13,809,000	Barclays Bank 5.75% 14/9/2026	13,855	0.69
£11,500,000	Bayerische Landesbank 1% 20/12/2024	10,763	0.54
£3,000,000	Blackstone Property Partners Europe 2% 20/10/2025	2,591	0.13
£2,948,000	Blackstone Property Partners Europe 2.625% 20/10/2028	2,236	0.11
£13,700,000	BNP Paribas 1.875% 14/12/2027	11,697	0.58
£27,000,000	BNP Paribas 2% variable 24/5/2031	23,404	1.17
£7,300,000	BNP Paribas 2.875% 24/2/2029	6,318	0.32
£18,999,000	BP Capital Markets 4.25% variable perpetual	16,971	0.85
£5,000,000	BPCE 1% 22/12/2025	4,482	0.22
£4,000,000	BPCE 1.375% 23/12/2026	3,486	0.17
£11,100,000	BPCE 2.5% variable 30/11/2032	9,200	0.46
£3,200,000	BPCE 5.25% 16/4/2029	2,995	0.15
£6,200,000	BPCE 6% variable 29/9/2028	6,233	0.31
£5,635,000	Broadgate 4.999% 5/10/2033	5,409	0.27
£5,000,000	BUPA Finance 5% 8/12/2026	4,808	0.24
£4,807,000	Canadian Imperial Bank of Commerce FRN 23/6/2026	4,861	0.24
£2,625,000	Canary Wharf Finance II (C2) FRN 22/10/2037	2,103	0.10
£88,325,000	Canary Wharf Finance II 6.455% 22/10/2033	12,146	0.61
£300,000	Channel Link Enterprises Finance FRN 30/12/2050	227	0.01
£13,808,000	Citigroup 5.875% 1/7/2024	13,749	0.69
£7,214,000	Close Brothers Finance 2% variable 11/9/2031	6,032	0.30
£4,700,000	Clydesdale Bank 4.625% 8/6/2026	4,686	0.23

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
£8,900,000	Commerzbank 1.5% 22/11/2024	8,274	0.41
£5,400,000	Commerzbank 1.75% 22/1/2025	4,977	0.25
£6,000,000	Commonwealth Bank of Australia 3% 4/9/2026	5,686	0.28
£3,200,000	Co-operatieve Rabobank 1.25% 14/1/2025	2,992	0.15
£6,915,000	CPUK Finance 3.588% 28/2/2042	6,529	0.33
£7,450,000	CPUK Finance 3.69% 28/2/2047	6,618	0.33
£7,800,000	Credit Agricole 1.874% variable 9/12/2031	6,578	0.33
£8,000,000	Credit Agricole 5.75% variable 29/11/2027	7,975	0.40
£16,800,000	Credit Suisse 2.125% variable 12/9/2025	15,581	0.78
£2,583,000	Credit Suisse 2.125% variable 15/11/2029	2,063	0.10
£9,631,000	Credit Suisse 7% variable 30/9/2027	9,704	0.48
£7,489,000	Credit Suisse 7.75% 10/3/2026	7,761	0.39
£5,077,000	Credit Suisse AG London 1.125% 15/12/2025	4,475	0.22
£6,129,000	Credit Suisse Ag London 1.5% 10/4/2026	4,918	0.25
£3,500,000	CYBG 3.125% variable 22/6/2025	3,342	0.17
£8,344,000	CYBG 4% variable 25/9/2026	7,819	0.39
£4,289,000	Danske Bank 2.25% 14/1/2028	3,706	0.18
£4,432,000	Danske Bank 4.625% variable 13/4/2027	4,334	0.22
£28,320,000	Delamare Finance 5.5457% 19/2/2029	16,613	0.83
£10,800,000	Deutsche Bank 4% variable 24/6/2026	10,179	0.51
£6,600,000	Deutsche Bank AG 2.625% 16/12/2024	6,154	0.31
£3,700,000	Deutsche Pfandbriefbank AG FRN 29/9/2023	3,707	0.19
£394,000	Digital Stout 2.75% 19/7/2024	379	0.02
£3,345,000	Digital Stout 4.25% 17/1/2025	3,259	0.16
£13,331,000	DNB Bank 1.375% variable 2/12/2025	12,462	0.62
£18,467,000	DNB Bank 2.625% variable 10/6/2026	17,459	0.87
£6,219,000	DNB Bank 4% variable 17/8/2027	5,925	0.30
£8,639,000	DWR Cymru Financing 1.625% 31/3/2026	7,808	0.39
£1,795,000	Eastern Power Networks 8.5% 31/3/2025	1,873	0.09
£3,000,000	Electricite de France 5.875% 18/7/2031	2,997	0.15
£10,240,000	Electricity North West 8.875% 25/3/2026	11,221	0.56
£3,322,000	Enel Finance 5.625% 14/8/2024	3,336	0.17
£13,810,000	Enel Finance International 1% 20/10/2027	11,595	0.58
£4,717,000	Enel Finance International NV 2.875% 11/4/2029	4,139	0.21
£11,634,000	E.ON International Finance 5.625% 6/12/2023	11,639	0.58
£9,787,000	Eversholt Funding 2.742% 30/6/2040	7,092	0.35
£12,754,000	Eversholt Funding 6.697% 22/2/2035	11,383	0.57
£2,242,000	Equity Release Funding 5.7% 26/2/2031	1,123	0.06
£15,727,000	Equity Release Funding 5.88% 26/5/2032	10,140	0.51
£10,000,000	Equity Release Funding No.3 5.05% 26/4/2033	9,368	0.47
£11,083,000	Fidelity International 7.125% 13/2/2024	11,169	0.56
£4,125,000	First Abu Dhabi Bank 0.875% 9/12/2025	3,663	0.18
£6,897,000	First Abu Dhabi Bank 1.125% 7/9/2026	6,019	0.30
£7,080,000	First Group 6.875% 18/9/2024	7,087	0.35
£5,124,000	Folio Residential Finance 1.246% 31/10/2037	4,323	0.22
£14,687,000	Fonterra Co-operative 9.375% 4/12/2023	14,989	0.75
£5,661,000	Gatwick Funding 2.5% 15/4/2032	4,736	0.24
£2,444,000	Gatwick Funding 5.25% 23/1/2024	2,440	0.12
£5,452,000	Go-Ahead Group 2.5% 6/7/2024	5,207	0.26
£9,122,000	Goldman Sachs 1.5% 7/12/2027	7,737	0.39
£3,952,000	Goldman Sachs 3.625% variable 29/10/2029	3,577	0.18
£6,753,000	Goldman Sachs 7.125% 7/8/2025	7,006	0.35
£6,800,000	Greater Gabbard OFTO 4.137% 29/11/2032	4,326	0.22
£9,786,000	Great Rolling Stock 6.5% 5/4/2031	7,482	0.37
£17,580,000	Great Rolling Stock 6.875% 27/7/2035	10,382	0.52
£5,072,000	Gwynt y Môr OFTO 2.778% 17/2/2034	3,028	0.15
£1,014,960	Haven Funding 7% 30/11/2032	823	0.04
£4,789,866	Haven Funding 8.125% 30/9/2037	4,791	0.24
£5,096,000	Heathrow Funding 2.625% 16/3/2028	4,302	0.22
£4,360,000	Heathrow Funding 2.75% 13/10/2031	3,750	0.19
£17,079,000	Heathrow Funding 6.75% 3/12/2028	17,785	0.89
£5,568,000	HSBC 3% variable 22/7/2028	4,996	0.25
£23,501,000	HSBC 8.201% variable 16/11/2034	24,956	1.25
£15,735,000	HSBC Holdings 1.75% variable 24/7/2027	13,838	0.69
£4,230,000	HSBC Holdings 5.875% variable perpetual	3,701	0.18
£750,000	Iberdrola Finance 7.375% 29/1/2024	761	0.04
£5,730,000	Industrial Commercial Bank of China 1.625% 28/12/2025	5,050	0.25
£12,500,000	ING Groep NV 1.125% variable 7/12/2028	10,269	0.51
£5,600,000	ING Groep NV 5% variable 30/8/2026	5,516	0.28
£7,900,000	ING Groep NV 6.25% variable 20/5/2033	7,712	0.39

