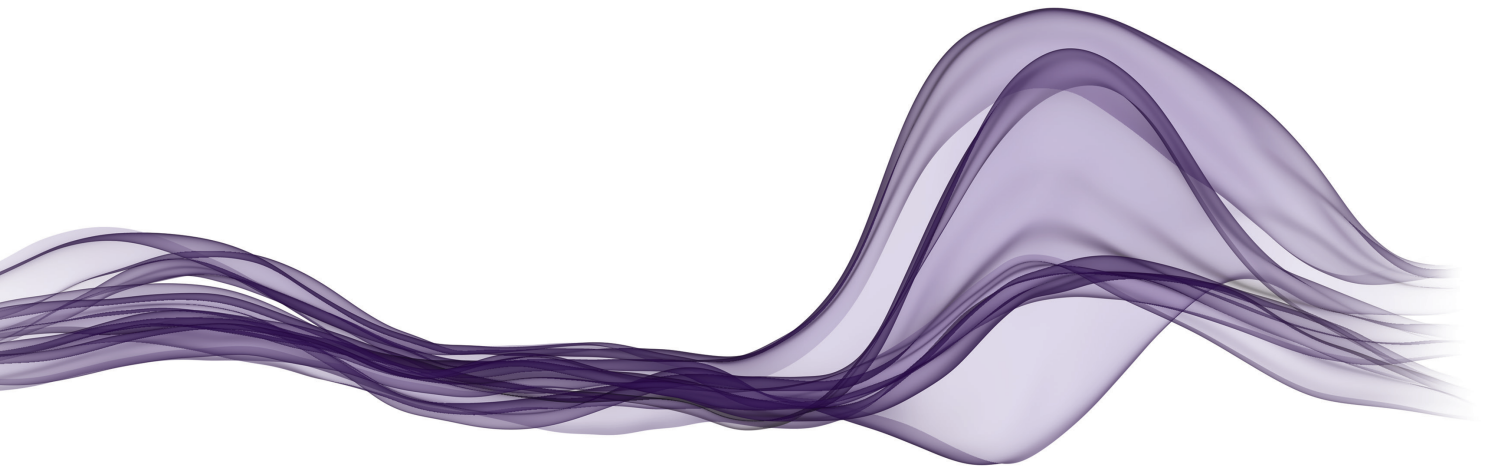


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Royal London Bond Funds II ICVC Interim Report

For the six month period ended 31 July 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 II ICVC

Registered in England with Company Number IC001128

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).

T: 020 7506 6500

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Directors

R.A.D. Williams

A.L. Hunt

R. Kumar

S. Spiller

J.M. Brett (Non-executive Director)

H.I. Georgeson

J.M. 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 Royal London Bond Funds II ICVC, covering the period from 1 February 2023 to 31 July 2023.

Royal London Bond Funds II 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.

On 12 April 2019, the Royal London Short Duration Credit Fund and Royal London Ethical Bond Fund were launched via a scheme of arrangement where assets from the equivalent sub-funds of Royal London Bond Funds ICVC were transferred into the newly created sub-funds within the Royal London Bond Funds II ICVC. The main features of the sub-funds remain the same as the previous sub-funds.

The sub-funds in existence during the six month period from 1 February 2023 to 31 July 2023 were:

Royal London Ethical Bond Fund
(launched 12 April 2019)

Royal London Short Duration Credit Fund
(launched 12 April 2019)

Royal London Sustainable Short Duration Corporate Bond Fund
(launched 23 November 2022)

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 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 the funds in a manner (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)

19 September 2023

Summary of Significant Accounting Policies

For the six month period ended 31 July 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 31 July 2023, the last valuation point in the accounting period. Market value is defined by the SORP as fair value, which is the bid value of each security.

The ACD has assigned the responsibility to review and approve fair value pricing decisions to the RLAM Valuation Oversight Committee. In accordance with the RLAM 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.

Derivative assets and liabilities 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 31 July 2023.

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

Recognition of revenue

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.

Treatment of expenses

Expenses are recognised on an accruals basis.

The underlying sub-funds will hold a number of share classes. Each share class suffers a different Fund Management Fee, which can be found in the constitution starting on page 44. 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 this 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.

Taxation

The sub-funds satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 paragraph 19 throughout the period. All distributions made are therefore made as interest distributions.

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.

Summary of Significant Accounting Policies (continued)

For the six month period ended 31 July 2023

1. Accounting policies – continued

Treatment of derivative contracts

The unrealised gains or losses on 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 security, index or other appropriate source.

Dilution

In certain circumstances the ACD may charge a dilution adjustment on the sale or repurchase of shares. 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.

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.

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-fund makes distributions on a quarterly basis: Ethical Bond Fund.

The following sub-funds make distributions on a half yearly basis: Short Duration Credit Fund and Sustainable Short Duration Corporate Bond Fund.

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 on an effective yield basis for all sub-funds.

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 the Short Duration Credit Fund and Sustainable Short Duration Corporate Bond Fund, the Fund Management Fee is borne by capital.

For Ethical Bond Fund 50% of the Fund Management Fee is borne by capital and 50% 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 borrowings 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 31 July 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 is 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 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. 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 solely for the purpose of efficient portfolio management and are not intended to increase the risk profile of the Funds. The Funds may enter into derivatives transactions or securities lending with a counterparty. There is a risk that the counterparty may fail to honour its contractual obligations. To mitigate this risk counterparties may be required to provide collateral to the Funds. The ACD has in place a collateral management policy which details the eligible categories of acceptable collateral and the haircuts which will typically be applied when valuing certain categories of collateral received.

The ACD uses a methodology known as the "commitment approach" to measure the global exposure to derivative instruments on a daily basis to ensure exposure does not exceed predetermined limits. Please refer to the Prospectus for further details.

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.

Ukraine

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

There are no cross holdings within the Royal London Bond Funds II ICVC.

Royal London Ethical Bond Fund

Manager's Investment Report

Fund performance

6 months to 31 July 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return* %
Royal London Ethical Bond Fund, Class M Accumulation	-2.07	-6.11	-13.03	-1.34
Royal London Ethical Bond Fund, Class M Income	-2.15	-6.20	-13.07	-1.43
Royal London Ethical Bond Fund, Class R Accumulation	-1.94	-5.68	-11.85	–
Royal London Ethical Bond Fund, Class S Accumulation	-1.86	-5.72	-11.89	–
Royal London Ethical Bond Fund, Class S Income	-1.86	-5.69	-11.85	–
Royal London Ethical Bond Fund, Class Z Accumulation	-2.00	-5.96	–	–
Royal London Ethical Bond Fund, Class Z Income	-2.01	-5.98	-12.65	-0.66
Markit iBoxx Sterling Non-Gilts Overall All Maturity Index Total Return	-2.51	-7.69	-17.31	-5.53
IA Sterling Strategic Bond sector	-1.03	-1.66	-5.51	3.76

Class M Income and Accumulation launched on 12 April 2019, Class R Accumulation launched on 12 April 2019, Class S income and Accumulation launched on 7 May 2019, Class Z Income launched on 12 April 2019 and Z Acc was launched on 7 September 2020.

* The Royal London Ethical Bond Fund II was launched via a scheme of arrangement for the merger of the Royal London Ethical Bond Fund (a sub-fund of Royal London Bond Funds ICVC) into the Royal London Ethical Bond Fund II. The performance table includes historic performance for the original Royal London Ethical Bond Fund as the main features of the Fund remain the same as at the merger date 12 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 31 July 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, but outperformed the sterling investment grade credit market, using the iBoxx Sterling Non-Gilt All Maturities Index as a benchmark. It lagged the broad Investment Association (IA) Sterling Strategic Bond sector.

Market overview

The market started the period under review with key questions around the strength of inflationary pressures and what that would mean for interest rates.

Central bank interest rate rises continued to dominate headlines. For the major central banks of the US Federal Reserve (Fed), European Central Bank (ECB) and Bank of England (BoE), after more than 12 months of tightening monetary policy, market attention turned towards expectations of when, and at what level, interest rates will peak. All increased rates further during the review period in response to higher inflation, but gave differing indications of how close they were to a peak.

The backdrop of rising interest rates and inflation meant that global bond yields, including gilts, increased (and therefore prices fell) significantly over the period. Sterling investment grade credit markets also struggled, but outperformed gilts, as the negative impact of higher yields was mitigated by the higher yield on corporate bonds, as well as the tightening of the credit spreads (the average extra yield available from non-gilt bonds compared with government debt of equal maturity).

In terms of sectors, financials outperformed industrials and utilities, with the banking sector shrugging off the impact of the Credit Suisse collapse and subsequent rescue by UBS. Shorter-dated bonds outperformed longer-dated, predominantly due to the higher interest rate risk in the latter.

