



FUND OVERVIEW



Fund Manager(s)	Paola Binns, Eric Holt
Fund Size	£1,225.19m
Fund Type	OEIC
Domicile	United Kingdom
ISA	Eligible
Duration	5.7 years
Benchmark Duration	5.5 years
Benchmark Index	Markit iBoxx GBP Non Gilts
Investment Association	IA Sterling Strategic Bond
Currency	GBP
Initial Charge	0.0%
Fund Management Fee (FMF):	M Acc: 0.55% M Inc: 0.55% Z Inc: 0.40% Z Acc: 0.40%

Share Class M (Accumulation)

Unit Launch Date	26.11.12
Minimum Investment	£100,000
SEDOL	BJ4KSX7
Mid Price	137.00p
Distribution Yield	4.46%
Underlying Yield	4.19%

Share Class M (Income)

Unit Launch Date	01.05.12
Minimum Investment	£100,000
SEDOL	BJ4KSY8
Mid Price	101.70p
Distribution Yield	4.46%
Underlying Yield	4.19%

Share Class Z (Income)

Unit Launch Date	12.04.19
Minimum Investment	£3,000,000
SEDOL	BJ4KSZ9
Mid Price	96.69p
Distribution Yield	4.54%
Underlying Yield	4.34%

Share Class Z (Accumulation)

Unit Launch Date	07.09.20
Minimum Investment	£3,000,000
SEDOL	BMY4CR2
Mid Price	90.74p
Distribution Yield	4.54%
Underlying Yield	4.34%

Overview

The Fund's investment objective is to achieve a total return over the medium term, which should be considered to be a period of 3-5 years, by investing predominantly in sterling-denominated corporate bonds, which meet predetermined ethical criteria. The Fund's performance target is to outperform, after the deduction of charges, the Markit iBoxx Sterling Non-Gilt Total Return All Maturities GBP Index (the "Index") over rolling 5-year periods. The Index is regarded as a good measure of the performance of investment-grade corporate bonds denominated in sterling. 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. In addition to the benchmark for the Fund's performance as noted above (the "Index"), the IA Sterling Strategic Bond sector is considered an appropriate benchmark for performance comparison.

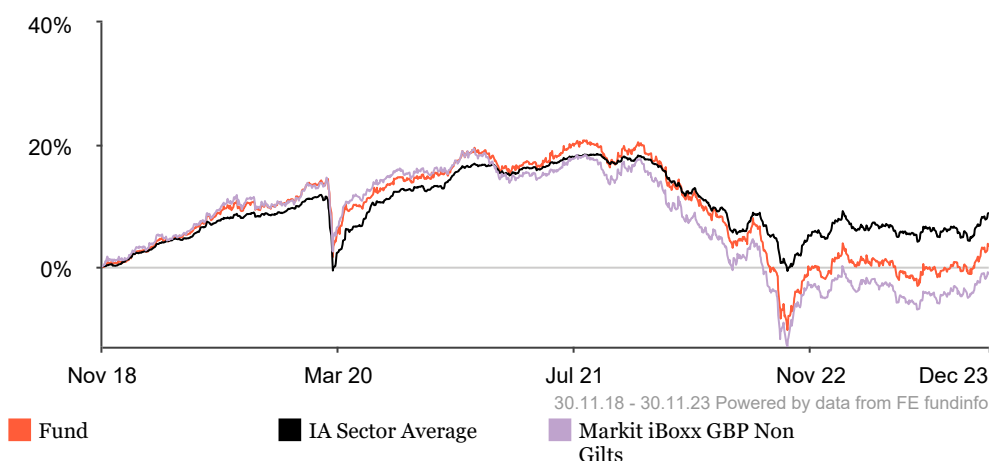
Year-on-year performance

	30.09.22 to 30.09.23	30.09.21 to 30.09.22	30.09.20 to 30.09.21	30.09.19 to 30.09.20	30.09.18 to 30.09.19
Share Class M (Accumulation)	7.5%	-21.3%	2.9%	4.0%	9.4%
Share Class M (Income)	7.6%	-21.3%	2.8%	4.1%	9.3%
Share Class Z (Income)	7.7%	-21.2%	3.1%	4.1%	9.5%
Share Class Z (Accumulation)	7.7%	-21.1%	3.1%	-	-

Cumulative Performance (as at 30.11.23)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Accumulation)	3.6%	4.3%	3.9%	-12.0%	3.3%
Share Class M (Income)	3.7%	4.3%	3.8%	-12.0%	3.4%
Share Class Z (Income)	3.7%	4.4%	4.0%	-11.6%	4.1%
Share Class Z (Accumulation)	3.7%	4.4%	4.0%	-11.6%	-
IA Sector Average	2.4%	3.1%	3.5%	-5.9%	8.7%
Markit iBoxx GBP Non Gilts	3.2%	4.1%	2.4%	-15.7%	-1.2%
Quartile Ranking	1	1	3	4	4

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 30.11.23. 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)

	29/12/2023	29/09/2023	30/06/2023	31/03/2023
Share Class M (Income)	1.1448p	1.0786p	1.0075p	0.9804p
Share Class Z (Income)	1.1061p	1.0432p	0.9753p	0.9497p

Table above shows figures as at payment date.