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 97.10% (31/10/22 – 97.06%) – continued							
£29,127,000	Integrated Accommodation Service 6.48% 31/3/2029	10,831	0.54	£4,988,000	Nationwide Building Society FRN 24/2/2031	4,884	0.24
£5,701,000	InterContinental Hotels 2.125% 24/8/2026	5,108	0.26	£3,366,000	NATS (En Route) 1.375% 31/3/2031	2,859	0.14
£5,383,000	InterContinental Hotels 3.375% 8/10/2028	4,803	0.24	£4,700,000	National Grid Gas 7% 16/12/2024	4,776	0.24
£5,351,000	Intesa Sanpaolo SpA 6.5% 14/3/2029	5,289	0.26	£3,000,000	NatWest Group 2.057% variable 9/11/2028	2,575	0.13
£2,368,000	Investec 1.25% variable 11/8/2026	1,824	0.09	£2,919,000	NatWest Group 3.619% variable 29/3/2029	2,644	0.13
£11,664,000	Investec 1.875% variable 16/7/2028	9,504	0.47	£6,000,000	NatWest Group 7.416% variable 6/6/2033	6,121	0.31
£4,141,000	Investec 2.625% variable 4/1/2032	3,361	0.17	£5,499,000	NatWest Markets 6.375% 8/11/2027	5,694	0.28
£2,775,000	Investec 9.125% variable 6/3/2033	2,812	0.14	£1,000,000	NatWest Markets 7.5% 29/4/2024	1,016	0.05
£1,311,000	Investec Bank 4.25% variable 24/7/2028	1,298	0.06	£7,871,000	New York Life Global Funding 0.75% 14/12/2028	6,321	0.32
£7,843,000	JPMorgan Chase 0.991% variable 28/4/2026	7,197	0.36	£10,770,000	New York Life Global Funding 1.25% 17/12/2026	9,420	0.47
£6,250,000	JRP Group 9% 26/10/2026	6,655	0.33	£6,250,000	New York Life Global Funding 4.35% 16/9/2025	6,136	0.31
£2,567,000	Jupiter Fund Management 8.875% variable 27/7/2030	2,616	0.13	£11,252,000	NGG Finance 5.625% variable 18/6/2073	10,892	0.54
£6,722,000	Just Group 7% variable 15/4/2031	6,521	0.33	£4,200,000	NIBC Bank 3.125% 15/11/2023	4,126	0.21
£17,179,000	Juturna Euro Loan Conduit 5.0636% 10/8/2033	11,925	0.60	£13,727,000	NIE Finance 2.5% 27/10/2025	12,833	0.64
£5,000,000	KBC 1.25% variable 21/9/2027	4,338	0.22	£10,730,000	NIE Finance 6.375% 2/6/2026	11,079	0.55
£4,800,000	KBC 5.5% variable 20/9/2028	4,747	0.24	£8,571,000	Nordea Bank Abp 1.625% variable 9/12/2032	6,940	0.35
£5,800,000	La Banque Postale 5.625% variable 21/9/2028	5,689	0.28	£12,050,000	Octagon Healthcare 5.333% 31/12/2035	8,898	0.44
\$4,000,000	La Mondiale SAM 4.8% variable 18/1/2048	2,872	0.14	£8,894,000	OP Corporate Bank 1.375% 4/9/2026	7,721	0.39
£28,898,000	Land Securities Capital Markets 1.974% 8/2/2026	28,126	1.41	£10,884,000	OP Corporate Bank 3.375% 14/1/2026	10,365	0.52
£5,670,000	Land Securities Capital Markets 2.375% 29/3/2029	5,106	0.25	£5,780,000	OSB Group 9.993% variable 27/7/2033	5,782	0.29
£4,447,000	Leeds Building Society 1.5% variable 16/3/2027	3,927	0.20	£5,500,000	Pension Insurance 6.5% 3/7/2024	5,465	0.27
£7,800,000	Leeds Building Society 3.75% variable 25/4/2029	6,893	0.34	£11,367,000	PGH Capital 6.625% 18/12/2025	11,386	0.57
£3,900,000	Legal & General 3.75% variable 26/11/2049	3,306	0.17	£11,399,000	Places for People Homes 3.625% 22/11/2028	10,443	0.52
£2,608,000	Legal & General 5.125% variable 14/11/2048	2,459	0.12	£16,056,000	Places for People Homes 5.09% 31/7/2043	15,933	0.80
£12,500,000	Legal & General 5.375% variable 27/10/2045	12,213	0.61	£9,423,000	Places for People Treasury 2.875% 17/8/2026	8,724	0.44
£12,674,000	Legal & General 5.5% variable 27/6/2064	11,409	0.57	£3,617,000	Porterbrook Rail Finance 7.125% 20/10/2026	3,825	0.19
£4,500,000	Legal & General 5.625% variable perpetual	3,606	0.18	£1,667,000	Premier Transmission Finance 5.2022% 31/3/2030	681	0.03
£4,162,000	Liverpool Victoria Friendly Society 6.5% variable 22/5/2043	4,110	0.21	£4,920,000	Principality Building Society 2.375% 23/11/2023	4,821	0.24
£7,804,000	Lloyds Bank 4.875% 30/3/2027	7,823	0.39	£9,522,000	Protective Life Global Funding 5.248% 13/1/2028	9,516	0.48
£4,050,000	Lloyds Banking Group 1.875% variable 15/1/2026	3,786	0.19	£11,037,000	QBE Insurance 2.5% variable 13/9/2038	8,709	0.44
£10,198,000	Lloyds Banking Group 2% variable 12/4/2028	8,805	0.44	£4,900,000	Quadrant Housing 7.93% Step 10/2/2033	4,305	0.21
£7,923,000	Lloyds Banking Group 2.707% variable 3/12/2035	6,120	0.31	£2,635,000	Realty Income 1.875% 14/1/2027	2,318	0.12
£8,000,000	Lloyds Banking Group 6.625% variable 2/6/2033	8,010	0.40	£9,007,000	Rothsay Life 3.375% 12/7/2026	8,249	0.41
£11,953,000	Logicor 2019 1.875% 17/11/2031	10,527	0.53	£4,900,000	Rothsay Life 5.5% variable 17/9/2029	4,793	0.24
£6,015,000	London Merchant Securities 6.5% 16/3/2026	6,110	0.31	£5,000,000	Rothsay Life 6.875% variable perpetual	4,271	0.21
£33,465,000	Longstone Finance 4.791% 19/4/2036	12,824	0.64	£7,280,000	Royal Bank of Canada 5% 24/1/2028	7,190	0.36
£18,866,000	M&G 3.875% variable 20/7/2049	18,275	0.91	£10,000,000	Royal Bank of Scotland 2.875% variable 19/9/2026	9,328	0.47
£9,389,000	M&G 5% variable 20/7/2055	8,417	0.42	£7,500,000	Royal Bank of Scotland 3.622% variable 14/8/2030	7,037	0.35
£8,000,000	M&G 5.625% variable 20/10/2051	7,355	0.37	£5,792,000	Royal Bank of Scotland Group 3.125% variable 28/3/2027	5,363	0.27
£6,202,000	Macquarie Bank 1.125% 15/12/2025	5,597	0.28	£12,185,000	RSA Insurance 5.125% variable 10/10/2045	11,710	0.59
£5,215,000	Meadowhall Finance FRN 12/7/2037	2,882	0.14	£4,190,000	Sanctuary 8.375% 1/9/2031	3,776	0.19
£8,489,000	Metropolitan Life Global Funding 1.625% 12/10/2028	7,115	0.36	£6,287,000	Santander UK 2.421% variable 17/01/2029	5,368	0.27
£6,027,000	Metropolitan Life Global Funding 4% 5/4/2028	5,320	0.27	£13,404,000	Santander UK 2.92% variable 8/5/2026	12,502	0.62
£4,603,000	Metropolitan Life Global Funding 4.125% 2/9/2025	4,485	0.22	£6,365,000	Santander UK FRN 12/2/2024	6,385	0.32
£27,889,000	Mitchells & Butlers 5.574% 15/12/2030	7,170	0.36	£10,122,000	Scottish Widows 5.5% 16/6/2023	10,110	0.51
£11,700,000	Mitchells & Butlers (A4) FRN 15/12/2028	6,039	0.30	£7,702,000	Skipton Building Society 2% variable 02/10/2026	6,944	0.35
£5,119,000	Mitchells & Butlers (A1N) FRN 15/12/2030	1,908	0.10	£2,222,000	Skipton Building Society 6.25% variable 25/4/2029	2,203	0.11
£1,014,000	Mitchells & Butlers FRN 15/12/2033	751	0.04	£8,571,000	Societe Generale SA 6.447% variable 12/1/2027	6,895	0.34
£9,713,000	Mizuho Financial 5.628% 13/6/2028	9,746	0.49	£2,460,000	Society of Lloyds 4.875% variable 7/2/2047	2,292	0.11
£1,000,000	MPT Operating Partnership 2.55% 5/12/2023	960	0.05	£5,575,000	South East Water 5.5834% 29/3/2029	5,493	0.27
£12,193,000	National Australia Bank 1.699% variable 15/9/2031	10,276	0.51	£4,869,000	South Eastern Power Networks 5.5% 5/6/2026	4,917	0.25
£7,978,000	National Express 2.5% 11/11/2023	7,849	0.39	£5,843,000	Southern Water Services Finance 1.625% 30/3/2027	5,044	0.25
£8,000,000	National Grid Electricity Transmission 1.125% 7/7/2028	6,566	0.33	£6,000,000	Southern Water Services Finance 6.64% 31/3/2026	6,172	0.31
£2,427,000	National Grid Electricity Transmission 1.375% 16/9/2026	2,169	0.11	£2,805,000	SPD Finance UK 5.875% 17/7/2026	2,859	0.14
£2,356,000	Nationwide Building Society 6.178% variable 7/12/2027	2,390	0.12	£5,819,000	SSE 3.74% variable perpetual	5,323	0.27
£6,000,000	Nationwide Building Society FRN 15/12/2023	5,957	0.30	£3,692,000	Standard Chartered 3.971% variable 30/3/2026	2,830	0.14
				£10,217,000	Stagecoach 4% 29/9/2025	9,611	0.48
				£20,439,000	Stirling Water Seafield 5.822% 26/9/2026	5,058	0.25

Portfolio Statement (continued)