Manager's Investment Report (continued)

Portfolio commentary

The Fund performed well relative to the market over the review period. Performance was driven primarily by sector and security selection. In real estate, Shaftesbury merged with Capital & Counties, resulting in the bonds being bought back at an attractive level. Shaftesbury was a long-term holding in our portfolios, with attractive yields backed by significant assets in central London and is an example of how our focus on secured assets and acting as long-term lenders can produce strong returns over a sustained period. In the insurance sector, we benefited from capital restructuring trends, as legacy bonds were called at significant premia to prevailing market prices. In insurance our Axa 2054 bonds benefitted from this. Towards the end of the period, Aviva paid a 16% consent fee to bondholders to allow them to bring the terms and conditions of their bond into compliance with current Solvency II requirements.

One issuer of note was Thames Water. Towards the end of the quarter, the CEO unexpectedly resigned, leading to significant focus on the utility's debt levels. The portfolio owns Thames Water bonds, with most exposure at the operating company level. We believe that operating company debt remains protected by the regulatory framework and the criticality of the infrastructure. The portfolio also held a smaller position in holding company debt, secured on the equity of the operating company. While the impact from exposure to Thames Water was negative for the portfolio, the effect was mitigated by portfolio's significant diversification.

Investment outlook

We expect the downward trend in inflation to continue through the rest of 2023, as energy and food price increases moderate and sluggish GDP weakens the labour market. Nonetheless, UK interest rates are likely to rise further as the Bank of England (BoE) continues to focus on bringing inflation under control.

Although the economic data remains very mixed, we still believe that higher rates will lead to a slowdown in the UK, impacting company earnings. Nevertheless, it is our view that credit spreads remain at reasonably attractive levels, and that absolute yield levels are attractive compared to government bonds. 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 opportunities with an attractive balance of risk and return and ensuring a high degree of diversification across issuers and sectors.

Eric Holt
Fund Manager
Royal London Asset Management Limited
31 July 2023

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

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available on www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/institutional-investors/funds/fund-information-factsheets/>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	134.28	152.29	156.22	149.83
Return before operating charges*	(2.17)	(17.25)	(3.07)	7.22
Operating charges	(0.36)	(0.76)	(0.86)	(0.83)
Return after operating charges*	(2.53)	(18.01)	(3.93)	6.39
Distributions on accumulation shares	(2.74)	(4.61)	(4.62)	(3.84)
Retained distributions on accumulation shares	2.74	4.61	4.62	3.84
Closing net asset value per share	131.75	134.28	152.29	156.22
* after direct transaction costs of:	–	0.01	–	–
Performance				
Return after charges	(1.88)%	(11.83)%	(2.52)%	4.26%
Other information				
Closing net asset value (£'000)	419,979	493,475	599,731	497,398
Closing number of shares	318,770,322	367,498,493	393,796,903	318,405,426
Operating charges	0.55%	0.55%	0.55%	0.55%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	137.60	154.20	160.00	158.40
Lowest share price	128.30	118.70	152.60	134.60

Class M Income

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	102.95	120.79	127.65	125.60
Return before operating charges*	(1.64)	(13.64)	(2.44)	5.93
Operating charges	(0.28)	(0.59)	(0.69)	(0.69)
Return after operating charges*	(1.92)	(14.23)	(3.13)	5.24
Distributions on income shares	(2.09)	(3.61)	(3.73)	(3.19)
Closing net asset value per share	98.94	102.95	120.79	127.65
* after direct transaction costs of:	–	0.01	–	–
Performance				
Return after charges	(1.86)%	(11.78)%	(2.45)%	4.17%
Other information				
Closing net asset value (£'000)	154,586	176,358	195,762	149,090
Closing number of shares	156,234,741	171,299,325	162,061,463	116,793,889
Operating charges	0.55%	0.55%	0.55%	0.55%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	105.50	122.30	128.80	129.80
Lowest share price	97.44	92.77	122.50	112.90

Class R Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	102.63	115.87	118.31	112.97
Return before operating charges*	(1.67)	(13.14)	(2.32)	5.45
Operating charges	(0.05)	(0.10)	(0.12)	(0.11)
Return after operating charges*	(1.72)	(13.24)	(2.44)	5.34
Distributions on accumulation shares	(2.21)	(3.75)	(3.77)	(3.15)
Retained distributions on accumulation shares	2.21	3.75	3.77	3.15
Closing net asset value per share	100.91	102.63	115.87	118.31
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(1.68)%	(11.43)%	(2.06)%	4.73%
Other information				
Closing net asset value (£'000)	159,725	179,616	223,015	199,384
Closing number of shares	158,287,421	175,018,164	192,475,772	168,525,596
Operating charges	0.10%	0.10%	0.10%	0.10%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	105.20	117.30	121.50	119.90
Lowest share price	98.27	90.62	115.60	101.60

Comparative Tables (continued)

Class S Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	98.34	111.04	113.40	108.28
Return before operating charges*	(1.59)	(12.60)	(2.25)	5.23
Operating charges	(0.05)	(0.10)	(0.11)	(0.11)
Return after operating charges*	(1.64)	(12.70)	(2.36)	5.12
Distributions on accumulation shares	(2.11)	(3.59)	(3.62)	(3.02)
Retained distributions on accumulation shares	2.11	3.59	3.62	3.02
Closing net asset value per share	96.70	98.34	111.04	113.40
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(1.67)%	(11.44)%	(2.08)%	4.73%
Other information				
Closing net asset value (£'000)	106,972	104,911	237,589	117,574
Closing number of shares	110,621,215	106,682,277	213,969,709	103,683,516
Operating charges	0.10%	0.10%	0.10%	0.10%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	100.80	112.40	116.40	114.90
Lowest share price	94.18	86.84	110.80	97.36

Class S Income

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	87.19	102.07	107.62	105.65
Return before operating charges*	(1.40)	(11.53)	(2.05)	4.99
Operating charges	(0.04)	(0.09)	(0.11)	(0.10)
Return after operating charges*	(1.44)	(11.62)	(2.16)	4.89
Distributions on income shares	(1.86)	(3.26)	(3.39)	(2.92)
Closing net asset value per share	83.89	87.19	102.07	107.62
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(1.65)%	(11.38)%	(2.01)%	4.63%
Other information				
Closing net asset value (£'000)	57,259	66,844	98,357	103,744
Closing number of shares	68,258,024	76,667,808	96,364,132	96,397,821
Operating charges	0.10%	0.10%	0.10%	0.10%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	89.34	103.30	108.80	109.50
Lowest share price	82.63	78.55	103.60	95.00

Class Z Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21** (p)
Opening net asset value per share	88.84	100.61	102.97	100.00
Return before operating charges*	(1.44)	(11.41)	(1.94)	3.10
Operating charges	(0.17)	(0.36)	(0.42)	(0.13)
Return after operating charges*	(1.61)	(11.77)	(2.36)	2.97
Distributions on accumulation shares	(1.84)	(3.11)	(3.15)	(0.74)
Retained distributions on accumulation shares	1.84	3.11	3.15	0.74
Closing net asset value per share	87.23	88.84	100.61	102.97
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(1.81)%	(11.70)%	(2.29)%	2.97%
Other information				
Closing net asset value (£'000)	14,191	13,542	634	3
Closing number of shares	16,268,780	15,243,056	630,335	2,500
Operating charges	0.40%	0.40%	0.40%	0.40%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	91.03	101.80	105.60	104.40
Lowest share price	84.97	78.52	100.60	99.84

** Class Z Accumulation launched on 7 September 2020.

Comparative Tables (continued)

Class Z Income

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	97.82	114.69	121.10	119.06
Return before operating charges*	(1.57)	(12.95)	(2.30)	5.62
Operating charges	(0.19)	(0.41)	(0.48)	(0.47)
Return after operating charges*	(1.76)	(13.36)	(2.78)	5.15
Distributions on income shares	(2.02)	(3.51)	(3.63)	(3.11)
Closing net asset value per share	94.04	97.82	114.69	121.10
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(1.80)%	(11.65)%	(2.30)%	4.33%
Other information				
Closing net asset value (£'000)	345,072	346,760	370,606	338,829
Closing number of shares	366,926,553	354,501,435	323,149,679	279,786,538
Operating charges	0.40%	0.40%	0.40%	0.40%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	100.20	116.10	122.30	123.20
Lowest share price	92.62	88.14	116.30	107.00

