



FUND OVERVIEW



| | |
|----------------------------------|--|
| Fund Manager(s) | Azhar Hussain, Stephen Tapley |
| Fund Size | £1,318.57m |
| Fund Type | ICVC |
| Domicile | Ireland |
| ISA | Eligible |
| Duration to worst | 1.2 years |
| Benchmark Index | Bank Of England Sterling Overnight Index Average |
| Investment Association Sector | IA Sterling High Yield |
| Currency | GBP |
| Initial Charge | 0.0% |
| Fund Management Fee (FMPF): | M Inc: 0.59% A Inc: 0.99% Z Inc: 0.48% M Acc: 0.59% Z Acc: 0.48% |

Share Class M (Income)

| | |
|--------------------|----------|
| Unit Launch Date | 09.04.13 |
| Minimum Investment | £100,000 |
| SEDOL | B9BQGL2 |
| Mid Price | £0.75 |
| Distribution Yield | 4.18% |

Share Class A (Income)

| | |
|--------------------|----------|
| Unit Launch Date | 09.04.13 |
| Minimum Investment | £1,000 |
| SEDOL | B991KN9 |
| Mid Price | £0.75 |
| Distribution Yield | 3.78% |

Share Class Z (Income)

| | |
|--------------------|------------|
| Unit Launch Date | 15.02.13 |
| Minimum Investment | £3,000,000 |
| SEDOL | B979BF4 |
| Mid Price | £0.76 |
| Distribution Yield | 4.29% |

Share Class M (Accumulation)

| | |
|--------------------|----------|
| Unit Launch Date | 19.01.17 |
| Minimum Investment | £100,000 |
| SEDOL | BDoNHK8 |
| Mid Price | £1.16 |
| Distribution Yield | 4.18% |

Share Class Z (Accumulation)

| | |
|--------------------|------------|
| Unit Launch Date | 20.12.16 |
| Minimum Investment | £3,000,000 |
| SEDOL | BDoND11 |
| Mid Price | £1.17 |
| Distribution Yield | 4.29% |

Overview

The investment objective of the Fund is to provide 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, SONIA (the "Benchmark") by 2% 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. While the Fund may invest in investments which are constituents of the Benchmark, the Fund will be actively managed and its portfolio will not be constrained by reference to any index, and the Investment Manager may use its discretion to invest in instruments which are not included in the Benchmark.

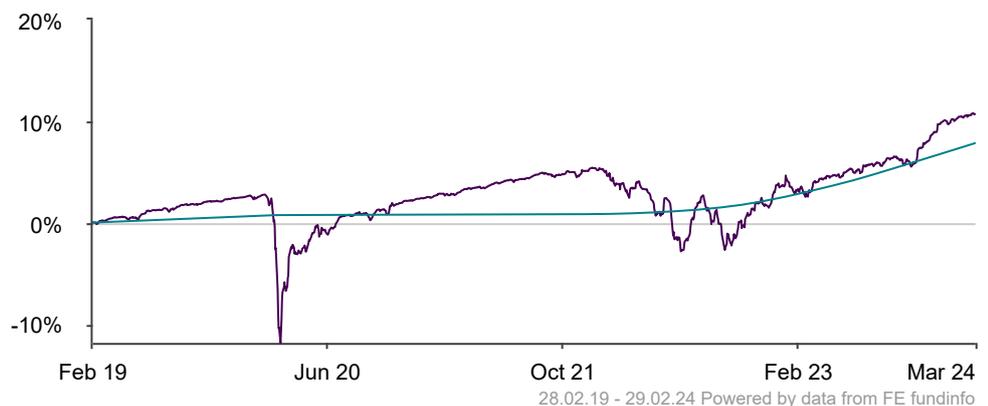
Year-on-year performance

| | 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) | 8.4% | -3.6% | 2.9% | -0.1% | 4.9% |
| Share Class A (Income) | 8.0% | -4.0% | 2.5% | -0.5% | 4.4% |
| Share Class Z (Income) | 8.5% | -3.5% | 3.1% | 0.0% | 4.9% |
| Share Class M (Accumulation) | 8.4% | -3.6% | 2.9% | -0.1% | 4.8% |
| Share Class Z (Accumulation) | 8.5% | -3.5% | 3.0% | 0.0% | 5.0% |

Cumulative Performance (as at 29.02.24)