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 97.10% (31/10/22 – 97.06%) – continued			
£3,000,000	Sustainable Communities for Leeds Finance 5.069% 30/9/2032	1,896	0.09
£2,247,000	Svenska Handelsbanken 4.625% variable 23/8/2032	2,082	0.10
£6,504,000	Swedbank 1.375% variable 8/12/2027	5,616	0.28
£10,557,000	Swedbank 7.272% variable 15/11/2032	10,794	0.54
£5,733,000	Telefonica Emisiones 5.375% 2/2/2026	5,739	0.29
£13,378,000	Telereal Secured Finance 4.01% 10/12/2033	7,028	0.35
£3,767,000	Telereal Securitisation 1.3657% 10/12/2033	2,449	0.12
£1,979,000	Telereal Securitisation 1.9632% variable 10/12/2033	1,763	0.09
£2,494,000	Telereal Securitisation 3.507% variable 10/12/2033	2,157	0.11
£14,772,000	Telereal Securitisation 4.9741% 10/12/2033	6,287	0.31
£16,792,000	Telereal Securitisation 6.1645% 10/12/2033	14,448	0.72
£1,800,000	Telereal Securitisation FRN 10/12/2033	1,504	0.07
£3,000,000	Telereal Securitisation FRN 10/12/2033	937	0.05
£5,201,000	Telereal Securitisation FRN 10/12/2033	4,055	0.20
£20,339,000	Thames Water Utilities 4% 19/6/2025	19,838	0.99
£3,500,000	Thames Water Utilities Finance 0.875% 19/10/2023	3,396	0.17
£5,796,000	Thames Water Utilities Finance 4% 18/4/2027	5,070	0.25
£5,096,000	Toronto Dominion Bank 2.875% 5/4/2027	4,649	0.23
£3,520,000	TP ICAP 5.25% 29/5/2026	3,316	0.17
£5,649,000	TP ICAP Finance 7.875% 17/4/2030	5,584	0.28
£2,570,000	Trafford Centre 6.5% 28/7/2033	1,679	0.08
£13,650,000	Trafford Centre FRN 28/7/2035	10,920	0.55
£2,224,000	UBS Jersey 8.75% 18/12/2025	2,327	0.12
£9,013,000	UK Municipal Bonds Agency Finance FRN 12/3/2025	9,029	0.45
£7,652,000	Unite USAF II 3.374% 30/6/2028	7,620	0.38
£13,535,000	Unite USAF II 3.921% 30/6/2030	12,962	0.65
£2,200,000	Vicinity Centres 3.375% 7/4/2026	2,078	0.10
£5,788,000	Virgin Money 2.625% variable 19/8/2031	4,865	0.24
£1,930,000	Virgin Money 3.375% variable 24/4/2026	1,792	0.09
£6,000,000	Virgin Money 5.125% variable 11/12/2030	5,567	0.28
£3,400,000	Volkswagen Financial Services 1.125% 5/7/2026	2,980	0.15
£8,000,000	Volkswagen Financial Services 1.625% 10/2/2024	7,769	0.39
£6,800,000	Volkswagen Financial Services 2.125% 18/1/2028	5,905	0.29
£4,000,000	Volkswagen Financial Services 3.25% 13/4/2027	3,686	0.18
£3,000,000	Volkswagen Financial Services 4.25% 9/10/2025	2,911	0.15
£1,400,000	Volkswagen International Finance 3.375% 16/11/2026	1,303	0.06
£5,000,000	Volkswagen International Finance 4.375% variable perpetual	3,609	0.18
£4,268,000	Wells Fargo 2% 28/7/2025	3,971	0.20
£6,072,000	Wells Fargo 3.473% variable 26/4/2028	5,580	0.28
£12,985,000	Western Power Distribution 3.5% 16/10/2026	12,237	0.61
£14,738,000	Western Power Distribution 3.875% 17/10/2024	14,405	0.72
£14,898,000	Western Power Distribution 5.5% 9/5/2025	14,876	0.74
£4,349,000	Western Power Distribution 5.875% 25/3/2027	4,458	0.22
£15,871,000	Westfield Stratford City 1.642% 4/8/2031	13,829	0.69
£4,445,000	Westpac Banking Corp FRN 11/1/2028	4,460	0.22
£11,239,000	Wessex Water 5.375% 10/3/2028	11,201	0.56
£1,759,000	Whitbread Group 2.375% 31/5/2027	1,518	0.08
£8,838,000	White City Property 5.1202% 17/4/2035	6,782	0.34
£2,370,000	Worcestershire Hospital 5.57% 31/12/2030	1,170	0.06
£1,455,000	Workspace Group 2.25% 11/3/2028	1,107	0.06
£6,930,000	Yorkshire Building Society 3% variable 18/4/2025	6,724	0.34
£5,056,000	Yorkshire Building Society 3.375% variable 13/9/2028	4,397	0.22
£1,716,000	Yorkshire Building Society 3.511% variable 11/10/2030	1,496	0.07
£3,597,000	Yorkshire Building Society 13.5% 1/4/2025	4,070	0.20
£6,144,000	Yorkshire Water Finance 5.25% 28/4/2030	6,117	0.31
Total Corporate Bonds		1,942,546	97.10

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Government Bonds – 0.39% (31/10/22 – 0.00%)			
£7,800,000	Dexia Credit Local 4.375% 18/2/2026	7,747	0.39
Total Government Bonds		7,747	0.39
Index Linked Bonds – 0.00% (31/10/22 – 0.18%)			
Forward Currency Contracts – 0.01% (31/10/22 – 0.02%)			
	Buy £20,803,277 & Sell €23,560,000 [†]	60	–
	Buy £15,317,533 & Sell \$19,000,000 [†]	220	0.01
Total Forward Currency Contracts		280	0.01
Total value of investments		1,956,995	97.82
Net other assets		43,555	2.18
Total net assets		2,000,550	100.00

† Unlisted

Other than forward currency contracts, all investments are listed on recognised stock exchanges and are “approved securities” within the meaning of the FCA rules unless otherwise stated.

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	1,860,266	92.99	1,544,357	94.16
Unrated bonds	96,449	4.82	61,790	3.77
Total bonds	1,956,715	97.81	1,606,147	97.93
Forward currency contracts – assets	280	0.01	259	0.02
Investments as shown in the balance sheet	1,956,995	97.82	1,606,406	97.95
Total value of investments	1,956,995	97.82	1,606,406	98

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
HSBC 8.201% variable 16/11/2034	24,189
Legal & General 5.5% variable 27/6/2064	11,882
Assicurazioni Generali 6.269% perpetual	11,782
A2Dominion Housing Group 3.5% 15/11/2028	11,435
Logicor 2019 1.875% 17/11/2031	10,623
BP Capital Markets 4.25% variable perpetual	9,847
Mizuho Financial 5.628% 13/6/2028	9,786
Equity Release Funding No.3 5.05% 26/4/2033	9,605
Protective Life Global Funding 5.248% 13/1/2028	9,589
Land Securities Capital Markets 1.974% 8/2/2026	8,998
Subtotal	117,736
Total cost of purchases, including the above, for the period	597,921

Significant Sales

	Proceeds £'000
HSBC 5.375% variable 4/11/2030	16,496
Principality Building Society 2.375% 23/11/2023	12,242
Royal Bank of Canada 3.625% 14/6/2027	11,951
Orange 5.75% variable perpetual	11,116
Society of Lloyds 4.75% 30/10/2024	10,489
Investec Bank 4.25% variable 24/7/2028	9,973
Coventry Building Society 1.875% 24/10/2023	9,860
Banque Federative Du Credit Mutuel 1.75% 19/12/2024	9,168
Landesbank BadenWuerttemberg 1.5% 3/2/2025	7,598
Goldman Sachs Group 1% variable 16/12/2025	7,584
Subtotal	106,477
Total proceeds from sales, including the above, for the period	281,587

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		39,764		(73,320)
Revenue	31,670		17,566	
Expenses	(757)		(724)	
Interest payable and similar charges	(23)		(6)	
Net revenue before taxation	30,890		16,836	
Taxation	–		–	
Net revenue after taxation		30,890		16,836
Total return/(deficit) before distributions		70,654		(56,484)
Distributions		(31,647)		(17,560)
Change in net assets attributable to shareholders from investment activities		39,007		(74,044)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	1,956,995	1,606,406
Current assets:		
Debtors	30,488	23,422
Cash and bank balances	21,939	47,155
Total assets	2,009,422	1,676,983
Liabilities		
Creditors:		
Bank overdraft	–	–
Other creditors	4,637	33,787
Distribution payable	4,235	3,238
Total liabilities	8,872	37,025
Net assets attributable to shareholders	2,000,550	1,639,958

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,639,958		1,459,587
Amounts receivable on creation of shares	405,685		283,549	
Amounts payable on cancellation of shares	(111,100)		(176,462)	
		294,585		107,087
Dilution adjustment charged		1,368		503
Change in net assets attributable to shareholders from investment activities		39,007		(74,044)
Retained distributions on accumulation shares		25,632		12,183
Closing net assets attributable to shareholders		2,000,550		1,505,316

Distribution Tables

For the six month period ended 30 April 2023

Distribution in pence per share

First Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 31 January 2023

	Net income	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
Class N Accumulation				
Group 1	0.9262	–	0.9262	0.6254
Group 2	0.4059	0.5203	0.9262	0.6254
Class R Accumulation				
Group 1	0.8930	–	0.8930	0.6030
Group 2	0.6453	0.2477	0.8930	0.6030
Class S Accumulation				
Group 1	0.8790	–	0.8790	0.5937
Group 2	0.8790	0.0000	0.8790	0.5937
Class S Income				
Group 1	0.8077	–	0.8077	0.5599
Group 2	0.8077	0.0000	0.8077	0.5599
Class Z Accumulation*				
Group 1	0.8186	–	0.8186	0.5539
Group 2	0.0531	0.7655	0.8186	0.5539
Class Z Income				
Group 1	0.7970	–	0.7970	0.5536
Group 2	0.4192	0.3778	0.7970	0.5536

* Class Z Accumulation launched on 22 July 2021.

Distribution Tables (continued)

For the six month period ended 30 April 2023

Distribution in pence per share**Second Interim**

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased between 1 February 2023 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class N Accumulation				
Group 1	0.9815	–	0.9815	0.6606
Group 2	0.3215	0.6600	0.9815	0.6606
Class R Accumulation				
Group 1	0.9463	–	0.9463	0.6371
Group 2	0.3001	0.6462	0.9463	0.6371
Class S Accumulation				
Group 1	0.9315	–	0.9315	0.6271
Group 2	0.9315	0.0000	0.9315	0.6271
Class S Income				
Group 1	0.8484	–	0.8484	0.5881
Group 2	0.8484	0.0000	0.8484	0.5881
Class Z Accumulation*				
Group 1	0.8670	–	0.8670	0.5848
Group 2	0.1806	0.6864	0.8670	0.5848
Class Z Income				
Group 1	0.8367	–	0.8367	0.5812
Group 2	0.5347	0.3020	0.8367	0.5812

* Class Z Accumulation launched on 22 July 2021.

Royal London Short Duration Global Index Linked Fund

Manager's Investment Report

Fund performance

6 months to 30 April 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Short Duration Global Index Linked Fund, Class M Income	2.50	-2.52	5.85	11.07
Short Duration Global Index Linked Fund, Class R Accumulation	2.65	-2.26	6.55	–
Short Duration Global Index Linked Fund, Class Z Income	2.56	-2.44	5.99	11.33
Short Duration Index Linked Benchmark*	2.66	-2.65	5.68	10.54
IA Global Inflation Linked Bond TR	1.39	-6.62	-1.15	6.12

Class R Accumulation launched on 20 September 2018.

* The composite benchmark is made up of 30% Bloomberg UK Government Inflation Linked Bond 1-10 year Total Return and 70% Bloomberg World Government Inflation Linked Bond (ex UK) 1-10 year Total Return, GBP Index.

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 30 April 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at www.rlam.com.

Performance overview

The Fund delivered positive returns for the period under review, in line with the composite benchmark of Global inflation linked bonds. The Fund outperformed its Investment Association peer group average. It should be noted that returns can be distorted by the differing valuation points of the Fund and Index.