[^] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per 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 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 3.79% (31/1/23 – 3.00%)							
£4,100,000	Equity Release FRN 14/7/2045	2,889	0.23	£1,350,000	Blend Funding 2.984% 15/3/2036	1,038	0.08
£6,393,000	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058	4,709	0.37	£5,352,000	Blend Funding 3.459% 21/9/2049	3,930	0.31
£5,264,360	Finance for Residence Social Housing 'A2' 8.569% 5/10/2058	3,361	0.27	£3,381,000	Blend Funding 3.508% 4/5/2059	2,329	0.19
£22,758,000	Income Contingent Student Loan 2 FRN 24/7/2058	2,266	0.18	£4,200,000	BNP Paribas 1.25% 13/7/2031	2,977	0.24
£5,084,000	Income Contingent Student Loan 2.5% 24/7/2056	2,676	0.21	£2,700,000	BNP Paribas 2% variable 24/5/2031	2,322	0.18
£7,012,000	Income Contingent Student Loan 2.5% 24/7/2058	3,873	0.31	£8,000,000	BNP Paribas 2.875% 24/2/2029	6,797	0.54
£24,918,000	Income Contingent Student Loan FRN 24/7/2056	1,399	0.11	£5,900,000	BNP Paribas 5.75% 13/6/2032	5,747	0.46
£10,631,000	International Finance Facility for Immunisation 2.75% 7/6/2025	10,053	0.80	£7,200,000	BPCE 2.5% variable 30/11/2032	5,889	0.47
£2,630,000	Last Mile Logistics CMBS 2023-1 17/8/2033	2,630	0.21	£1,700,000	BPCE 5.25% 16/4/2029	1,562	0.12
£4,004,000	Magenta 2020 FRN 20/12/2024	3,504	0.28	£5,800,000	BPCE 6% variable 29/9/2028	5,701	0.45
£3,657,000	PCL Funding FRN 15/10/2025	3,656	0.29	£4,900,000	BPCE 6.125% 24/5/2029	4,830	0.38
£4,065,000	Sage AR Funding FRN 17/11/2030	3,960	0.31	£6,186,000	British Land 5.264% 24/9/2035	5,683	0.45
£1,741,000	Taurus 2018 FRN 22/5/2028	1,002	0.08	£2,587,000	British Land 5.357% 31/3/2028	2,459	0.20
£1,844,000	Taurus 2019-2 FRN 17/11/2029	1,720	0.14	£4,500,000	British Land 5.357% 31/3/2028	4,278	0.34
Total Commercial Mortgage Backed Securities		47,698	3.79	£2,088,500	Bruntwood Bond-2 6% 25/2/2025	1,957	0.16
Corporate Bonds – 90.33% (31/1/23 – 92.73%)				£7,800,000	BUPA Finance 4% variable perpetual	4,698	0.37
£1,158,000	3i Group 3.75% 5/6/2040	5,231	0.42	£6,676,000	BUPA Finance 4.125% 14/6/2035	5,045	0.40
£7,165,000	3i Group 5.75% 3/12/2032	7,079	0.56	£4,858,000	Cadent Finance 2.25% 10/10/2035	3,307	0.26
£3,513,000	A2Dominion Housing Group 3.5% 15/11/2028	3,118	0.25	£3,200,000	Cadent Finance 2.625% 22/9/2038	2,104	0.17
£5,930,000	AA Bond 6.269% 2/7/2043	5,726	0.46	£1,980,000	Cadent Finance 3.125% 21/3/2040	1,380	0.11
£1,854,000	Admiral Group 8.5% 6/1/2034	1,910	0.15	£4,400,000	CaixaBank 6.875% variable 25/10/2033	4,229	0.34
£8,875,000	Aggregate Micro Power Infrastructure No.2 8% 17/10/2036	8,394	0.67	£3,700,000	Canary Wharf Finance 5.952% 22/10/2037	3,629	0.29
£5,438,000	Akelius Residential Property 2.375% 15/8/2025	4,926	0.39	£3,068,000	Catalyst Housing 3.125% 31/10/2047	2,029	0.16
£3,475,000	Alpha Plus 5% 31/3/2024	3,319	0.26	£5,000,000	Centrica 5.25% variable 10/4/2075	4,774	0.38
£11,100,000	Anglian Water Osprey Financing 4% 8/3/2026	9,956	0.79	£1,240,000	Channel Link Enterprises Finance FRN 30/12/2050	924	0.07
£1,490,000	Anglian Water Services Financing PL 6% 20/06/2039	1,505	0.12	£950,000	Cheltenham & Gloucester 11.75% perpetual	1,369	0.11
£3,625,000	Annes Gate Property 5.661% 30/6/2031	3,470	0.28	£1,653,000	Clarion Funding 1.875% 22/1/2035	1,124	0.09
£3,207,000	APT Pipelines 3.125% 18/7/2031	2,562	0.20	£2,370,000	Clarion Funding 1.875% 7/9/2051	1,123	0.09
£5,500,000	APT Pipelines 3.5% 22/3/2030	4,644	0.37	£2,867,000	Close Brothers Finance 1.625% 3/12/2030	2,012	0.16
£851,000	Aroundtown 3% 16/10/2029	553	0.04	£2,300,000	Close Brothers Finance 2.75% 19/10/2026	2,033	0.16
£3,234,000	Aroundtown 3.625% 10/4/2031	2,040	0.16	£4,633,000	Close Brothers Group 2% variable 11/9/2031	3,800	0.30
£2,000,000	Arqiva Financing 7.21% 30/6/2045	2,033	0.16	£1,650,000	Close Brothers Group 7.75% 14/6/2028	1,666	0.13
£5,300,000	Assicurazioni Generali 6.269% perpetual	5,143	0.41	£2,700,000	Commerzbank 8.625% variable 28/2/2033	2,685	0.21
£1,705,000	Assura Financing 1.5% 15/9/2030	1,263	0.10	£6,569,000	Connect M77 GSO 5.404% 31/3/2034	3,920	0.31
£2,280,000	Assura Financing 3% 19/7/2028	1,965	0.16	£5,907,000	Co-operative Bank Finance 9.5% variable 24/5/2028	5,848	0.46
£3,472,000	Australia and New Zealand Banking Group 1.809% variable 16/9/2031	2,930	0.23	£18,608,657	Co-operative Group 0% 20/12/2025	456	0.04
£1,905,000	Aviva 5.125% variable 4/6/2050	1,699	0.14	£11,518,000	Co-operative Wholesale Society 7.5% Step 8/7/2026	10,845	0.86
£5,080,000	Aviva 6.125% variable 14/11/2036	5,010	0.40	£2,770,000	Coventry Building Society 2% 20/12/2030	2,086	0.17
£11,763,000	Aviva 6.875% variable 20/5/2058	11,568	0.92	£1,094,000	CPUK Finance 3.588% 28/2/2042	1,019	0.08
£5,050,000	AXA 6.6862% variable perpetual	5,029	0.40	£4,900,000	CPUK Finance 3.69% 28/2/2047	4,230	0.34
£4,500,000	Banco Santander 1.5% 14/4/2026	3,959	0.31	£2,226,000	CPUK Finance 6.136% 28/2/2047	2,129	0.17
£4,700,000	Banco Santander 2.25% variable 4/10/2032	3,829	0.30	£2,000,000	Credit Agricole 1.874% variable 9/12/2031	1,684	0.13
£3,378,000	Bank of America 1.667% variable 2/6/2029	2,774	0.22	£2,600,000	Credit Agricole 7.5% variable perpetual	2,483	0.20
£4,308,000	Bank of America 3.584% variable 27/4/2031	3,740	0.30	£2,593,000	Credit Suisse 2.125% variable 15/11/2029	2,100	0.17
£1,581,000	Barclays 3.75% variable 22/11/2030	1,444	0.11	£1,932,000	Credit Suisse 2.25% variable 9/6/2028	1,642	0.13
£5,885,000	Barclays 6.369% variable 31/1/2031	5,788	0.46	£2,808,000	CYBG 4% variable 25/9/2026	2,592	0.21
£1,712,000	Barclays 6.375% variable perpetual	1,543	0.12	£1,096,000	CYBG 9.25% variable perpetual	1,059	0.08
£2,308,000	Barclays 8.407% variable 14/11/2032	2,366	0.19	£7,950,000	Daily Mail & General 6.375% 21/6/2027	7,098	0.56
£2,995,000	Barclays 8.875% variable perpetual	2,829	0.22	£15,100,000	Delamare Finance 5.5457% 19/2/2029	8,320	0.66
£4,000,000	Barclays 9.25% variable perpetual	3,705	0.29	£7,480,000	Delamare Finance 6.067% 19/2/2029	7,314	0.58
£4,044,000	BBC Pacific Quay Finance 5.5653% 25/7/2034	3,007	0.24	£7,906,000	Derby Healthcare 5.564% 30/6/2041	6,957	0.55
£3,583,000	Blackstone Property Partners Euro 2.625% 20/10/2028	2,709	0.22	£4,351,000	Derwent London 1.875% 17/11/2031	3,070	0.24
£2,347,000	Blackstone Property Partners Europe 4.875% 29/4/2032	1,807	0.14	£3,000,000	Deutsche Bank 4% variable 24/6/2026	2,816	0.22
£2,141,000	Blend Funding 2.467% 16/6/2063	1,080	0.09	£4,100,000	Deutsche Bank 1.875% variable 22/12/2028	3,325	0.26
				£7,748,000	Dignity Finance 3.5456% 31/12/2034	4,384	0.35
				£1,692,000	Direct Line Insurance 4% 5/6/2032	1,237	0.10
				£5,752,000	DWR Cymru Financing 2.375% 31/3/2034	3,984	0.32
				£4,300,000	E. ON International Finance 4.75% 31/1/2034	3,936	0.31
				£1,800,000	E.ON International Finance 6.125% 6/7/2039	1,830	0.15
				£7,300,000	Electricite de France 5.875% variable perpetual	6,114	0.49
				£6,600,000	Electricite de France 6% 23/1/2114	5,746	0.46