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years |
|---|----------|----------|--------|---------|---------|
| Share Class M (Income) | 2.0% | 4.1% | 7.2% | 7.8% | 10.7% |
| Share Class A (Income) | 1.9% | 3.9% | 6.8% | 6.6% | 8.5% |
| Share Class Z (Income) | 2.0% | 4.2% | 7.3% | 8.2% | 11.3% |
| Share Class M (Accumulation) | 2.0% | 4.1% | 7.2% | 7.8% | 10.7% |
| Share Class Z (Accumulation) | 2.0% | 4.2% | 7.3% | 8.2% | 11.3% |
| Bank Of England Sterling Overnight Index Average | 1.3% | 2.5% | 4.9% | 7.0% | 7.8% |

Performance Chart



■ Fund ■ Bank Of England Sterling Overnight Index Average

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 29.02.24. 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) | 1.6234p | 1.6790p |
| Share Class A (Income) | 1.4741p | 1.5266p |
| Share Class Z (Income) | 1.6831p | 1.7392p |

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 29.02.24, unless otherwise stated. Yield definitions are shown above.

Our ref: FS RLAM PD 0121

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 monthly return was 0.29% on a gross basis, while the benchmark returned 0.40% in February. The global high yield market produced a GBP-hedged monthly return of +0.27% in February to mark four months in a row with positive returns. This return came from carry and spread tightening as global high yield spreads (BB-B index) tightened 35bps during the month with the government yield curve widening by 38bps during the month. The high yield market is now yielding 7.1% (YTW) with a duration of 3.6 years. The fund's GBP-expected FX-adjusted yield increased by 44bps to 6.69% with an expected duration of 1.2 years. The month of February saw a continuation of the strong amount of high yield new issuance at \$26.5bn, down \$6bn from January but still higher than any other month since January 2022. The issuance was split 40% BB, 52% single B rated and 8% CCC rated companies.

The US high yield default rate was unchanged in February, sitting at 2.3%. February'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. The global high yield rate inched higher, however, nudging upward to 2.8% from 2.7% but is lower than the 4.0% seen in February last year. 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. For the market, all regions produced positive returns during the month with the RoW relatively outperforming. With respect to sectors, only media and technology & electronics produced negative returns. Real estate was the outperformer on a relative basis.

Decomposing the funds' assets: UK and European assets outperformed on a relative basis, but with RoW and US assets still producing positive returns. By rating, the fund's single B rated assets relatively outperformed with the fund's BB rated assets still producing a positive return. By sector, leisure and telecommunications relatively outperformed, with media and financial services underperforming relatively, and also producing a negative return. Asset composition by region and rating were both broadly unchanged on the month. Following the high amount of new issuance in the market in January, several companies used those proceeds to redeem outstanding debt. As a result, the fund's holdings in Ball, Caesars, Cirsia, Ineos, and Transdigm were redeemed during February. Overall, the cash level was 5.6% at end of the month.

*FX adjusted yield is the gross rate of return to the expected maturity adjusted for hedging and includes the impact of cash.

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.

Credit Breakdown

| | Fund | Index |
|-----|-------|-------|
| BBB | 11.6% | - |
| BB | 56.7% | - |
| B | 31.7% | - |

Maturity Profile

| | Fund | Index |
|----------------|-------|-------|
| 0 - 3 months | 4.4% | - |
| 3 - 6 months | 6.6% | - |
| 6 - 9 months | 17.2% | - |
| 9 - 12 months | 4.9% | - |
| 12 - 18 months | 37.5% | - |
| over 18 months | 29.4% | - |

Maturity classifications reflect market interpretation of redemptions.

Totals may not equal 100% due to rounding.

Top 10 Holdings as at 29.02.24

| | Fund |
|--|--------------|
| HESS MIDSTREAM OPERATIONS LP 5.625 15-FEB-2026 144a (SENIOR) | 1.6% |
| ALTICE FINANCING SA 2.25 15-JAN-2025 Reg-S (SECURED) | 1.6% |
| SIRIUS XM RADIO INC 3.125 01-SEP-2026 144a (SENIOR) | 1.6% |
| TELECOM ITALIA SPA 5.303 30-MAY-2024 144a (SENIOR) | 1.6% |
| VERISURE HOLDING AB 3.875 15-JUL-2026 Reg-S (SECURED) | 1.6% |
| ROLLS-ROYCE PLC 3.625 14-OCT-2025 144a (SENIOR) | 1.5% |
| TENET HEALTHCARE CORPORATION 4.875 01-JAN-2026 (SECURED) | 1.5% |
| IRON MOUNTAIN (UK) PLC 3.875 15-NOV-2025 Reg-S (SENIOR) | 1.5% |
| BERRY GLOBAL INC 4.875 15-JUL-2026 144a (SECURED) | 1.5% |
| ARDAGH PACKAGING FINANCE PLC 5.25 30-APR-2025 144a (SECURED) | 1.5% |
| Total | 15.5% |
| No of Holdings | 115 |

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.

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.