Market overview

Rising interest rates and stubbornly high inflation was the main theme for the global economy and markets over the past six months. The Federal Reserve, Bank of England and European Central Bank all pushed interest rates higher in an attempt to bring inflation back towards respective targets. Towards the end of the period, there were signs that inflation had peaked and the focus therefore shifted, with markets starting to anticipate possible rate cuts in the second half of 2023 in some regions.

With inflation expected to fall back towards central bank targets as the year progresses, data relating to labour markets, wage growth, and underlying economic activity have grown in importance. Markets are looking for signs of weakness to confirm the narrative that central banks will begin to cut rates later this year. But the data has not been all one-way traffic; the first quarter of 2023 was very much characterised by periods where macroeconomic data prints either beat or disappointed versus expectations. This in turn fed through to increased market volatility.

Against this backdrop, yields rose (and hence prices fell) on most benchmark 10-year government bonds with the notable exception of the US, which is expected to be the first to cut rates. The UK 10-year gilt rose from 3.52% to 3.72%. Index linked markets saw a similar pattern, with UK 10-year real yields rising from -0.13% to 0.12%, with FTSE® conventional and index-linked gilt indices returning -1.04% and -1.47% respectively. This was a negative backdrop for the sterling credit market, however the combination of higher yield and tightening credit spreads (the additional yield on a corporate bond over equivalent gilt) tightened from 1.86% to 1.46% (iBoxx Non-Gilt Index).

Manager's Investment Report (continued)

Portfolio commentary

Duration positioning – looking to take advantage of moves in overall market yields – was positive for returns. For some time we have had a strategic bias towards a short stance, but trade market volatility tactically, and this was helpful during a period where volatility remained elevated. That volatility meant that our positioning was slightly short or slightly long, and avoiding taking more material positions as we feel that market volatility makes the risk-reward pay-off for larger positions unattractive.

However, curve positioning was negative. We generally had a flattening stance or bias through the period, based on our view that the lack of scheduled long-dated linker supply would favour longer-dated bonds. However, the curve steepened over the period.

Cross market exposure was perhaps the most active area, and one where we were able to add most value. For some time, we felt that the UK looked structurally expensive for some time after the Brexit vote, but the liability-driven investment (LDI) crisis last year has largely eroded this, even with the partial recovery seen in the UK market after Rishi Sunak took over as Prime Minister. Within the Fund, we have traded Australia, France, Germany and the US tactically, ending with a modest overweight in the UK.

Investment outlook

We expect that inflation has peaked. This is driven by our view that energy prices will moderate, and that weaker GDP growth will reduce the tightness of the labour market. As a result, we expect spot inflation to fall over the next few months and this should allow for a pause in central bank activity.

In our view, real yields globally look attractive, and we believe that there will be selected opportunities to go long duration (i.e. position the Fund for falling yields) over the next few months. With inflation expected to soften and supply concentrated in nominal bonds we would expect real curves to flatten over the coming months.

Paul Rayner
Fund Manager
Royal London Asset Management Limited
30 April 2023

Please note that this commentary is written as at 30 April 2023. For further insights on 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 Fund, our Annual Value Assessment report is available on www.rlam.com.

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

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

Comparative Tables

Class M Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	103.40	112.28	108.81	105.26
Return before operating charges*	2.93	(4.79)	5.40	3.84
Operating charges	(0.14)	(0.30)	(0.30)	(0.29)
Return after operating charges*	2.79	(5.09)	5.10	3.55
Distributions on income shares	(1.05)	(3.79)	(1.63)	–
Closing net asset value per share	105.14	103.40	112.28	108.81
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.70%	(4.53)%	4.69%	3.37%
Other information				
Closing net asset value (£'000)	289,510	284,545	251,757	120,580
Closing number of shares	275,359,187	275,182,536	224,218,814	110,813,697
Operating charges	0.27%	0.27%	0.27%	0.27%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	107.20	116.00	115.00	109.40
Lowest share price	102.40	103.10	108.60	100.50

Class R Accumulation

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/21 (p)	31/10/20 (p)
Opening net asset value per share	109.12	114.10	108.76	104.99
Return before operating charges*	3.12	(4.90)	5.42	3.84
Operating charges	(0.04)	(0.08)	(0.08)	(0.07)
Return after operating charges*	3.08	(4.98)	5.34	3.77
Distributions on accumulation shares	(1.11)	(3.88)	(1.62)	(0.01)
Retained distributions on accumulation shares	1.11	3.88	1.62	0.01
Closing net asset value per share	112.20	109.12	114.10	108.76
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.82%	(4.36)%	4.91%	3.59%
Other information				
Closing net asset value (£'000)	108,926	222,657	199,603	71,433
Closing number of shares	97,084,555	204,052,175	174,935,926	65,680,375
Operating charges	0.07%	0.07%	0.07%	0.07%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	113.20	118.00	115.20	109.40
Lowest share price	108.70	106.00	108.60	100.40

Class Z Income

Change in net assets per share	30/04/23 (p)	31/10/22 (p)	31/10/20 (p)	31/10/19 (p)
Opening net asset value per share	104.02	112.89	105.62	101.70
Return before operating charges*	2.97	(4.87)	3.86	5.14
Operating charges	(0.11)	(0.24)	(0.24)	(0.21)
Return after operating charges*	2.86	(5.11)	3.62	4.93
Distributions on income shares	(1.06)	(3.76)	–	(1.01)
Closing net asset value per share	105.82	104.02	109.24	105.62
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.75%	(4.53)%	3.43%	4.85%
Other information				
Closing net asset value (£'000)	287,065	294,372	285,653	331,442
Closing number of shares	271,273,368	282,982,245	261,496,848	313,807,803
Operating charges	0.22%	0.22%	0.22%	0.22%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	107.90	116.70	109.90	106.20
Lowest share price	103.00	103.60	100.90	99.73

* 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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

Portfolio Statement

As at 30 April 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Government Bonds – 2.75% (31/10/22 – 0.00%)			
£19,000,000	UK Treasury 0.75% 22/7/2023	18,849	2.75
Total Government Bonds		18,849	2.75
Government Index-Linked Bonds – 96.68% (31/10/22 – 100.30%)			
€8,698,953	Federal Republic of Germany 0.5% IL 15/4/2030	9,659	1.41
C\$1,256,000	Government of Canada 4.25% IL 1/12/2026	1,438	0.21
€9,576,000	Government of France 0.1% IL 1/3/2028	9,788	1.43
€8,266,000	Government of France 0.1% IL 25/7/2031	8,262	1.21
€28,217,000	Government of France 0.1% IL 1/3/2032	27,533	4.02
€2,414,724	Government of France 0.7% IL 25/7/2030	2,659	0.39
€4,312,000	Government of France 1.85% IL 25/7/2027	5,256	0.77
¥98,200,000	Government of Japan 0.1% IL 10/3/2024	635	0.09
¥1,173,000,000	Government of Japan 0.1% IL 10/9/2024	7,433	1.08
¥334,000,000	Government of Japan 0.1% IL 10/3/2025	2,133	0.31
¥315,400,000	Government of Japan 0.1% IL 10/3/2026	2,030	0.30
¥575,300,000	Government of Japan 0.1% IL 10/3/2028	3,691	0.54
¥726,900,000	Government of Japan 0.2% IL 10/3/2030	4,881	0.71
NZ\$338,000	Government of New Zealand 2% IL 20/9/2025	213	0.03
€4,919,000	Government of Spain 0.65% IL 30/11/2027	5,204	0.76
€2,726,000	Government of Spain 0.7% IL 30/11/2033	2,720	0.40
SEK21,975,000	Government of Sweden 0.125% IL 1/6/2032	2,061	0.30
SEK33,930,000	Government of Sweden 1% IL 1/6/2025	3,319	0.48
€9,521,000	Republic of Italy 0.4% IL 15/5/2030	8,907	1.30
€2,020,000	Republic of Italy 0.65% IL 15/5/2026	2,006	0.29
€3,289,000	Republic of Italy 1.25% IL 15/9/2032	3,315	0.48
€5,557,000	Republic of Italy 1.4% IL 26/5/2025	5,032	0.73
£18,370,612	UK Treasury 0.125% IL 22/3/2026	25,771	3.76
£6,390,000	UK Treasury 0.125% IL 10/8/2028	8,324	1.21
£24,377,369	UK Treasury 0.125% IL 22/3/2029	37,249	5.43
£13,444,189	UK Treasury 0.125% IL 10/8/2031	16,778	2.45
£1,735,000	UK Treasury 0.125% IL 22/11/2036	2,349	0.34
£922,000	UK Treasury 0.75% IL 22/3/2034	1,520	0.22
£3,111,000	UK Treasury 1.125% IL 22/11/2037	6,136	0.90
£19,346,000	UK Treasury 1.25% IL 22/11/2027	38,145	5.57
£12,870,512	UK Treasury 1.25% IL 22/11/2032	23,889	3.48
£6,176,454	UK Treasury 2.5% IL 17/7/2024	23,156	3.38
£5,490,000	UK Treasury 4.125% IL 22/7/2030	18,728	2.73
\$6,863,600	US Treasury 0.125% IL 15/7/2024	6,742	0.98
\$15,509,000	US Treasury 0.125% IL 15/4/2025	13,862	2.02
\$800	US Treasury 0.125% IL 15/10/2025	1	0.00
\$22,879,900	US Treasury 0.125% IL 15/4/2026	19,993	2.92
\$30,849,900	US Treasury 0.125% IL 15/7/2026	29,598	4.32
\$7,033,000	US Treasury 0.125% IL 15/1/2030	6,069	0.89
\$29,711,300	US Treasury 0.125% IL 15/7/2030	25,668	3.74
\$14,080,000	US Treasury 0.125% IL 15/1/2031	11,893	1.74
\$1,506,300	US Treasury 0.125% IL 15/7/2031	1,231	0.18
\$47,262,200	US Treasury 0.125% IL 15/1/2032	37,075	5.41
\$2,573,500	US Treasury 0.25% IL 15/1/2025	2,523	0.37
\$27,951,700	US Treasury 0.25% IL 15/7/2029	24,676	3.60
\$28,746,700	US Treasury 0.375% IL 15/7/2025	28,223	4.12
\$44,957,900	US Treasury 0.375% IL 15/1/2027	42,840	6.25
\$5,555,000	US Treasury 0.375% IL 15/7/2027	5,238	0.76
\$27,670,900	US Treasury 0.5% IL 15/4/2024	25,688	3.75
\$19,882,900	US Treasury 0.5% IL 15/1/2028	18,577	2.71
\$3,008,000	US Treasury 0.625% IL 15/1/2026	2,952	0.43
\$18,587,000	US Treasury 0.875% IL 15/1/2029	17,228	2.51
\$3,718,000	US Treasury 1.75% IL 15/1/2028	4,331	0.63
\$5,810,900	US Treasury 2% IL 15/1/2026	7,075	1.03
\$3,799,000	US Treasury 2.375% IL 15/1/2027	4,657	0.68
\$3,878,000	US Treasury 3.625% IL 15/4/2028	6,372	0.93
Total Government Index-Linked Bonds		662,732	96.68