Portfolio Statement (continued)

As at 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 90.33% (31/1/23 – 92.73%) – continued				£3,456,000	Leeds Building Society 3.75% variable 25/4/2029		
£6,200,000	Electricite de France 6% variable perpetual	5,742	0.46	2,992	Legal & General 4.5% variable 1/11/2050	2,466	0.20
£1,650,000	Eskmuir Group Finance 4.255% 12/12/2047	989	0.08	£8,027,000	Legal & General 5.125% variable 14/11/2048	7,400	0.59
€4,920,000	European Energy FRN 8/9/2026	4,195	0.33	£2,080,000	Legal & General 5.5% variable 27/6/2064	1,932	0.15
£13,585,000	Eversholt Funding 2.742% 30/6/2040	9,231	0.73	£4,551,000	Legal & General 5.625% variable perpetual	3,605	0.29
£4,880,000	Eversholt Funding 6.697% 22/2/2035	4,216	0.34	£2,056,000	Lendinvest Secured Income 5.375% 6/10/2023	2,013	0.16
£6,391,000	Fidelity International 7.125% 13/2/2024	6,395	0.51	£1,697,000	Lendlease Europe Finance 3.5% 2/12/2033	1,127	0.09
£8,728,000	Flagship Finance 1.875% 14/7/2061	4,125	0.33	£2,950,000	Libra Treasury 3.25% 15/5/2043	2,070	0.16
£4,873,000	Folio Residential Finance 1.246% 31/10/2037	4,015	0.32	£2,391,000	Lloyds Bank 1.985% variable 15/12/2031	2,028	0.16
£9,540,000	Freshwater Finance 4.556% 3/4/2036	7,955	0.63	£3,503,000	Lloyds Bank 2% variable 12/4/2028	2,983	0.24
£8,366,343	Freshwater Finance 4.607% 17/10/2036	6,854	0.54	£8,908,000	Lloyds Bank 2.707% variable 3/12/2035	6,659	0.53
£2,664,000	Freshwater Finance 5.182% 20/4/2035	2,478	0.20	£7,444,000	Lloyds Bank 8.5% variable perpetual	4,661	0.37
£400,000	Freshwater Finance 6.057% 17/10/2036	285	0.02	£2,608,000	Lloyds Bank 8.5% variable perpetual	2,487	0.20
£2,501,000	Gatwick Funding 2.5% 15/4/2032	2,030	0.16	£3,706,000	Logicor 2019 1.875% 17/11/2031	3,213	0.26
£5,414,000	Gatwick Funding 2.875% 5/7/2051	3,219	0.26	£2,400,000	London & Quadrant Housing Trust 2.25% 20/7/2029	1,964	0.16
£6,025,000	GB Social Housing 5.193% 12/2/2038	5,595	0.44	£2,030,000	London & Quadrant Housing Trust 2.75% 20/7/2057	1,155	0.09
£2,750,000	GE Capital UK Funding 5.875% 18/1/2033	2,717	0.22	£2,701,000	London Merchant Securities 6.5% 16/3/2026	2,677	0.21
£2,435,000	General Electric Capital 4.875% 18/9/2037	2,094	0.17	£7,700,000	Longstone Finance 4.791% 19/4/2036	2,776	0.22
£2,815,000	Genfinance II 6.064% 21/12/2039	2,878	0.23	£3,828,000	M&G 5% variable 20/7/2055	3,341	0.27
£1,025,000	Go-Ahead Group 2.5% 6/7/2024	1,018	0.08	£5,844,000	M&G 5.7% variable 19/12/2063	5,190	0.41
£3,650,000	Great Rolling Stock 6.5% 5/4/2031	2,074	0.21	£8,254,000	M&G 6.25% variable 20/10/2068	7,186	0.57
£7,523,000	Great Rolling Stock 6.875% 27/7/2035	4,133	0.33	£4,197,000	Macquarie Group 2.125% 1/10/2031	3,165	0.25
£2,201,000	GreenSquareAccord 5.25% 30/11/2047	2,019	0.16	£1,750,000	Martlet Homes 3% 9/5/2052	1,140	0.09
£4,367,000	Guinness Trust 7.5% 30/11/2037	3,592	0.29	£4,105,000	Meadowhall Finance 4.986% 12/1/2032	1,883	0.15
£4,746,000	Gwynt y Môr OFTO 2.778% 17/2/2034	2,743	0.22	£582,547	Metrocentre New Money Note Sonia + 11% PIK 6/12/2023	565	0.04
£6,450,860	Harbour Funding 5.28% 31/3/2044	6,185	0.49	£3,000,000	Metropolitan Housing Trust 1.875% 28/7/2036	1,948	0.16
£3,133,000	Hastoe Capital 5.6% 27/3/2042	2,982	0.24	£1,451,000	MIELI London 4.82% 12/8/2027	1,306	0.10
£3,241,107	Haven Funding 8.125% 30/9/2037	3,107	0.25	£6,433,000	Morhomes 3.4% 19/2/2040	4,894	0.39
£3,000,000	Heathrow Finance 3.875% 1/3/2027	2,569	0.20	£4,726,000	MPT Operating Partnership 3.375% 24/4/2030	3,122	0.25
£2,079,000	Heathrow Finance 4.125% 1/9/2029	1,681	0.13	£2,269,000	MPT Operating Partnership 3.692% 5/6/2028	1,634	0.13
£2,060,000	Heathrow Finance 4.75% 1/3/2024	2,019	0.16	£1,548,000	Myriad Capital 4.75% 20/12/2043	1,328	0.11
£2,587,000	Heathrow Funding 2.625% 16/3/2028	2,150	0.17	£3,897,000	National Australia Bank 1.699% variable 15/9/2031	3,262	0.26
£2,526,000	Heathrow Funding 2.75% 13/10/2031	2,104	0.17	£1,800,000	National Exhibition Center 7.5625% 30/9/2027	1,899	0.15
£5,000,000	Heathrow Funding 4.625% 31/10/2046	4,127	0.33	£3,844,000	National Express 2.375% 20/11/2028	3,184	0.25
£1,950,000	Hemingway Properties 10.375% 31/7/2024	1,950	0.16	£4,639,000	National Express 4.25% variable Perpetual	4,066	0.32
£2,459,000	Hexagon Housing Association 3.625% 22/4/2048	1,681	0.13	£2,276,000	Natwest 2.105% variable 28/11/2031	1,923	0.15
£3,000,000	High Speed Rail Finance 4.375% 1/11/2038	2,612	0.21	£3,177,000	NatWest 3.619% variable 29/3/2029	2,806	0.22
£4,551,000	Holcim Sterling Finance 2.25% 4/4/2034	3,205	0.25	£2,970,000	NGG Finance 5.625% variable 18/6/2073	2,834	0.23
£6,550,534	Home Group 0% 11/5/2027	4,835	0.38	£2,000,000	NIBC Bank 3.125% 15/11/2023	1,978	0.16
£2,561,000	Home Group 3.125% 27/3/2043	1,746	0.14	£5,674,000	Nordea Bank Abp 1.625% variable 9/12/2032	4,522	0.36
£1,224,127	Home Group 8.75% 11/5/2037	1,437	0.11	£2,337,000	Northern Gas Networks Finance 6.125% 2/6/2033	2,345	0.19
£8,266,000	Housing and Care 3.288% 8/11/2049	5,655	0.45	£2,229,000	Northumbrian Water Finance 2.375% 5/10/2027	1,918	0.15
£1,850,000	Housing Finance 5% 30/9/2027	1,757	0.14	£2,092,000	Northumbrian Water Finance 6.375% 28/10/2034	2,111	0.17
£4,240,000	Housing Finance 5.125% 21/12/2037	4,054	0.32	£3,306,000	Notting Hill Genesis 2% 3/6/2036	2,187	0.17
£4,321,000	HSBC 1.75% variable 24/7/2027	3,785	0.30	£1,200,000	Notting Hill Housing Trust 5.25% 7/7/2042	1,119	0.09
£1,667,000	HSBC 3% 29/5/2030	1,400	0.11	£1,900,000	Opus Chartered variable 31/3/2025	671	0.05
£2,900,000	HSBC 3% variable 22/7/2028	2,563	0.20	£1,844,000	Orbit Capital 3.375% 14/6/2048	1,273	0.10
£4,102,000	HSBC 5.875% variable perpetual	3,702	0.29	£8,032,000	Orsted 2.5% variable 18/2/3021	5,359	0.43
£9,330,000	HSBC 8.201% variable 16/11/2034	9,740	0.77	£4,446,000	OSB Group 9.993% variable 27/7/2033	4,343	0.35
£5,100,000	ING Groep NV 6.25% variable 20/5/2033	4,855	0.39	£1,750,000	Peabody Capital 5.25% 17/3/2043	1,642	0.13
£4,250,000	Intesa Sanpaolo SpA 6.5% 14/3/2029	4,091	0.33	£7,808,672	Peel Land & Property Investments 8.375% Step 30/4/2040	7,692	0.61
£1,320,000	Intu (SGS) Finance 4.625% 17/3/2033	767	0.06	£2,710,418	Peel South East 10% 30/4/2026	2,724	0.22
£1,850,000	Intu Debenture 5.562% 31/12/2027	616	0.05	£4,353,000	Pension Insurance 3.625% 21/10/2032	3,253	0.26
£7,231,000	Intu Metrocentre Finance 4.125% 6/12/2028	4,034	0.32				
£8,945,000	Investec 1.875% variable 16/7/2028	7,206	0.57				
£2,335,000	Investec 2.625% variable 4/1/2032	1,876	0.15				
£4,348,000	Investec 9.125% variable 6/3/2033	4,358	0.35				
£6,204,000	John Lewis 4.25% 18/12/2034	3,851	0.31				
£2,416,000	John Lewis 6.125% 21/1/2025	2,341	0.19				
£2,088,000	JRP Group 9% 26/10/2026	2,187	0.17				
£1,217,000	Jupiter Fund Management 8.875% variable 27/7/2030	1,212	0.10				
£1,113,000	Just Group 7% variable 15/4/2031	1,067	0.08				
£7,110,000	Juturna Euro Loan Conduit 5.0636% 10/8/2033	4,685	0.37				
£3,700,000	KBC Group 5.5% variable 20/9/2028	3,587	0.29				