Fund Manager(s)



Eric Holt
Lead Manager
Fund Manager tenure:
01.06.09
CITYWIRE / A



Paola Binns
Deputy Manager
Fund Manager tenure:
01.06.23

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.

Sector Breakdown	
	Fund
Banks and financial services	25.3%
Consumer services	5.3%
General industrials	1.9%
Insurance	12.7%
Real estate	5.8%
Social housing	13.2%
Structured	26.7%
Supranationals & agencies	1.0%
Utilities	6.9%
Other	1.1%

Sector breakdown is based on internal classifications, reflecting what is in our view the primary characteristics of each bond.

Credit Breakdown			Maturity Profile		
	Fund	Index		Fund	Index
AAA	1.3%	21.2%	0 - 5 years	45.4%	52.1%
AA	4.6%	12.1%	5 - 10 years	25.7%	23.5%
A	19.1%	27.2%	10 - 15 years	13.6%	15.4%
BBB	50.8%	39.3%	15+ years	15.3%	11.7%
BB and below	12.9%	0.2%	Maturity classifications reflect issue maturity date, not market interpretation of redemptions. Totals may not equal 100% as they do not include the impact of cash and foreign exchange.		
Unrated	11.2%	0.0%			

Top 10 Holdings as at 30.11.23	
	Fund
SANTANDER UK % NON CUM PREF PLC	1.0%
CO-OPERATIVE GROUP HOLDINGS (2011) 08 Jul 2026	0.9%
AVIVA PLC 20 May 2058	0.9%
PROGRESS HEALTH 5.5810000000 02 Oct 2042	0.9%
ANGLIAN WATER OSPREY FINANCING PLC 4.0000000000 08 Mar 2026	0.8%
INTERNATIONAL FINANCE FACILITY FOR 2.7500000000 07 Jun 2025	0.8%
ECCLESIASTICAL INSURANCE OFFICE .6	0.8%
HSBC HOLDINGS PLC 16 Nov 2034	0.8%
EVERSHOLT FUNDING PLC 2.7420000000 30 Jun 2040	0.8%
PLACES FOR PEOPLE HOMES LTD 3.6250000000 22 Nov 2028	0.8%
Total	8.5%
No of Holdings	345

ESG Terms and Definitions

ESG Integration: The systematic and explicit inclusion of environmental, social and governance (ESG) factors into investment analysis and investment decisions.

Sustainable Fund Objective: A product that has sustainable investment or a reduction in carbon emissions as its objective.

Exclusions: Explicitly prohibits investing in a particular company, sector, business activity, country or region.

ESG Metrics Explanation

Carbon Footprint: Exposure to high emitters in the portfolio, expressed in tCO₂e/\$M invested. Financed emissions (explained above) are divided by the portfolio value, the same approach for listed companies and private issuers is applied in this metric.

Weighted Average Carbon Intensity: Portfolio's exposure to carbon-intensive companies, expressed in tCO₂e / \$M revenue. Scope 1 and scope 2 GHG emissions are divided by companies revenues, then multiplied based on portfolio weights (the current value of the investment relative to the current portfolio value). The WACI is calculated as a weighted average sum of the holdings with carbon intensity coverage.

ESG Characteristics Rationale













The fund integrates the assessment of environmental, social, and governance (ESG) risks into the investment decision making process in order to help mitigate ESG risks and/or identify opportunities for investors. In addition to identifying and managing ESG risks, RLAM's Ethical Bond Fund applies an additional layer to its process – ethical bond screening. This process identifies bonds which meet predetermined ethical criteria, excluding from investment in the fund bonds which fall short of these requirements. Full details of the exclusions can be found at www.rlam.com

ESG Characteristics

	Yes	No
ESG Integration	✓	
Sustainable Fund Objective		✓
Additional Exclusions*	✓	

*RLAM has a controversial weapons exclusion across all investments

Our Fund Restrictions

 Adult Entertainment	✓	 High Environmental Impact	✓
 Alcohol	✓	 Human Rights Issues	✓
 Animal Welfare	✓	 Nuclear Power	✓
 Armaments	✓	 Nuclear Weapons	✓
 Controversial Weapons	✓	 Tobacco	✓
 Fossil Fuels	✓		
 Gambling	✓		