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Forward Currency Contracts – 0.75% (31/10/22 – 1.18%)			
	Buy AUD12,606,000 & Sell £6,699,931 [†]	(60)	(0.01)
	Buy €3,302,000 & Sell £2,929,721 [†]	(22)	–
	Buy £6,827,565 & Sell AUD12,591,000 [†]	196	0.03
	Buy £1,454,856 & Sell CAD2,420,000 [†]	35	–
	Buy £93,570,228 & Sell €105,841,000 [†]	356	0.05
	Buy £25,788,608 & Sell JPY4,255,337,000 [†]	678	0.10
	Buy £208,352 & Sell NZD418,000 [†]	3	–
	Buy £5,453,112 & Sell SEK69,574,000 [†]	44	0.01
	Buy £344,362,006 & Sell \$428,532,000 [†]	3,903	0.57
Total Forward Currency Contracts		5,133	0.75
Total value of investments[^]		686,714	100.18
Net other liabilities		(1,213)	(0.18)
Total net assets		685,501	100.00

[†] Unlisted

[^] Including investment liabilities

Other than forward currency contracts, all investments are listed on recognised stock exchanges and are “approved securities” within the meaning of the FCA rules unless otherwise stated.

Summary of Portfolio Investments

As at 30 April 2023

	30 Apr 2023		31 Oct 2022	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Credit breakdown*				
Investments of investment grade	681,581	99.43	803,993	100.30
Total bonds	681,581	99.43	803,993	100.30
Forward currency contracts – assets	5,215	0.76	9,428	1.18
Investments as shown in the balance sheet	686,796	100.19	813,421	101.48
Forward currency contracts – liabilities	(82)	(0.01)	–	–
Total value of investments	686,714	100.18	813,421	101.48

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

Summary of Material Portfolio Changes

For the six month period ended 30 April 2023

Significant Purchases

	Cost £'000
UK Treasury 0.125% IL 22/3/2024	153,033
UK Treasury 1.25% IL 22/11/2032	78,002
UK Treasury 0.125% IL 22/3/2029	75,832
UK Treasury 1.25% IL 22/11/2027	62,804
US Treasury 0.375% IL 15/1/2027	62,763
UK Treasury 0.125% IL 10/8/2031	59,931
US Treasury 0.125% IL 15/1/2032	54,618
US Treasury 0.5% IL 15/1/2028	41,733
Government of France 0.1% IL 1/3/2032	36,298
UK Treasury 0.125% IL 22/3/2026	23,248
Subtotal	648,262
Total cost of purchases, including the above, for the period	823,655

Significant Sales

	Proceeds £'000
UK Treasury 0.125% IL 22/3/2024	165,086
UK Treasury 1.25% IL 22/11/2027	105,203
UK Treasury 0.125% IL 10/8/2031	65,571
US Treasury 0.375% IL 15/1/2027	64,091
UK Treasury 1.25% IL 22/11/2032	63,684
UK Treasury 0.125% IL 22/3/2029	42,006
US Treasury 0.5% IL 15/1/2028	41,571
US Treasury 0.25% IL 15/7/2029	34,824
Government of France 0.1% IL 1/3/2028	32,532
UK Treasury 0.75% IL 22/3/2034	23,273
Subtotal	637,841
Total proceeds from sales, including the above, for the period	934,888

Financial Statements

Statement of Total Return

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/ (losses)		5,058		(15,147)
Revenue	18,114		17,530	
Expenses	(793)		(725)	
Interest payable and similar charges	–		(6)	
Net revenue before taxation	17,321		16,799	
Taxation	–		–	
Net revenue after taxation		17,321		16,799
Total return before distributions		22,379		1,652
Distributions		(8,034)		(6,720)
Change in net assets attributable to shareholders from investment activities		14,345		(5,068)

Balance Sheet

As at 30 April 2023

	30 Apr 2023	31 Oct 2022
	£'000	£'000
Assets		
Investments	686,796	813,421
Current assets:		
Debtors	6,076	3,547
Cash and bank balances	119	46
Total assets	692,991	817,014
Liabilities		
Investment liabilities	82	–
Bank overdraft	10	–
Other creditors	1,629	524
Distribution payable	5,769	14,916
Total liabilities	7,490	15,440
Net assets attributable to shareholders	685,501	801,574

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 30 April 2023

	30 Apr 2023		30 Apr 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		801,574		700,667
Amounts receivable on creation of shares	58,132		198,381	
Amounts payable on cancellation of shares	(189,640)		(83,008)	
		(131,508)		115,373
Dilution adjustment charged		8		65
Change in net assets attributable to shareholders from investment activities		14,345		(5,068)
Retained distributions on accumulation shares		1,082		2,086
Closing net assets attributable to shareholders		685,501		813,123

Distribution Table

For the six month period ended 30 April 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 November 2022

Group 2: Shares purchased between 1 November 2022 and 30 April 2023

	Net income	Equalisation	Distribution payable 30/06/23	Distribution paid 30/06/22
Class M Income				
Group 1	1.0521	–	1.0521	1.1070
Group 2	0.5951	0.4570	1.0521	1.1070
Class R Accumulation				
Group 1	1.1142	–	1.1142	1.1103
Group 2	0.5954	0.5188	1.1142	1.1103
Class Z Income				
Group 1	1.0587	–	1.0587	1.0989
Group 2	0.4828	0.5759	1.0587	1.0989

Fact File

Constitution

Royal London Sterling Credit Fund

Launch date	30 October 2009		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	31 March (interim)		
	30 June (interim)		
	30 September (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class M	0.53%
		Class R	0.06%
		Class S	0.05%
		Class Z	0.35%

Royal London Short Term Money Market Fund

Launch date	30 April 2010		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	30 June (interim)		
Minimum investment	Class R	n/a	
	Class S	n/a	
	Class Y	£1,000,000 (thereafter £100)	
Management charges:	Initial	Class R	nil
		Class S	nil
		Class Y	nil
	Annual	Class R	0.03%
		Class S	0.03%
		Class Y	0.10%

Royal London Global Index Linked Fund

Launch date	27 January 2010		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	30 June (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class Z	nil
	Annual	Class M	0.50%
		Class R	0.11%
		Class Z	0.36%

Fact File (continued)**Constitution** (continued)**Royal London Corporate Bond Fund**

Launch date	30 April 2010		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	31 March (interim)		
	30 June (interim)		
	30 September (interim)		
Minimum investment	Class A	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Y	£150,000,000 (thereafter £500,000)	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class A	nil
		Class M	nil
		Class R	nil
		Class S	nil
		Class Y	nil
		Class Z	nil
	Annual	Class A	0.69%
		Class M	0.56%
		Class R	0.09%
		Class S	0.11%
		Class Y	0.37%
		Class Z	0.41%

Royal London Index Linked Fund

Launch date	30 April 2010		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	30 June (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
Management charges:	Initial	Class M	nil
		Class R	nil
	Annual	Class M	0.30%
		Class R	0.08%

Royal London UK Government Bond Fund

Launch date	30 April 2010		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	30 June (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class X	£25,000,000 (thereafter £50,000)	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class X	nil
		Class Z	nil
	Annual	Class M	0.30%
		Class R	0.09%
		Class S	0.10%
		Class X	0.25%
		Class Z	0.25%

Fact File (continued)**Constitution** (continued)**Royal London Short Term Fixed Income Fund**

Launch date	15 June 2011		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	31 March (interim)		
	30 June (interim)		
	30 September (interim)		
Minimum investment	Class M	£100,000 (thereafter £50,000)	
	Class R	n/a	
	Class S	n/a	
	Class X	£200,000,000 (thereafter £1,000,000)	
	Class Y	£1,000,000 (thereafter £50,000)	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class X	nil
		Class Y	nil
		Class Z	nil
	Annual	Class M	0.25%
		Class R	0.03%
		Class S	0.03%
		Class X	0.11%
		Class Y	0.15%
		Class Z	0.03%

Royal London International Government Bond Fund

Launch date	4 November 2011		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	30 June (interim)		
Minimum investment	Class A	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
Management charges:	Initial	Class A	nil
		Class M	nil
		Class R	nil
		Class S	nil
	Annual	Class A	0.95%
		Class M	0.30%
		Class R	0.05%
		Class S	0.05%

Royal London Diversified Asset-Backed Securities Fund

Launch date	24 September 2012		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	31 March (interim)		
	30 June (interim)		
	30 September (interim)		
Minimum investment	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class R	0.06%
		Class S	0.06%
		Class Z	0.425%

Fact File (continued)**Constitution** (continued)**Royal London Short Duration Gilts Fund**

Launch date	7 November 2013		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	30 June (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class M	0.29%
		Class R	0.09%
		Class S	0.07%
		Class Z	0.22%

Royal London Short Term Fixed Income Enhanced Fund

Launch date	18 May 2015		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	31 March (interim)		
	30 June (interim)		
	30 September (interim)		
Minimum investment	Class R	n/a	
	Class S	n/a	
	Class Y	£1,000,000 (thereafter £50,000)	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class R	nil
		Class S	nil
		Class Y	nil
		Class Z	nil
	Annual	Class R	0.03%
		Class S	0.03%
		Class Y	0.18%
		Class Z	0.03%

Royal London Cautious Managed Fund

Launch date	10 June 2015		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
Minimum investment	Class A	£5,000 (thereafter £500)	
	Class R	n/a	
Management charges:	Initial	Class A	nil
		Class R	nil
	Annual	Class A	0.70%
		Class R	0.10%

Royal London Investment Grade Short Dated Credit Fund

Launch date	7 December 2015		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	31 March (interim)		
	30 June (interim)		
	30 September (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class N	n/a	
	Class R	n/a	
	Class S	n/a	
	Class X	£150,000,000 (thereafter £500,000)	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class N	nil
		Class R	nil
		Class S	nil
		Class X	nil
		Class Z	nil
	Annual	Class M	0.29%
		Class N	0.03%
		Class R	0.04%
		Class S	0.04%
		Class X	0.175%
		Class Z	0.24%

Fact File (continued)**Constitution** (continued)**Royal London Short Duration Global Index Linked Fund**

Launch date	23 February 2016		
Accounting end dates	31 October (final)		
	30 April (interim)		
Distribution dates	31 December (final)		
	30 June (interim)		
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class Z	nil
	Annual	Class M	0.27%
		Class R	0.07%
		Class Z	0.22%

Fact File (continued)

Investment Objective and Policies

Please note that Synthetic Risk and Reward Indicators (SRRIs) are calculated on a share class basis. For SRI information in relation to a specific share class, please always refer to the relevant Key Investor Information Document (KIID) available on our website.