Portfolio Statement (continued)

As at 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 90.33% (31/1/23 – 92.73%) – continued				£3,300,000	Standard Chartered 5.125% 6/6/2034	2,929	0.23
£3,703,000	Pension Insurance 4.625% 7/5/2031	3,073	0.24	£4,661,000	Summit Finance 6.484% 31/3/2028	1,512	0.12
£1,500,000	Pension Insurance 8% 23/11/2026	1,525	0.12	£5,806,000	Sunderland 6.38% 31/3/2042	5,773	0.46
£15,664,000	Peterborough Progress Health 5.581% 2/10/2042	10,424	0.83	£2,230,000	Sustainable Communities for Leeds Finance 5.069% 30/9/2032	1,361	0.11
£2,302,000	Phoenix Group 5.625% 28/4/2031	2,053	0.16	£2,177,000	Svenska Handelsbanken 4.625% variable 23/8/2032	1,985	0.16
£2,070,000	Phoenix Life 5.75% variable perpetual	1,633	0.13	£6,913,000	Swan Housing Capital 3.625% 5/3/2048	5,035	0.40
£10,230,000	Places for People Homes 3.625% 22/11/2028	9,087	0.72	£8,703,000	Telereal Secured Finance 4.01% 10/12/2033	4,368	0.35
£3,601,000	Places for People Homes 5.09% 31/7/2043	3,553	0.28	£2,446,000	Telereal Securitisation 1.3657% 10/12/2033	1,491	0.12
£3,000,000	Places for People Homes 5.875% 23/5/2031	2,976	0.24	£5,878,000	Telereal Securitisation 1.9632% variable 10/12/2033	5,163	0.41
£2,650,000	Places for People Treasury 2.875% 17/8/2026	2,406	0.19	£6,225,000	Telereal Securitisation 3.507% variable 10/12/2033	5,492	0.44
£6,180,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	5,241	0.42	£4,923,000	Telereal Securitisation 3.5625% 10/12/2036	1,498	0.12
£1,900,000	Porterbrook Rail Finance 4.625% 4/4/2029	1,753	0.14	£3,158,400	Telereal Securitisation 3.5625% 10/12/2036	2,688	0.21
£3,240,000	Porterbrook Rail Finance 7.125% 20/10/2026	3,337	0.27	£5,338,000	Telereal Securitisation 4.9741% 10/12/2033	2,169	0.17
£10,206,000	Premiertel 6.175% 8/5/2032	7,057	0.56	£4,752,000	Telereal Securitisation 5.3887% 10/12/2033	1,763	0.14
£2,162,000	Prologis International Funding 2.75% 22/2/2032	1,719	0.14	£5,933,000	Telereal Securitisation 6.1645% 10/12/2033	4,907	0.39
£4,331,000	Protective Life Global Funding 5.248% 13/1/2028	4,212	0.33	£3,195,000	Telereal Securitisation FRN 10/12/2033	2,397	0.19
£7,700,000	Prudential 6.125% 19/12/2031	7,593	0.60	£3,600,000	Telereal Securitisation FRN 10/12/2033	2,899	0.23
£6,888,000	QBE Insurance 2.5% variable 13/9/2038	5,393	0.43	£5,000,000	Tesco Property 5.6611% 13/10/2041	4,367	0.35
£4,800,000	Quadrant Housing 7.93% Step 10/2/2033	4,093	0.33	£7,300,000	Tesco Property 5.744% Sink 13/4/2040	6,198	0.49
£700,000	RAC Bond 4.87% 6/5/2046	639	0.05	£4,998,000	Tesco Property 5.8006% 13/10/2040	4,306	0.34
£3,463,000	RCB Bonds 3.5% 8/12/2033	2,869	0.23	£7,000,000	Tesco Property 6.0517% 13/10/2039	5,045	0.40
£2,528,000	Realty Income 1.625% 15/12/2030	1,879	0.15	£2,840,000	Thames Water 6.75% 16/11/2028	2,801	0.22
£3,030,000	Realty Income 1.875% 14/1/2027	2,620	0.21	£8,193,000	Thames Water Kemble Finance 4.625% 19/5/2026	5,621	0.45
£2,093,000	Realty Income 2.5% 14/1/2042	1,295	0.10	£2,588,000	Thames Water Utilities 2.375% 22/4/2040	1,512	0.12
£2,169,000	Reassure Group 5.867% 13/6/2029	2,001	0.16	£2,000,000	Thames Water Utilities 2.875% 3/5/2027	1,558	0.12
£1,750,000	Retail Charity Bonds 3.25% 22/7/2031	1,271	0.10	£2,666,000	Thames Water Utilities 3.5% 25/2/2028	2,342	0.19
£732,400	Retail Charity Bonds 3.9% 23/11/2029	622	0.05	£5,683,000	Thames Water Utilities 7.738% 9/4/2058	6,327	0.50
£4,682,600	Retail Charity Bonds 4% 31/10/2029	3,999	0.32	£2,719,000	THFC Funding 5.2% 11/10/2043	2,553	0.20
£4,060,000	Retail Charity Bonds 4.25% 30/3/2026	3,611	0.29	£3,797,000	TP ICAP 2.625% 18/11/2028	2,871	0.23
£2,572,700	Retail Charity Bonds 4.25% 6/7/2028	2,289	0.18	£1,929,000	TP ICAP 5.25% 29/5/2026	1,795	0.14
£2,347,200	Retail Charity Bonds 4.4% 30/4/2027	2,191	0.17	£2,903,000	TP ICAP 7.875% 17/4/2030	2,808	0.22
£4,550,000	Retail Charity Bonds 4.5% 20/6/2026	4,059	0.32	£2,010,000	Trafford Centre 6.5% 28/7/2033	1,258	0.10
£4,625,000	Retail Charity Bonds 5% 17/12/2030	3,632	0.29	£4,750,000	Trafford Centre FRN 28/7/2035	3,852	0.31
£5,279,000	Rothsay Life 3.375% 12/7/2026	4,775	0.38	£9,500,000	UK Municipal Bonds Agency Finance FRN 12/3/2025	9,508	0.76
£2,667,000	Rothsay Life 5% variable perpetual	1,717	0.14	£3,163,000	Uliving@essex3 LLP NEW ISSUE 2.72% 31/8/2066 FIX	1,847	0.15
£6,635,000	Rothsay Life 5.5% variable 17/9/2029	6,479	0.52	£2,375,000	Unifund 5.32% 7/12/2047	1,981	0.16
£1,879,000	Rothsay Life 7.734% 16/5/2033	1,849	0.15	£5,950,000	UPP Bond Issuer 4.9023% 28/2/2040	4,468	0.36
£3,610,000	Royal Bank of Scotland Group 3.125% variable 28/3/2027	3,302	0.26	£4,545,000	Vattenfall AB 2.5% variable 29/6/2083	3,632	0.29
£3,665,000	RSL Finance 6.625% 31/3/2038	3,084	0.25	£2,295,000	Vattenfall AB 6.875% variable 17/8/2083	2,249	0.18
£2,800,000	Sanctuary 8.375% 1/9/2031	2,434	0.19	£1,446,000	Virgin Money 2.625% variable 19/8/2031	1,209	0.10
£4,613,000	Santander 10.0625% perpetual	6,396	0.51	£1,540,000	Virgin Money 3.375% variable 24/4/2026	1,428	0.11
£4,554,000	Santander UK 2.421% variable 17/1/2029	3,806	0.30	£1,876,000	Virgin Money 5.125% variable 11/12/2030	1,732	0.14
£3,255,000	Saxon Weald Capital 5.375% 6/6/2042	3,072	0.24	£5,919,000	Virgin Money 7.875% variable 14/12/2028	5,889	0.47
£2,000,000	Scot Roads Partnership Finance 5.591% 16/3/2045	1,797	0.14	£3,867,000	Vodafone Group 8% variable 30/8/2086	3,859	0.31
£2,700,000	Scottish Power 6.375% Step 31/5/2041	2,832	0.23	£4,600,000	Volkswagen Financial Services 2.125% 18/1/2028	3,886	0.31
£6,065,000	Scottish Widows 7% 16/6/2043	6,025	0.48	£2,500,000	Volkswagen Financial Services 3.25% 13/4/2027	2,256	0.18
£4,131,000	Skipton Building Society 2% variable 2/10/2026	3,685	0.29	£1,769,000	Weir Group 6.875% 14/6/2028	1,789	0.14
£2,500,000	Skipton Building Society 6.25% variable 25/4/2029	2,413	0.19	£1,720,000	Wells Fargo 2.5% 2/5/2029	1,417	0.11
£5,300,000	Skipton Building Society 8.5% perpetual	5,923	0.47	£5,600,000	Wells Fargo 4.875% 29/11/2035	4,884	0.39
£5,341,000	Society of Lloyds 4.875% variable 7/2/2047	4,925	0.39	£2,280,000	Welltower 4.5% 1/12/2034	1,907	0.15
£2,759,000	South East Water 5.5834% 29/3/2029	2,620	0.21	£4,170,000	Welltower 4.8% 20/11/2028	3,843	0.31
£3,562,000	Southern Housing Group 2.375% 8/10/2036	2,457	0.20				
£2,971,000	Southern Water Services Finance 1.625% 30/3/2027	2,470	0.20				
£7,262,000	Southern Water Services Finance 2.375% 28/5/2028	5,961	0.47				
£4,304,000	SSE 3.74% variable perpetual	3,904	0.31				
£3,671,000	St James Oncology Financing 2.804% 31/3/2037	2,248	0.18				

