ROYAL LONDON
GLOBAL HIGH YIELD BOND FUND
31.01.24

FUND OVERVIEW

Fund Manager(s)	Azhar Hussain, Stephen Tapley
Fund Size	£2,783.67m
Fund Type	ICVC
Domicile	Ireland
ISA	Eligible
Duration to worst	4.1 years
Benchmark Duration	3.6 years
Benchmark Index	ICE BofA BB-B Global Non-Financial High Yield Constrained Hedge GBP
Investment Association Sector	IA Sterling High Yield
Currency	GBP
Initial Charge	0.0%
Fund Management Fee (FMF):	M Inc: 0.83% Z Inc: 0.58%

Share Class M (Income)

Unit Launch Date	12.03.13
Minimum Investment	£100,000
SEDOL	B8GCTN1
Mid Price	£0.81
Distribution Yield	5.00%

Share Class Z (Income)

Unit Launch Date	15.02.13
Minimum Investment	£3,000,000
SEDOL	B8K3800
Mid Price	£0.81
Distribution Yield	5.25%

Overview

The investment objective of the Fund is to provide a combination of investment growth and income, the Fund will seek to achieve its objective on an active basis. The Fund seeks to achieve its investment objective by outperforming its benchmark, theBofA Merrill Lynch BB-B Global Non-Financial High Yield Constrained Index (the "Benchmark") by 1% per annum over rolling three year periods. The Benchmark is being used by the Fund for performance comparison purposes only and the Fund does not intend to track the Benchmark.

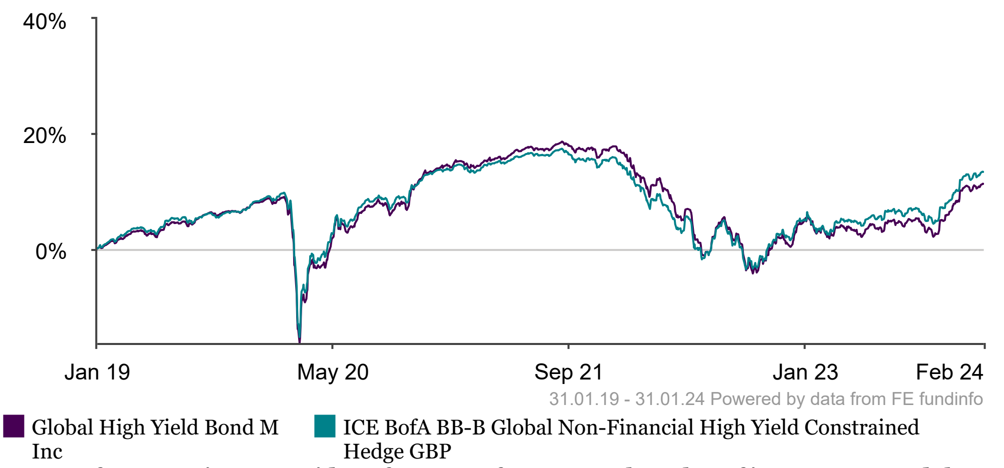
Year-on-year performance

	31.12.22 to 31.12.23	31.12.21 to 31.12.22	31.12.20 to 31.12.21	31.12.19 to 31.12.20	31.12.18 to 31.12.19
Share Class M (Income)	10.6%	-14.9%	3.4%	5.5%	11.4%
Share Class Z (Income)	10.8%	-14.6%	3.6%	5.8%	11.7%

Cumulative Performance (as at 31.01.24)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Income)	8.2%	5.9%	6.2%	-2.5%	11.3%
Share Class Z (Income)	8.2%	6.0%	6.4%	-1.8%	12.7%
ICE BofA BB-B Global Non-Financial High Yield Constrained Hedge GBP	7.8%	6.0%	8.0%	-0.2%	13.3%

Performance Chart



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

Source: RLAM and FE fundinfo as at 31.01.24. Fund performance is shown on a mid to mid price basis, net of fees and gross of taxes, with gross income reinvested unless otherwise stated. Benchmark performance is shown gross of fees and taxes.

Distribution History (Net)

	29/02/2024	31/08/2023
Share Class M (Income)	1.9853p	1.9869p
Share Class Z (Income)	2.0402p	2.0745p

Table above shows figures as at payment date.