Royal London Sterling Credit Fund

The Fund's investment objective is to achieve a total return (combination of capital growth and income) over the medium term, which should be considered as a period of 3-5 years, by investing at least 80% in sterling-denominated corporate bond.

The Fund's performance target is to outperform the Markit iBoxx Sterling Non-Gilts Total Return GBP Index (the "Index") over a rolling 5-year period.

At least 80% of the Fund will be invested in Policy investment grade corporate bonds and in index linked corporate bonds, securitisations, supranational bonds, agency bonds, floating-rate notes and asset-backed securities each denominated in sterling or hedged back to sterling. These Investments will generally be fixed-rate issues.

Up to 10% of the Fund may be invested in collective investment schemes.

The Fund may also hold a small amount of its portfolio in derivatives (investments that derive their value from another closely related underlying investment) for the purposes of Efficient Portfolio Management.

Risk and reward profile



The Fund is ranked in risk category 4 because its share price has shown a medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by corporations are more volatile than bonds issued by governments.

Royal London Global Index Linked Fund

The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3-5 years, by investing predominantly in index-linked bonds issued by governments globally.

The Fund's performance target is to outperform the Bloomberg World Government Inflation Linked Bond Total Return Index (GBP Hedged) (the "Index") over a rolling 5-year period. The Index is regarded as a good measure of the performance of global index-linked government bonds.

The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index.

A limited amount of the Fund's assets may be invested in other transferable securities, money market instruments and exchange-traded funds. The Fund may also hold a small amount of its portfolio in derivatives (investments that derive their value from another closely related underlying investment) for the purposes of Efficient Portfolio Management.

Risk and reward profile



The Fund is ranked in risk category 4 because its share price has shown a medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Fact File (continued)

Investment Objective and Policies (continued)

Royal London Short Term Money Market Fund

The Fund's investment objective is to preserve capital and provide an income over rolling 12-month periods by investing at least 80% in cash and cash equivalents.

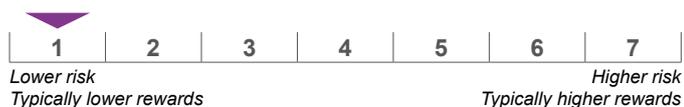
The Fund's performance target is to outperform, after the deduction of charges, the Bank of England Sterling Overnight Interbank Average (SONIA) over rolling 12-month periods.

At least 80% of the Fund will be invested in eligible instruments as permitted by the Money Market Funds Regulation. These will include cash, time deposits, certificates of deposit, commercial paper, floating-rate notes, and short-dated government bonds.

The Fund may also hold a small amount of the portfolio in derivatives (investments that derive their value from another closely related underlying investment) for the purposes of Efficient Portfolio Management.

Money market instruments will have a minimum rating of A-1, P-1 or F1 or long-term equivalent.

Risk and reward profile



The Fund is ranked in risk category 1 because its share price has shown a very low level of volatility historically. As an investment, money market instruments are less volatile than bonds and shares.

Royal London Corporate Bond Fund

The Fund's investment objective is to achieve a total return (combination of capital growth and income) over the medium term, which should be considered as a period of 3-5 years, by investing at least 80% in sterling-denominated corporate bonds.

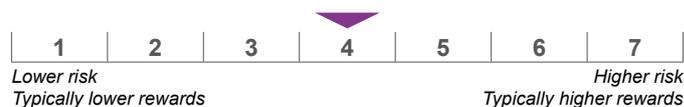
The Fund's performance target is to outperform the Markit iBoxx Sterling Non-Gilt Total Return GBP Index (the "Index") over a rolling 5-year period.

At least 80% of the Fund will be invested in Policy investment grade corporate bonds and in index linked corporate bonds, securitisations, supranational bonds, agency bonds, floating-rate notes and asset backed securities each denominated in sterling or hedged back to sterling. These investments will generally be fixed-rate issues

Up to 10% of the Fund may be invested in collective investment schemes.

The Fund may also hold a small amount of its portfolio in derivatives (investments that derive their value from another closely related underlying investment) for the purposes of Efficient Portfolio Management.

Risk and reward profile



The Fund is ranked in risk category 4 because its share price has shown a medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Fact File (continued)

Investment Objective and Policies (continued)

Royal London Index Linked Fund

The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3-5 years, by investing mainly in index-linked bonds issued by the UK government, known as gilts.

The Fund's performance target is to outperform the FTSE® Actuaries UK Index Linked Gilts All Stock Index (the "Index") over a rolling 5-year period.

The Index is regarded as a good measure of the performance of index-linked UK government bonds.

The Index is considered an appropriate benchmark for the Fund's performance, as many of the Fund's potential investments will be included in the Index.

A limited amount of the Fund's assets may be invested in other transferable securities, money market instruments and exchange-traded funds. The Fund may also hold a small amount of its portfolio in derivatives (investments that derive their value from another closely related underlying investment) for the purposes of Efficient Portfolio Management.

Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Royal London UK Government Bond Fund

The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3–5 years, by predominantly investing in UK government bonds, also known as gilts.

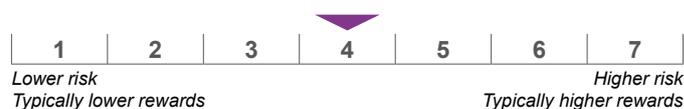
The Fund's performance target is to outperform the FTSE® Actuaries UK Conventional Gilts All Stocks Index (the "Index") over a rolling 5-year period.

The Index is regarded as a good measure of the performance of every UK government bond quoted on the London Stock Exchange.

The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index.

A limited amount of the Fund's assets may be invested in other transferable securities, money market instruments and exchange-traded funds. The Fund may also hold a small amount of its portfolio in derivatives (investments that derive their value from another closely related underlying investment) for the purposes of Efficient Portfolio Management.

Risk and reward profile



The Fund is ranked in risk category 4 because its share price has shown a medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Fact File (continued)

Investment Objective and Policies (continued)

Royal London Short Term Fixed Income Fund

The Fund's investment objective is to achieve a total return over rolling 12-month periods by mainly investing in Short Term Fixed Income Securities.

To achieve this objective a minimum of 50% of the Fund will be invested in a combination of money market instruments, including cash, time deposits, certificates of deposit and commercial paper and floating rate notes.

Government bonds are also included in this segment of the Fund. In exceptional circumstances the Fund may invest up to 100% in money market instruments.

The Fund will also invest in a range of securities, including corporate bonds and supranational & agency bonds, asset backed securities and/or transferable securities.

The Fund may also make use of reverse repurchase agreements.

The Fund may also hold derivatives for the purposes of Efficient Portfolio Management only.

Risk and reward profile



The Fund is ranked in risk category 1 because its share price has shown a very low level of volatility historically. As an investment, money market instruments and bonds are less volatile than shares.

Royal London International Government Bond Fund

The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3-5 years, by primarily investing in government bonds globally.

The Fund's performance target is to outperform the JP Morgan Traded World ex UK Government Bond Index (GBP hedged) (the "Index") over a rolling 5-year period. The Index is regarded as a good measure of the performance of government bonds across the developed markets.

The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index.

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 also hold derivatives for the purpose of Efficient Portfolio Management only.

Risk and reward profile



The Fund is ranked in risk category 3 because its share price has shown a low to medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Fact File (continued)

Investment Objective and Policies (continued)

Royal London Diversified Asset-Backed Securities Fund

The Fund's investment objective is to achieve a positive absolute return in all market conditions over rolling 3-year periods, by predominantly investing in asset-backed securities and other sterling-denominated corporate bonds.

The Fund's performance target is to outperform, before the deduction of charges, the Bank of England Sterling Overnight Interbank Average (SONIA) plus 2% per annum over rolling 3 year periods.

The Fund will be actively managed, with the majority of assets in asset backed securities and other sterling corporate bonds, which will generally be fixed and floating-rate issues.

The remainder of the Fund's assets may be invested in a range of securities, including government bonds, index-linked bonds and bonds denominated in currencies other than sterling.

Up to 10% may be invested in collective investment schemes. A limited amount may also be invested in money market instruments and other transferable securities.

The Fund may also hold derivatives for the purposes of Efficient Portfolio Management.

Risk and reward profile



The Fund is ranked in risk category 3 because its share price has shown a low to medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Royal London Short Duration Gilts Fund

The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3–5 years, by predominantly investing in short-duration (1-5 years) UK government bonds, which are also known as gilts.

The Fund's performance target is to outperform the FTSE® Actuaries UK Conventional Gilts up to 5 Years Index (the "Index") over a rolling 5-year period.

The Index is regarded as a good measure of the performance of short duration UK government bonds quoted on the London Stock Exchange.

The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index.

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.

Risk and reward profile



The Fund is ranked in risk category 2 because its simulated share price has shown a low level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Fact File (continued)

Investment Objective and Policies (continued)

Royal London Short Term Fixed Income Enhanced Fund

The Fund's investment objective is to achieve a total return over rolling 12-month periods by mainly investing in short term fixed income securities.

The Fund's performance target is to outperform, the Bank of England Sterling Overnight Interbank Average (SONIA) by 1.00% over rolling 12-month periods.