Portfolio Statement (continued)

As at 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 90.33% (31/1/23 – 92.73%) – continued			
£2,617,000	Wessex Water Services 1.5% 17/9/2029	1,997	0.16
£2,108,000	Western Power Distribution 1.625% 7/10/2035	1,358	0.11
£3,500,000	Western Power Distribution 5.5% 9/5/2025	3,470	0.28
£3,320,000	Western Power Distribution 5.75% 16/4/2032	3,289	0.26
£4,311,000	Westfield Stratford City 1.642% 4/8/2031	3,702	0.29
£6,531,000	White City Property 5.1202% 17/4/2035	4,783	0.38
£2,440,000	Worcestershire Hospital 5.87% 31/12/2030	1,107	0.09
£1,782,000	Workspace Group 2.25% 11/3/2028	1,351	0.11
£2,800,000	Yorkshire Building Society 1.5% variable 15/9/2029	2,168	0.17
£6,700,000	Yorkshire Building Society 3.375% variable 13/9/2028	5,720	0.45
£1,199,000	Yorkshire Building Society 3.511% variable 11/10/2030	1,007	0.08
£4,149,000	Yorkshire Building Society 6.375% variable 15/11/2028	4,035	0.32
£2,166,000	Yorkshire Water Finance 1.75% 27/10/2032	1,523	0.12
£3,854,000	Yorkshire Water Finance 5.25% 28/4/2030	3,652	0.29
£1,999,000	Yorkshire Water Finance 5.5% 28/4/2035	1,873	0.15
£1,300,000	Yorkshire Water Services 4.965% 13/6/2033	1,126	0.09
£5,900,000	Ziton FRN 9/6/2028	5,018	0.40
£4,373,000	Zurich Finance 5.125% variable 23/11/2052	3,898	0.31
Total Corporate Bonds		1,136,113	90.33
Index-Linked Bonds – 0.21% (31/1/23 – 0.20%)			
£1,145,000	Coventry & Rugby 3.246% IL 30/6/2040	1,578	0.13
£1,530,000	Road Management Services 3.642% IL 31/3/2028	1,025	0.08
Total Index-Linked Bonds		2,603	0.21
Preference Shares – 3.02% (31/1/23 – 3.02%)			
8,256,617	Ecclesiastical Insurance 8.625% preference perpetual	9,908	0.79
5,131,803	Lloyds Bank 9.25% non cumulative preference perpetual	6,517	0.52
3,932,407	Natwest Bank 9% preference perpetual	5,034	0.40
9,034,355	Santander UK Preference 10.375% perpetual	11,474	0.91
4,850,000	Standard Chartered 8.25% preference	5,005	0.40
Total Preference Shares		37,938	3.02
Forward Currency Contract – 0.00% (31/1/23 – 0.00%)			
	Buy £9,237,524 & Sell €10,700,000†	40	–
Total Forward Currency Contract		40	–
Total value of investments		1,224,392	97.35
Net other assets		33,392	2.65
Total net assets		1,257,784	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 31 July 2023

Credit breakdown*	31 Jul 2023		31 Jan 2023	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Investments of investment grade	857,308	68.16	999,644	72.36
Investments of below investment grade	121,351	9.65	112,762	8.16
Unrated bonds	207,755	16.52	212,815	15.41
Total bonds	1,186,414	94.33	1,325,221	95.93
Forward currency contracts – assets	40	–	–	–
Corporate preference shares	37,938	3.02	41,737	3.02
Investments as shown in the balance sheet	1,224,392	97.35	1,366,958	98.95
Forward currency contracts – liabilities	–	–	(3)	–
Total value of investments	1,224,392	97.35	1,366,955	98.95

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

Summary of Material Portfolio Changes

For the six month period ended 31 July 2023

Significant Purchases

	Cost £'000
Co-operative Bank Finance 9.5% variable 24/5/2028	5,907
Ziton FRN 9/6/2028	5,132
ING Groep NV 6.25% variable 20/5/2033	5,099
BPCE 6.125% 24/5/2029	4,891
OSB 9.993% variable 27/7/2033	4,446
Intesa Sanpaolo SpA 6.5% 14/3/2029	4,238
Yorkshire Building Society 6.375% variable 15/11/2028	4,141
Vodafone 8% variable 30/8/2086	3,841
Yorkshire Water Finance 5.25% 28/4/2030	3,829
Barclays 9.25% variable perpetual	3,585
Subtotal	45,109
Total cost of purchases, including the above, for the period	95,927

Significant Sales

	Proceeds £'000
Shaftesbury Chinatown 2.348% 30/9/2027	9,463
Intermediate Capital Group 5% 24/3/2023	6,956
Industrial Commercial Bank of China 1.625% 28/12/2025	6,933
Shaftesbury Carnaby 2.487% 30/9/2031	6,868
AXA 5.625% variable 16/1/2054	6,300
Grosvenor UK Finance 6.5% 29/9/2026	5,892
Western Power Distribution 3.875% 17/10/2024	5,390
Wells Fargo 3.473% variable 26/4/2028	4,681
Barclays 5.75% 14/9/2026	4,613
Octagon Healthcare 5.333% 31/12/2035	4,565
Subtotal	61,661
Total proceeds from sales, including the above, for the period	181,371

Financial Statements

Statement of Total Return

For the six month period ended 31 July 2023

	31 Jul 2023		31 Jul 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(50,277)		(156,005)
Revenue	28,594		26,646	
Expenses	(2,539)		(3,052)	
Interest payable and similar charges	(11)		(4)	
Net revenue before taxation	26,044		23,590	
Taxation	–		–	
Net revenue after taxation		26,044		23,590
Total deficit before distributions		(24,233)		(132,415)
Distributions		(27,310)		(25,116)
Change in net assets attributable to shareholders from investment activities		(51,543)		(157,531)

Balance Sheet

As at 31 July 2023

	31 Jul 2023	31 Jan 2023
	£'000	£'000
Assets		
Investments	1,224,392	1,366,958
Current assets:		
Debtors	17,836	20,578
Cash and bank balances	26,651	1,783
Total assets	1,268,879	1,389,319
Liabilities		
Investment liabilities	–	3
Creditors:		
Other creditors	4,925	2,090
Distribution payable	6,170	5,720
Total liabilities	11,095	7,813
Net assets attributable to shareholders	1,257,784	1,381,506

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 31 July 2023

	31 Jul 2023		31 Jul 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,381,506		1,725,694
Amounts receivable on creation of shares	64,575		168,982	
Amounts payable on cancellation of shares	(152,305)		(198,050)	
		(87,730)		(29,068)
Dilution adjustment charged		565		577
Change in net assets attributable to shareholders from investment activities		(51,543)		(157,531)
Retained distributions on accumulation shares		14,986		15,090
Closing net assets attributable to shareholders		1,257,784		1,554,762