Details of avoidance and/or exclusion criteria: <https://www.rlam.com/globalassets/media/literature/policies-and-regulatory/rlam-ethical-bond-fund-policy.pdf>

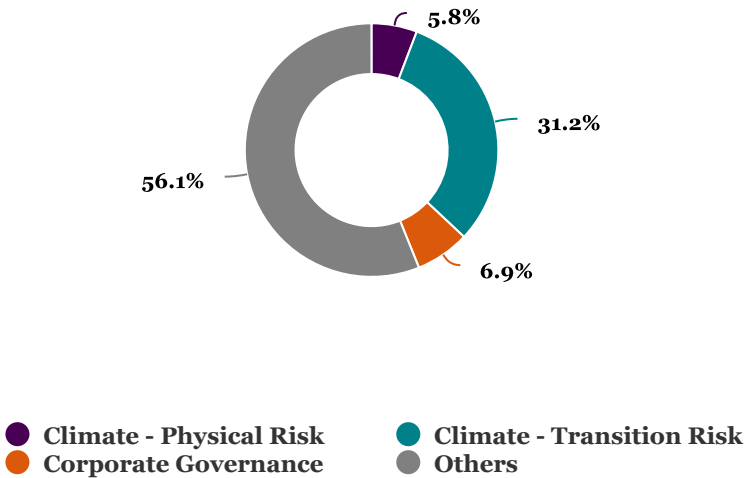
ESG Metrics*

	Portfolio	Benchmark	Difference
Carbon Footprint	27.9	34.8	-20.0%
Carbon Footprint Coverage	45.0%	49.4%	
Weighted Average Carbon Intensity	64.8	64.7	0.1%
Weighted Average Carbon Intensity Coverage	90.5%	92.6%	

*data as at 30/06/2023

Fund Stewardship Activity*

Engagement Topics



*Data as at 31st December 2022 for the calendar year 2022. Data includes activity led by the Investment Manager and Responsible Investment teams.

CONTACT DETAILS

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Telephone calls may be recorded. For further information please see the privacy policy at <http://www.rlam.com>.

Important Information

This is a financial promotion and is not investment advice.

The Fund is a sub-fund of Royal London Bond Funds II ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC001128. The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037. 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.

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

Our ref: FS RLAM PD 0112

Breakdowns exclude cash and futures. Although Royal London Asset Management Ltd's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose.

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Key Concepts to Understand

Bonds: Bonds are defined as fixed-income investments issued as debt by companies and public bodies to raise finance. Investors in bonds receive a previously agreed, non-variable interest payment until the investment matures. Corporate bonds are those issued by companies to raise finance.

Total Return: A total return is a combination of capital growth and income. Capital growth is defined as the rise in an investment's value over time and income as the payment an investment generates, such as dividends or bond coupons.

Rolling 5 Year Period: A rolling 5-year period is any period of five years, no matter which day you start on.

Hedged: Hedging reduces risk by protecting an investment with another related investment.

Efficient Portfolio Management: A list of approved investment techniques, including the use of derivatives, used to protect against excessive risk, reduce cost or generate extra income or growth.

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.

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.

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.

Charges from Capital Risk: Charges are taken from the capital of the Fund. Whilst this increases the yield, it also has the effect of reducing the potential for capital growth.

Fund Restrictions Definitions

Adult Entertainment: Companies which own or produce adult entertainment services, or engage in the distribution or sale of adult entertainment services.

Alcohol: Companies which have involvement in brewing, distillation or sale of alcoholic drinks.

Animal Welfare: Companies that conduct animal testing (other than for purposes of human or animal health and/or where it is required by law or regulation).

Armaments: Companies who manufacture armaments or nuclear weapons or associated products.

Controversial Weapons: Weapons which have an indiscriminate and disproportional impact on civilians or weapons that are illegal and prohibited by international conventions and treaties.

Fossil Fuels: Companies involved in the exploration, extraction or refining of oil, or gas, or coal, plus any activity relating to thermal coal.

Gambling: Companies who promote irresponsible gambling which includes betting shops, casinos or amusement arcades.

High Environmental Impact: Companies which have a high environmental impact, and which have 'no evidence' of appropriate environmental management systems.

Human Rights Risks: Companies with a strategic presence operating in countries of concern and which have 'no evidence' of policies or systems to manage human rights risks.

Nuclear Power: Companies who generate energy from Nuclear Power.

Nuclear Weapons: Companies that manufacture, nuclear; or are involved in the production of intended-use parts, whole weapons systems, or exclusive delivery platforms.

Tobacco: Companies which are growing, processing or selling tobacco products.

Sectors: Companies that generate over 10% of their turnover from any one of the following six sectors are excluded from Ethical Bond Fund investment

- Alcohol
- Armaments
- Gambling
- Tobacco
- Pornography
- Fossil fuels