To achieve this objective the Fund will invest at least 60% in short term fixed income securities using in a combination of money market instruments, including cash, time deposits, certificates of deposit, commercial paper and floating rate notes. Short term corporate bonds, covered bonds and asset backed securities will also be included.

In exceptional circumstances the Fund may invest up to 100% in money market instruments.

The Fund may also invest in a range of other securities including the use of reverse repurchase agreements. The Fund will not invest in other funds, known as CIS. The Fund may also hold derivatives for the purposes of Efficient Portfolio Management only.

Risk and reward profile



The Fund is ranked in risk category 2 because its simulated share price has shown a low level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Royal London Cautious Managed Fund

The Fund's investment objective is to achieve a total return over the course of a market cycle, which should be considered as a period of 6–7 years, by predominantly investing in other funds, known as collective investment schemes.

The Fund will be invested in collective investment schemes ("CIS") which can invest in investment and sub-investment grade bonds, and the shares of UK and overseas companies (UK companies are those domiciled in the UK, or which have significant UK business operations). The Fund's CIS holdings will for the most part be managed by Royal London Unit Trust Managers Limited (RLUTM) or another Royal London Group company. The Fund's manager can, however, invest a limited amount of assets in other CIS where they feel it is appropriate. And where the manager believes it is in the best interests of the Fund.

The Fund may also hold a small amount of its portfolio in derivatives (investments that derive their value from another closely related underlying investment) for the purposes of Efficient Portfolio Management.

Risk and reward profile



The Fund is ranked in risk category 3 because its share price has shown a low to medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Fact File (continued)

Investment Objective and Policies (continued)

Royal London Investment Grade Short Dated Credit Fund

The Fund's investment objective is to achieve a total return over the medium term (3–5 years) by investing at least 80% in investment-grade bonds.

The Fund will seek to outperform its benchmark, ICE Bank of America 1-5 Year Sterling Non-Gilt Index, by 0.25% per annum over rolling three year periods. The Index is regarded as a good measure of the performance of short-dated sterling denominated bonds, not including those issued by the UK government.

To achieve this objective the Fund will invest predominantly in investment grade sterling bonds, of which these will be primarily short dated. The bonds invested in will include corporate bonds, asset backed securities, floating rate notes, UK government bonds and supranationals and agencies and will be issued by companies and organisations which meet the Fund's predefined ethical criteria. Any non-sterling bonds in which the Fund invests will be hedged back to sterling. In the event that a bond is downgraded so that it is no longer investment grade, the Fund may hold on to the asset or sell it (taking account of liquidity, value and other factors).

The Fund may also invest in cash and near cash, money market instruments, other transferable securities and other collective investment schemes.

The Fund may hold derivatives for the purposes of Efficient Portfolio Management.

Risk and reward profile



The Fund is ranked in risk category 3 because its simulated share price has shown a low to medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Royal London Short Duration Global Index Linked Fund

The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3–5 years, by predominantly investing in short-duration (1-10 years) index-linked bonds.

The Fund's performance target is to outperform a composite benchmark of the 30% Bloomberg Total Return GBP UK Government Inflation Linked Bond 1-10 year Index, 70% Bloomberg World Government Inflation Linked Bond (ex UK) 1-10 year GBP Index (the "Index") over a rolling 5-year period.

The Index is a good measure of the performance of index-linked UK government bonds and government bonds globally.

The Index is considered an appropriate benchmark for the Fund's performance, as many of the Fund's potential investments will be included in either the Bloomberg UK Government Inflation Linked Bond 1-10 year Index or the Bloomberg World Government Inflation Linked Bond (ex UK) 1-10 year Total Return GBP Index.

To achieve this objective the Fund will invest predominantly in short dated UK and global index linked government and corporate bonds and will overall, have a short duration.

The Fund may also invest in other debt securities such as government and 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 Manager deems appropriate. The debt securities in which the Fund invests may be investment grade or non-investment grade.

It may hold derivatives for the purposes of Efficient Portfolio Management.

Risk and reward profile



The Fund is ranked in risk category 3 because its simulated share price has shown a low to medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Fact File (continued)**Investment Objective and Policies** (continued)

The indicators have been calculated using historical data and may not be a reliable indication of the future risk profile of the Funds. The indicators are calculated using a standard methodology that is used by all companies offering such Funds in Europe.

The risk/reward indicators are an estimate and not a guarantee. Going forward, the Funds' actual volatility could be higher or lower, and their rated risk/reward profile could change. The lowest risk category does not mean the investment is risk free.

The Risk and Reward Profiles are published in each Fund's most recent Key Investor Information Document.

Appendix – Additional Information

Securities Financing Transactions

The Funds engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Funds' involvement in and exposures related to securities lending for the period ended 30 April 2023 are detailed on the following pages.

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Sterling Credit Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	4.56%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£95,917,265	4.53%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Japan 0% 12/6/2023	2,481,300,000	14,502
Government of France 5.5% 25/4/2029	9,575,000	9,636
Federal Republic of Germany 0% 15/8/2026	7,494,540	6,065
Government of Netherlands 2.5% 15/1/2030	6,971,442	6,052
UK Treasury 0.375% 22/3/2062	4,247,968	6,009
Government of Japan 0% 10/7/2023	1,012,900,000	5,920
UK Treasury 0.125% 22/3/2046	4,640,800	5,709
UK Treasury 0.75% 22/11/2047	2,877,950	5,058
UK Treasury 1.25% 22/10/2041	6,600,000	4,175
US Treasury 2.375% 15/2/2042	5,855,600	3,760

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Barclays Bank	28,578
JP Morgan Securities	25,711
BNP Paribas London	13,903
HSBC Bank	12,794
Citigroup Global Markets	10,485
Goldman Sachs International	3,081
Morgan Stanley & Co International	877
Royal Bank of Canada	488
	95,917

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	102,982
		102,982

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	102,982
	102,982

Currency of collateral

Currency	Fair value £'000
Sterling	25,137
Canadian dollar	11
Danish krone	731
Euro	34,719
Japanese yen	23,825
Norwegian krone	6,006
US dollar	12,553
	102,982

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	95,917
	95,917

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	0	
Agents fee	–	20.00%
Fund net return	0	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Global Index Linked Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	3.29%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£10,813,127	3.31%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
DBV UNSTRIPPED BGS	10,833,390	10,833

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Citigroup Global Markets	10,813
	10,813

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	10,833
		10,833

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	10,833
	10,833

Currency of collateral

Currency	Fair value £'000
Sterling	10,833
	10,833

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	10,813
	10,813

Country in which counterparties are established

Counterparty

All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	0	
Agents fee	–	20.00%
Fund net return	0	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Corporate Bond Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	2.46%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£26,761,334	2.44%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Japan 0% 12/6/2023	1,006,800,000	5,884
UK Treasury 1.25% 22/10/2041	5,900,000	3,732
Federal Republic of Germany 0% 15/5/2035	4,960,329	3,231
US Treasury 1.375% 31/10/2028	3,065,100	2,198
UK Treasury 0.375% IL 22/3/2062	1,298,212	1,836
Federal Republic of Germany 0% 15/8/2026	2,254,239	1,824
US Treasury 2.375% 15/2/2042	2,789,900	1,792
Government of Japan 0% 10/7/2023	304,650,000	1,781
Government of Netherlands 2.5% 15/1/2030	2,050,865	1,780
Government of Norway 1.375% 19/8/2030	19,000,000	1,260

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Barclays Bank	8,470
JP Morgan Securities	8,156
BNP Paribas London	5,623
Morgan Stanley & Co International	2,964
HSBC Bank	1,548
	26,761

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	28,940
		28,940

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	28,940
	28,940

Currency of collateral

Currency	Fair value £'000
Sterling	5912
Canadian dollar	552
Danish krone	122
Euro	8945
Japanese yen	7,688
Norwegian krone	1,365
US dollar	4,356
	28,940

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	26,761
	26,761

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	38	
Agents fee	(8)	20.00%
Fund net return	30	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Index Linked Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	3.94%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£15,788,596	3.92%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
US Treasury 0.125% IL 15/1/2032	9,826,500	7,703
DBV Unstripped BGS	3,876,167	3,876
UK Treasury 3.25% 22/1/2044	4,376,000	3,857
UK Treasury 4.25% 7/3/2036	800,439	832
UK Treasury 0.125% IL10/8/2048	10,500	12

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Banco Santander	11,920
Citigroup Global Markets	3,869
	15,789

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	16,280
		16,280

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	16,280
	16,280

Currency of collateral

Currency	Fair value £'000
Sterling	8,577
US dollar	7,703
	16,280

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	15,789
	15,789

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	7	
Agents fee	(1)	20.00%
Fund net return	6	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London UK Government Bond Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	11.87%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£110,599,060	11.72%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
DBV Unstripped BGS	20,408,006	20,408
UK Treasury 0.125% 22/3/2068	7,184,000	8,670
UK Treasury 0.5% 22/1/2045	9,042,173	8,253
DBV Unstripped BGS	7,401,695	7,402
UK Treasury 0.25% 7/3/2036	6,935,497	7,207
Government of Japan 12/6/2023	1,020,350,000	5,963
Federal Republic of Germany 1.3% 15/10/2027	6,960,776	5,907
UK Treasury 0.5% 22/3/2050	3,665,901	5,884
US Treasury 0% 15/2/2030	9,448,000	5,878
Government of Austria 0% 20/10/2028	7,428,000	5,581

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
HSBC Bank	28,367
Banco Santander	23,088
JP Morgan Securities	21,276
Royal Bank of Canada Limited	17,944
Lloyds Bank Corporate Markets	7,217
BNP Paribas London	5,803
Bank of Nova Scotia	4,166
Nomura International Limited	1,746
Citigroup Global Markets	992
	110,599

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	117,291
		117,291

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	117,291
	117,291

Currency of collateral

Currency	Fair value £'000
Sterling	65,602
Canadian dollar	597
Euro	35,811
Japanese yen	6,338
Norwegian krone	625.00
US dollar	8,318
	117,291