Distribution Tables

For the six month period ended 31 July 2023

Distribution in pence per share

First 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 paid 30/06/23	Distribution paid 30/06/22
Class M Accumulation				
Group 1	1.3140	–	1.3140	1.0456
Group 2	0.6843	0.6297	1.3140	1.0456
Class M Income				
Group 1	1.0075	–	1.0075	0.8294
Group 2	0.4063	0.6012	1.0075	0.8294
Class R Accumulation				
Group 1	1.0610	–	1.0610	0.8579
Group 2	0.2907	0.7703	1.0610	0.8579
Class S Accumulation				
Group 1	1.0168	–	1.0168	0.8222
Group 2	0.6995	0.3173	1.0168	0.8222
Class S Income				
Group 1	0.9015	–	0.9015	0.7558
Group 2	0.4473	0.4542	0.9015	0.7558
Class Z Accumulation				
Group 1	0.8858	–	0.8858	0.7094
Group 2	0.3532	0.5326	0.8858	0.7094
Class Z Income				
Group 1	0.9753	–	0.9753	0.8081
Group 2	0.5455	0.4298	0.9753	0.8081

Distribution Tables (continued)

For the six month period ended 31 July 2023

Distribution in pence per share**Second Interim**

Group 1: Shares purchased prior to 1 May 2023

Group 2: Shares purchased between 1 May 2023 and 31 July 2023

	Net income	Equalisation	Distribution payable 30/09/23	Distribution paid 30/09/22
Class M Accumulation				
Group 1	1.4211	–	1.4211	1.1036
Group 2	0.7229	0.6982	1.4211	1.1036
Class M Income				
Group 1	1.0786	–	1.0786	0.8693
Group 2	0.5114	0.5672	1.0786	0.8693
Class R Accumulation				
Group 1	1.1449	–	1.1449	0.9020
Group 2	0.3068	0.8381	1.1449	0.9020
Class S Accumulation				
Group 1	1.0972	–	1.0972	0.8642
Group 2	1.0561	0.0411	1.0972	0.8642
Class S Income				
Group 1	0.9624	–	0.9624	0.7884
Group 2	0.2000	0.7624	0.9624	0.7884
Class Z Accumulation				
Group 1	0.9572	–	0.9572	0.7472
Group 2	0.1253	0.8319	0.9572	0.7472
Class Z Income				
Group 1	1.0432	–	1.0432	0.8454
Group 2	0.4830	0.5602	1.0432	0.8454

Royal London Short Duration Credit Fund

Manager's Investment Report

Fund performance

6 months to 31 July 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return* %
Royal London Short Duration Credit Fund, Class M Accumulation	0.56	0.38	0.19	6.68
Royal London Short Duration Credit Fund, Class M Income	0.57	0.31	0.15	6.52
Royal London Short Duration Credit Fund, Class R Accumulation	0.75	0.56	0.94	-
Royal London Short Duration Credit Fund, Class S Accumulation	0.77	0.57	0.96	-
Royal London Short Duration Credit Fund, Class S Income	0.69	0.56	0.97	-
Royal London Short Duration Credit Fund, Class Z Accumulation	0.56	0.28	0.28	-
Royal London Short Duration Credit Fund, Class Z Income	0.59	0.34	0.29	6.67
ICE BofAML 1-5yr Sterling Non-Gilt All Stocks Index	-0.92	-2.49	-5.74	-0.49
IA £ Strategic Bond TR	-1.03	-1.66	-5.51	3.76

Class M Income and Accumulation launched on 12 April 2019, Class R Accumulation launched on 12 April 2019, Class S income and Accumulation launched on 7 May 2019 and Class Z income and Accumulation launched on 12 April 2019.

* The Royal London Short Duration Credit Fund II was launched via a scheme of arrangement for the merger of the Royal London Short Duration Credit Fund (a sub-fund of Royal London Bond Funds ICVC) into the Royal London Short Duration Credit Fund II. The performance table includes historic performance for the original Royal London Short Duration Credit Fund as the main features of the Fund remain the same as at the merger date 12 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 31 July 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

In the period under review, the Fund produced a positive return, well ahead of its benchmark and the broader All-maturities Investment Association (IA) Sterling Strategic Bond sector, as shorter-dated bonds outperformed their longer-dated peers over the six months. Similarly, over the 12-month, 3-year and 5-year periods, the Fund has strongly outperformed the benchmark and the IA Strategic Bond sector.

Market overview

The market started the period under review with key questions around the strength of inflationary pressures and what that would mean for interest rates.

Central bank interest rate rises continued to dominate headlines. For the major central banks of the US Federal Reserve (Fed), European Central Bank (ECB) and Bank of England (BoE), after more than 12 months of tightening monetary policy, market attention turned towards expectations of when, and at what level, interest rates will peak. All increased rates further during the review period in response to higher inflation but gave differing indications of how close they were to a peak.

The backdrop of rising interest rates and inflation meant that global bond yields, including gilts, increased (and therefore prices fell) significantly over the period. Sterling investment grade credit markets also struggled, but outperformed gilts, as the negative impact of higher gilt yields were mitigated by the higher yield on corporate bonds, as well as the tightening of the credit spreads (the average extra yield available from non-gilt bonds compared with government debt of equal maturity).

In terms of sectors, financials outperformed industrials and utilities, with the banking sector shrugging off the impact of the Credit Suisse collapse and subsequent rescue by UBS. Shorter-dated bonds outperformed longer-dated, predominantly due to the higher interest rate risk in the latter.

Manager's Investment Report (continued)

Portfolio commentary

During the period under review, the Fund's security selection was the main driver of performance, with credit sector allocation also a healthy contributor – in particular, our overweight positions in banks & financials, insurance and structured bonds.

A particular highlight within security selection was Income Contingent Student Loans within structured and Esure and Liverpool Victoria in insurance.

The banks and insurance sectors saw a strong rebound following the first quarter's sell-off in response to the Credit Suisse collapse and ultimate takeover from Swiss peer UBS. In both banking and insurance, capital restructuring was helpful, as legacy bonds were called at significant premia to prevailing market prices. In insurance our Legal & General 2064 bonds and Axa 2054 bonds benefitted from this. The portfolio also benefited from strong relative performance from junior subordinated bank bonds from HSBC.

One issuer of note was Thames Water. Towards the end of the quarter, the CEO unexpectedly resigned, leading to significant focus on the utility's debt levels. The portfolio owns Thames Water bonds, with most exposure at the operating company level. We believe that operating company debt remains protected by the regulatory framework and the criticality of the infrastructure. The portfolio also held a smaller position in holding company debt (Thames Water Kemble 4.625 2026, rated B1 / B by Moodys and Fitch). This bond is secured on the equity of the operating company and is dependent on dividends from it to service debt. This lending is more subordinated and therefore carries greater credit risk. In aggregate, while the impact from the relatively small exposure to Thames Water was negative for the portfolio, the effect was mitigated by portfolio significant diversification.

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.

Although the economic data remains 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 reasonably 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.

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 material yield premium to the market, which we feel will support performance both in absolute terms and relative to the market.

Paola Binns
Fund Manager
31 July 2023
Royal London Asset Management Limited

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

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available on www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/institutional-investors/funds/fund-information-factsheets/>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	106.03	110.10	109.99	106.87
Return before operating charges*	0.74	(3.70)	0.50	3.49
Operating charges	(0.18)	(0.37)	(0.39)	(0.37)
Return after operating charges*	0.56	(4.07)	0.11	3.12
Distributions on accumulation shares	(2.71)	(4.04)	(3.47)	(3.61)
Retained distributions on accumulation shares	2.71	4.04	3.47	3.61
Closing net asset value per share	106.59	106.03	110.10	109.99
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.53%	(3.70)%	0.10%	2.92%
Other information				
Closing net asset value (£'000)	106,212	160,802	67,124	41,759
Closing number of shares	99,647,856	151,656,608	60,968,203	37,965,277
Operating charges	0.35%	0.35%	0.35%	0.35%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	107.70	110.50	112.30	110.60
Lowest share price	101.86	99.18	110.20	100.90

Class M Income

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	91.14	98.34	101.38	101.86
Return before operating charges*	0.64	(3.29)	0.49	3.28
Operating charges	(0.16)	(0.33)	(0.36)	(0.35)
Return after operating charges*	0.48	(3.62)	0.13	2.93
Distributions on income shares	(2.33)	(3.58)	(3.17)	(3.41)
Closing net asset value per share	89.29	91.14	98.34	101.38
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.53%	(3.68)%	0.13%	2.88%
Other information				
Closing net asset value (£'000)	279,754	338,840	350,212	375,916
Closing number of shares	313,304,824	371,776,712	356,141,241	370,782,402
Operating charges	0.35%	0.35%	0.35%	0.35%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	92.59	98.73	103.40	103.60
Lowest share price	90.00	87.04	100.40	96.22