Fund Manager(s)

Azhar Hussain
Co-manager
Fund Manager tenure:
15.02.13

Stephen Tapley
Co-manager
Fund Manager tenure:
15.02.13

Yield Definitions

The distribution yield reflects the amounts that may be expected to be distributed over the next 12 months. The underlying yield reflects the annualised income net of expenses of the Fund as a percentage (calculated in accordance with the relevant accounting standards). Both these yields are calculated as a percentage of the mid-price of the Fund as at the date shown and are month end snap shots of the portfolio on that day and do not include any preliminary charges. Investors may be subject to tax on distributions. Reported yields reflect RLAM's current perception of market conventions around timing of bond cash flows.

Unrated Bonds

Unrated bonds are not rated by a credit rating agency. RLAM ascribes internal ratings for these bonds which will vary for each asset.

Important Information

This is a financial promotion and is not investment advice.

The Fund is a sub-fund of Royal London Asset Management Funds plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds. Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. It is a recognised scheme under the Financial Services and Markets Act 2000. The Management Company is FundRock Management Company SA, Registered office: 33 rue de Gasperich, L – 5826 Hesperange, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF). The Investment Manager is Royal London Asset Management Limited. For more information on the Fund or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on www.rlam.com. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available.

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

Please note that the impact of Futures is not considered as part of the overall fund Duration calculation; Fund level Duration is based on long only physical assets (incl cash).

Source: RLAM, FE fundinfo and HSBC as at 31.01.24, unless otherwise stated. Yield definitions are shown above.

Our ref: FS RLAM PD 0118

Breakdowns exclude cash and FX hedging.

More information on the sustainability factors for this fund can be found on our website at https://www.rlam.com/intermediaries/policies-and-regulatory/

Fund Commentary

The fund (Z class) returned 0.34%, net of fees, in January, which was slightly behind the benchmark, the ICE BofA Merrill Lynch BB-B Global Non-Financial High Yield Constrained Index (100% GBP hedged), return of 0.38%. Gross of fees, the fund was marginally ahead on the month. Against the fund's objective, outperforming its benchmark by 1% per annum over rolling thee-year periods, it is ahead of the benchmark, gross of fees (-0.01% versus -0.08%). Following the impressive returns during November and December, the global high yield market produced a positive GBP-hedged monthly return of 0.38%. This return came from carry as both global high yield spreads (BB-B index) and the government yield curve widened slightly at 1bps and 3bps respectively during the month. The high yield market is now yielding 7.1% (YTW) with a duration of 3.6 years. The fund's yield, FX-adjusted, stood at 7.1% (YTW) at the end of January, with a duration of 4.1 years. The fund's price return was -0.1% while its income return was 0.5%. The month of January saw an unexpected amount of high yield new issuance with $32.5bn issued. This is the highest monthly new issuance since September 2021 with the issuance split 26% BB, 64% single B rated and 10% CCC rated companies. The US high yield default rate inched lower in January to 2.3% from December's 2.4% figure. January's rate means the default rate in the US high yield market has not exceeded 3% since May 2021, and never topped 2.5% in 2023. For comparison, during the GFC the default rate was seen over 20% and it was over 7% during the pandemic. These default levels would be entirely normal in an historic context, but the nature of the economic backdrop and strong company balance sheets means we expect default rates to grind higher, instead of sharply spiking.
In the fund, the main contributors to performance was our holdings in energy, services and telecommunications – with the latter two also driving our relative performance versus the benchmark. Holding our performance back was media and utilities, both of which saw negative total returns and relative to the benchmark. By rating, both our BB and B holdings saw positive returns, but our preference for single B rated bonds outperformed versus the benchmark. While outside the benchmark, both our BBB & Above and CCC & Below holdings recorded negative total returns. Regionally, our Europe, UK and RoW holdings all contributed strongly, recording positive total returns, but our US holdings lagged, seeing a negative total return. For the market, all regions produced positive returns during the month with the UK and RoW outperforming relatively. With respect to sectors, only media, technology & electronics and telecommunications produced negative returns. Real estate was the outperformer on a relative basis.

This is not a recommendation or solicitation to buy or sell any particular security. The views and opinions expressed herein are those of the manager at the time and are subject to change without notice.

Sector Breakdown

	Fund	Index
Basic Industry	7.9%	9.4%
Capital Goods	7.9%	6.2%
Energy	10.4%	14.9%
Healthcare	9.0%	8.0%
Leisure	7.4%	7.4%
Media	12.8%	6.7%
Real Estate	3.8%	5.0%
Retail	4.4%	5.8%
Services	10.2%	6.3%
Technology & Electronics	4.3%	4.9%
Telecommunications	11.0%	8.3%
Other	11.1%	17.2%

The global funds sector classifications are based on ICE BofA sector level 3 classifications.