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	110,599
	110,599

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	146	
Agents fee	(29)	20.00%
Fund net return	117	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Short Term Fixed Income Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	0.71%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£29,255,978	0.70%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Norway 2% 26/4/2028	70,024,000	4,929
Government of Japan 0% 12/6/2023	471,700,000	2,757
Government of Japan 0% 11/9/2023	471,500,000	2,757
Government of Japan 0% 26/6/2023	471,650,000	2,756
UK Treasury 0% 5/6/2023	2,123,478	2,115
Federal Republic of Germany 0% 15/2/2032	2,507,770	1,792
UK Treasury 0.375% IL 22/3/2062	1,018,530	1,441
Federal Republic of Germany 0% 15/8/2026	1,768,592	1,431
Republic of Austria 0% 20/2/2031	2,053,000	1,431
Government of France 0% 25/3/2024	1,647,287	1,408

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Merrill Lynch	13,398
Barclays Bank	6,832
Royal Bank of Canada	5,015
JP Morgan	4,011
	29,256

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	31,220
		31,220

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	31,220
	31,220

Currency of collateral

Currency	Fair value £'000
Sterling	4,611
Euro	9,850
Japanese yen	9,767
Norwegian krone	5,561
US dollar	1,431
	31,220

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	29,256
	29,256

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	31	
Agents fee	(6)	20.00%
Fund net return	25	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London International Government Bond Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	10.79%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£92,111,579	10.60%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Japan 19/6/2023	4,814,550,000	28,138
UK Treasury 1% 31/1/2032	26,262,984	20,992
Government of Japan 12/6/2023	2,617,150,000	15,296
UK Treasury 3.5% 22/7/2068	12,878,623	11,762
UK Treasury 0.75% IL 22/11/2047	5,204,086	9,131
UK Treasury 0.75% IL 22/11/2047	2,785,350	4,895
US Treasury 3.125% 15/11/2028	4,327,300	3,379
US Treasury 1.875% 15/2/2032	1,247,700	882
UK Treasury 3.5% 22/11/2045	957,827	874
UK Treasury 0.625% IL 22/11/2042	268,000	460

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Banco Santander	40,372
HSBC Bank	27,384
BNP Paribas London	14,670
Citigroup Global Markets	5,564
JP Morgan Securities	4,122
	92,112

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	96,593
		96,593

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	96,593
	96,593

Currency of collateral

Currency	Fair value £'000
Sterling	48,686
Canadian dollar	7
Euro	120
Japanese yen	43,436
US dollar	4,344
	96,593

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	92,112
	92,112

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	57	
Agents fee	(11)	20.00%
Fund net return	46	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Diversified Asset-Backed Securities Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	3.90%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£7,774,959	3.68%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of France 0% 25/11/2029	4,353,516	3,190
UK Treasury 0.75% IL 22/11/2047	512,040	900
Government of France 0.25% 25/11/2026	791,039	636
Government of Germany 1.3% 15/10/2027	749,001	636
UK Treasury 0.5% IL 22/3/2050	394,684	633
US Treasury 0% 15/2/2030	1,017,000	633
Government of Austria 0% 20/10/2028	798,000	600
UK Treasury 2% IL 26/1/2035	122,000	300
Government of Denmark 0.5% 15/11/2027	942,000	101
Federal Republic of Germany 0% 15/2/2031	104,245	76

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
HSBC Bank	3,041
Bank of Nova Scotia	3,041
Citigroup Global Markets	833
JP Morgan Securities	496
Barclays Bank	364
	7,775

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	8,188
		8,188

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	8,188
	8,188

Currency of collateral

Currency	Fair value £'000
Sterling	1,905
Danish krone	100
Euro	5,343
Japanese yen	111
Norwegian krone	16
US dollar	713
	8,188

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	7,775
	7,775

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	6	
Agents fee	(1)	20.00%
Fund net return	5	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Short Duration Gilts Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	15.36%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£172,390,552	15.40%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
DBV Unstripped BGS Bond Participant	83,233,004	83,233
UK Treasury 0.125% 22/3/2039	13,791,528	15,794
UK Treasury 0.875% 31/7/2033	20,878,847	15,771
UK Treasury 1.5% 31/7/2053	28,109,924	15,615
UK Treasury 1.125% 22/10/2073	37,867,427	15,510
UK Treasury 4.125% 29/1/2027	14,744,392	14,956
Government of Japan 0% 12/6/2023	1,990,800,000	11,635
Government of France 4.25% 25/10/2023	3,799,832	3,426
Government of Belgium 3.75% 22/6/2045	873,277	825
Government of France 0% 24/5/2023	664,210	582

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Lloyds Bank Corporate Markets	81,159
RBC Europe limited	75,655
BNP Paribas London	11,333
Bank of Nova Scotia	3,274
HSBC Bank	970
	172,391

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	178,780
		178,780

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	178,780
	178,780

Currency of collateral

Currency	Fair value £'000
Sterling	161,502
Euro	5,429
Hong Kong dollar	11,647
Japanese yen	202
	178,780

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	172,391
	172,391

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	295	
Agents fee	(59)	20.00%
Fund net return	236	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Short Term Fixed Income Enhanced Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	1.14%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£19,192,654	1.12%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Belgium 0.8% 22/6/2028	2,093,454	1,683
Government of France 24/5/2023	1,920,277	1,683
Government of Germany 0.5% 15/2/2026	1,979,238	1,643
UK Treasury 1.25% 22/11/2055	658,748	1,455
Government of Japan 12/6/2023	227,100,000	1,327
Government of Japan 11/9/2023	227,000,000	1,327
Government of Japan 5/6/2023	227,100,000	1,327
Government of Japan 26/6/2023	227,050,000	1,327
Government of Norway 3% 14/3/2024	15,118,000	1,122
UK Treasury 1.25% 22/10/2041	1,400,000	886

All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
RBC	7,984
Merrill Lynch	3,837
JP Morgan Securities	3,025
Barclays Bank	1,660
HSBC Bank	1,349
BNP Paribas London	492
Citigroup Global Markets	455
Morgan Stanley & Co International	391
	19,193

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	23,038
		23,038

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	23,038
	23,038

Currency of collateral

Currency	Fair value £'000
Sterling	4,694
Danish krone	32
Euro	9,115
Japanese yen	6,284
Norwegian krone	2,278
US dollar	635
	23,038

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	19,193
	19,193

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	27	
Agents fee	(5)	20.00%
Fund net return	22	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Investment Grade Short Dated Credit Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 12.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	3.85%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£75,295,088	3.76%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
UK Treasury 0.75% IL 22/11/2047	8,953,300	15,736
UK Treasury 1.25% 22/10/2041	12,313,166	7,789
UK Treasury 0.125% IL 22/3/2046	5,161,000	6,349
Government of Japan 0% 12/6/2023	1,001,050,000	5,851
Government of France 5.5% 25/4/2029	5,600,000	5,636
UK Treasury 2% IL 26/1/2035	2,144,000	5,272
Federal Republic of Germany 0% 15/8/2026	5,423,321	4,389
US Treasury 2.375% 15/2/2042	6,712,700	4,311
Government of Japan 0% 10/7/2023	732,850,000	4,283
Government of Japan 0.5% 20/3/2033	703,300,000	4,129

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
JP Morgan Securities	22,814
Citigroup Global Markets	22,694
Barclays Bank	20,917
BNP Paribas London	5,577
Goldman Sachs International	2,668
Morgan Stanley & Co International	625
	75,295

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	81,285
		81,285

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	81,285
	81,285

Currency of collateral

Currency	Fair value £'000
Sterling	41,981
Canadian dollar	43
Danish krone	119
Euro	16,038
Japanese yen	14,275
Norwegian krone	4,266
US dollar	4,563
	81,285

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	75,295
	75,295

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	69	
Agents fee	(14)	20.00%
Fund net return	55	80.00%

Appendix – Additional Information (continued)

Securities Financing Transactions (continued)

Royal London Short Duration Global Index Linked Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	13.36%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£91,078,875	13.29%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
UK Treasury 1% 31/1/2032	60,529,766	48,382
Government of Austria 20/4/2025	15,945,000	13,225
Government of Japan 2.10% 20/12/2026	1,551,450,000	9,826
Government of Netherlands 0.75% 15/7/2028	5,950,147	4,778
Government of Germany 2.20% 12/12/2024	4,443,102	3,903
UK Treasury 3.25% 31/1/2033	3,267,741	3,157
US Treasury 1.625% 15/11/2050	5,698,900	2,900
Government of Austria 20/2/2030	3,899,000	2,811
Government of France 1.85% 25/7/2027	1,509,650	1,858
Government of France 0.50% 25/5/2029	1,245,071	961

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Banco Santander	62,827
HSBC Bank	18,749
Natixis	9,503
	91,079

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	95,827
		95,827

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	95,827
	95,827

Currency of collateral

Currency	Fair value £'000
Sterling	52,327
Euro	29,547
Hong Kong dollar	10,034
Japanese yen	3,919
	95,827

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	91,079
	91,079

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	54	
Agents fee	(11)	20.00%
Fund net return	43	80.00%

General Information

Pricing and dealing

The prices of shares are determined by reference to the underlying market value of the net assets of each sub-fund at the relevant valuation point.

Share prices are normally calculated daily however, if the markets are exceptionally volatile the ACD may conduct more frequent valuations to reflect any significant changes in the value of a sub-fund's underlying assets.

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

Dealing in shares is conducted between 9.00am and 5.00pm on a forward pricing basis.

Buying shares

Shares may be bought on any business day via an authorised intermediary or from the ACD by telephoning the Dealing desk on 03456 04 04 04*. Alternatively, an application form should be completed and sent to the ACD. Shares 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 shares

Shares may be sold back to the ACD on any business day. Shares can be sold by telephone by calling the Dealing desk on 03456 04 04 04* or alternatively by putting your request in writing. The ACD 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 Dealing desk are recorded.

Cancellation rights

Where a person purchases shares 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 Company is not subject to Capital Gains Tax.

Capital gains established when shares 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 a sub-fund 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 shareholders is detailed on the reverse of dividend warrants.

The first distribution received after purchasing shares 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 shares for Capital Gains Tax purposes.

Authorisation

The Company was authorised by the Financial Conduct Authority on 9 October 2009. The Company is a UCITS umbrella scheme.

Company Reports and Prospectus

Copies of the latest yearly and half yearly financial statements and copies of the Prospectus may be obtained from Royal London Unit Trust Managers Limited upon request.

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This company is a subsidiary of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 99064.

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