Credit Breakdown

Name	Fund	Index
AAA - A	5.0%	0.0%
BBB	3.2%	0.0%
BB	38.6%	59.9%
B	49.5%	40.1%
CCC	3.2%	0.0%
CC & Below	0.2%	0.0%
Unrated	0.3%	0.0%

Maturity Profile

	Fund	Index
0 - 5 years	65.4%	59.8%
5 - 10 years	26.9%	36.9%
10 - 15 years	0.0%	1.0%
15+ years	7.7%	2.4%

Maturity classifications reflect issue maturity date, not market interpretation of redemptions.
Totals may not equal 100% due to rounding.

Top 10 Holdings as at 31.01.24

	Fund
LIVE NATION ENTERTAINMENT INC 4.75 15-OCT-2027 144a (SENIOR)	1.3%
APX GROUP INC 6.75 15-FEB-2027 144a (SECURED)	1.2%
TRANSDIGM INC 5.5 15-NOV-2027 (SENIOR SUB)	1.2%
CARNIVAL CORP 7.625 01-MAR-2026 144a (SENIOR)	1.0%
TELENET FINANCE LUXEMBOURG NOTES S 5.5 01-MAR-2028 144a (SECURED)	1.0%
SCIH SALT HOLDINGS INC 4.875 01-MAY-2028 144a (SECURED)	1.0%
WESCO DISTRIBUTION INC 7.25 15-JUN-2028 144a (SENIOR)	1.0%
TEVA PHARMACEUTICAL FINANCE NETHER 3.15 01-OCT-2026 (SENIOR)	1.0%
AMC NETWORKS INC 4.75 01-AUG-2025 (SENIOR)	0.9%
ROLLS-ROYCE PLC 5.75 15-OCT-2027 Reg-S (SENIOR)	0.9%
Total	**10.5%**
No of Holdings	**265**

Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell shares.

CONTACT DETAILS

Private Investors

For enquiries and dealing: Tel: 00353 1853 8797*

Intermediaries

For enquiries: Tel: 0203 272 5950*
Email: BDSupport@rlam.co.uk

Institutional Investors

For enquiries: Tel: 020 7506 6500*
Email: Institutional@rlam.co.uk

Head Office

Royal London Asset Management Limited
80 Fenchurch Street
London, EC3M 4BY
Tel: 020 7506 6500*
Telephone calls may be recorded. For further information please see the privacy policy at http://www.rlam.com.

Key Concepts to Understand

Bonds: Securities that represent an obligation to repay a debt, with interest. Investment grade bonds are high quality bonds that are viewed as being highly likely to make all scheduled payments of interest and principal. Low quality bonds carry higher risk but also typically pay higher rates of interest.
Derivative: A financial instrument whose price is dependent upon or derived from one or more underlying asset.
Efficient Portfolio Management: An investment technique that allows the use of derivatives for at least one of the following purposes: to increase the value of the Fund; to protect the value of the Fund or to reduce the risks of certain investments.
Currency Hedged Share Classes: Currency Hedged Share Classes aim to provide investors with a return highly correlated to the return of the base currency share class by minimising the impact of exchange rate fluctuations between the base currency of the Fund and the investor's chosen currency. Derivatives are typically used to hedge the relevant share classes

Fund Risks

Investment Risk: The value of investments and any income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.
Credit Risk: Should the issuer of a fixed income security become unable to make income or capital payments, or their rating is downgraded, the value of that investment will fall. Fixed income securities that have a lower credit rating can pay a higher level of income and have an increased risk of default.
EPM Techniques: The Fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Fund to increased price volatility.
Exchange Rate Risk: Investing in assets denominated in a currency other than the base currency of the Fund means the value of the investment can be affected by changes in exchange rates.
Interest Rate Risk: Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.
Liquidity Risk: In difficult market conditions the value of certain fund investments may be difficult to value and harder to sell, or sell at a fair price, resulting in unpredictable falls in the value of your holding.
Emerging Markets Risk: Investing in Emerging Markets may provide the potential for greater rewards but carries greater risk due to the possibility of high volatility, low liquidity, currency fluctuations, the adverse effect of social, political and economic instability, weak supervisory structures and accounting standards.
Counterparty Risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.