Class R Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	106.70	110.51	110.13	106.74
Return before operating charges*	0.74	(3.70)	0.49	3.50
Operating charges	(0.05)	(0.11)	(0.11)	(0.11)
Return after operating charges*	0.69	(3.81)	0.38	3.39
Distributions on accumulation shares	(2.73)	(4.06)	(3.48)	(3.61)
Retained distributions on accumulation shares	2.73	4.06	3.48	3.61
Closing net asset value per share	107.39	106.70	110.51	110.13
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.65%	(3.45)%	0.35%	3.18%
Other information				
Closing net asset value (£'000)	97,319	96,696	141,424	198,371
Closing number of shares	90,623,988	90,623,988	127,973,304	180,118,003
Operating charges	0.10%	0.10%	0.10%	0.10%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	108.40	110.90	112.70	110.80
Lowest share price	105.50	99.73	110.40	100.90

Comparative Tables (continued)

Class S Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	104.00	107.72	107.37	104.07
Return before operating charges*	0.72	(3.62)	0.46	3.40
Operating charges	(0.05)	(0.10)	(0.11)	(0.10)
Return after operating charges*	0.67	(3.72)	0.35	3.30
Distributions on accumulation shares	(2.66)	(3.96)	(3.39)	(3.52)
Retained distributions on accumulation shares	2.66	3.96	3.39	3.52
Closing net asset value per share	104.67	104.00	107.72	107.37
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.64%	(3.45)%	0.33%	3.17%
Other information				
Closing net asset value (£'000)	68,319	71,492	81,522	87,388
Closing number of shares	65,272,450	68,744,679	75,678,810	81,391,691
Operating charges	0.10%	0.10%	0.10%	0.10%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	105.70	108.10	109.80	108.00
Lowest share price	102.80	97.20	107.60	98.32

Class S Income

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	91.41	98.38	101.16	101.39
Return before operating charges*	0.65	(3.30)	0.49	3.27
Operating charges	(0.05)	(0.09)	(0.10)	(0.10)
Return after operating charges*	0.60	(3.39)	0.39	3.17
Distributions on income shares	(2.34)	(3.58)	(3.17)	(3.40)
Closing net asset value per share	89.67	91.41	98.38	101.16
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.66%	(3.45)%	0.39%	3.13%
Other information				
Closing net asset value (£'000)	81,354	92,529	99,527	121,214
Closing number of shares	90,724,201	101,220,165	101,164,640	119,818,720
Operating charges	0.10%	0.10%	0.10%	0.10%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	92.88	98.77	103.40	103.40
Lowest share price	90.37	87.24	100.40	95.80

Class Z Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	106.16	110.20	110.05	106.88
Return before operating charges*	0.74	(3.71)	0.50	3.50
Operating charges	(0.16)	(0.33)	(0.35)	(0.33)
Return after operating charges*	0.58	(4.04)	0.15	3.17
Distributions on accumulation shares	(2.72)	(4.05)	(3.47)	(3.61)
Retained distributions on accumulation shares	2.72	4.05	3.47	3.61
Closing net asset value per share	106.74	106.16	110.20	110.05
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.55%	(3.67)%	0.14%	2.97%
Other information				
Closing net asset value (£'000)	269,292	258,211	195,358	124,805
Closing number of shares	252,292,891	243,222,867	177,277,271	113,412,331
Operating charges	0.31%	0.31%	0.31%	0.31%
Direct transaction costs	–	–	–	–
Prices*				
Highest share price	107.80	110.60	112.40	110.70
Lowest share price	104.80	99.29	110.30	101.00

Comparative Tables (continued)

Class Z Income

Change in net assets per share	31/07/23 (p)	31/01/23 (p)	31/01/22 (p)	31/01/21 (p)
Opening net asset value per share	91.61	98.80	101.82	102.26
Return before operating charges*	0.64	(3.31)	0.49	3.31
Operating charges	(0.14)	(0.29)	(0.32)	(0.32)
Return after operating charges*	0.50	(3.60)	0.17	2.99
Distributions on income shares	(2.34)	(3.59)	(3.19)	(3.43)
Closing net asset value per share	89.77	91.61	98.80	101.82
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.55%	(3.64)%	0.17%	2.92%
Other information				
Closing net asset value (£'000)	180,449	142,178	171,603	133,351
Closing number of shares	201,009,310	155,195,598	173,679,484	130,965,052
Operating charges	0.31%	0.31%	0.31%	0.31%
Direct transaction costs	–	–	–	–
Prices[^]				
Highest share price	93.07	99.20	103.90	104.10
Lowest share price	90.48	87.48	100.90	96.60

[^] 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 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 5.97% (31/01/23 – 6.63%)							
£4,250,000	Atom Mortgage Securities FRN 22/7/2031	3,159	0.29	£1,104,000	Barclays 3.75% variable 22/11/2030	1,008	0.09
£6,682,000	Canary Wharf Finance II (A7) FRN 22/10/2037	5,533	0.51	\$12,580,000	Barclays 6.278% variable perpetual	9,435	0.87
£16,483,000	Castell FRN 25/3/2053	3,878	0.36	£2,959,000	Barclays 6.369% variable 31/1/2031	2,910	0.27
£4,861,000	Equity Release Funding 5.7% 26/2/2031	2,247	0.21	£1,713,000	Barclays 6.375% variable perpetual	1,544	0.14
£9,389,000	Equity Release Funding 5.88% 26/5/2032	5,626	0.52	£3,913,000	Barclays 7.125% variable perpetual	3,685	0.34
£13,300,000	Equity Release Funding FRN 14/7/2045	9,372	0.87	£8,394,000	Barclays 8.407% variable 14/11/2032	8,604	0.79
£4,058,762	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058	2,990	0.28	£2,596,000	Barclays 8.875% variable perpetual	2,452	0.23
£2,000,000	Finance for Residence Social Housing 'A2' 8.569% 5/10/2058	1,277	0.12	£3,352,000	Barclays 9% perpetual	3,352	0.31
£3,113,136	Finance for Residence Social Housing FRN 10/4/2027	79	0.01	£3,918,000	Barclays 9.25% variable perpetual	3,629	0.34
£6,324,000	Gosforth Funding FRN 25/8/2060	897	0.08	£1,971,000	Blackstone Property Partners Euro 2.625% 20/10/2028	1,490	0.14
£33,294,000	Income Contingent Student Loan FRN 24/7/2056	1,869	0.17	£5,600,000	BNP Paribas 2% variable 24/5/2031	4,816	0.44
£41,610,000	Income Contingent Student Loan 2 FRN 24/7/2058	4,143	0.38	£5,000,000	BNP Paribas 2.875% 24/2/2029	4,248	0.39
£3,640,000	Magenta 2020 FRN 20/12/2024	3,186	0.29	£5,757,000	BP Capital Markets 4.25% variable perpetual	5,107	0.47
£2,194,000	PCL Funding FRN 15/10/2025	2,194	0.20	£4,800,000	BPCE 2.5% variable 30/11/2032	3,926	0.36
£3,240,000	Sage AR Funding FRN 17/11/2030	3,156	0.29	£4,100,000	BPCE 6% variable 29/9/2028	4,030	0.37
£4,313,000	Sage AR Funding FRN 17/11/2051	4,154	0.38	£4,100,000	BPCE 6.125% 24/5/2029	4,041	0.37
£1,481,000	Scorpio European Loan Conduit No.34 FRN 17/5/2029	1,414	0.13	£5,135,000	British Land 5.357% 31/3/2028	4,882	0.45
£2,101,000	Taurus FRN 17/5/2030	2,053	0.19	£4,310,000	Broadgate 4.999% 5/10/2033	4,025	0.37
£3,375,000	Taurus FRN 17/5/2031	3,221	0.30	£5,350,000	BUFA Finance 5% 8/12/2026	5,077	0.47
£13,217,000	Together Asset Backed Securitisation 2019 FRN 15/7/2061	2,779	0.26	£4,500,000	CaixaBank 6.875% variable 25/10/2033	4,325	0.40
£3,537,000	Towd Point Mortgage Funding FRN 20/2/2045	1,369	0.13	£5,373,000	Canary Wharf Finance II FRN 22/10/2037	4,164	0.38
Total Commercial Mortgage Backed Securities		64,596	5.97	£48,750,000	Canary Wharf Finance II 6.455% 22/10/2033	6,268	0.58
Corporate Bonds – 92.17% (31/01/23 – 90.80%)				£3,275,000	Canary Wharf Group Investment 3.375% 23/4/2028	2,256	0.21
£4,541,000	AA Bond 6.269% 2/7/2043	4,385	0.41	£9,295,000	Centrica 5.25% variable 10/4/2075	8,874	0.82
£1,080,000	AA Bond 7.375% 31/7/2050	1,003	0.09	£3,000,000	Centrica 6.4% 4/9/2026	2,981	0.28
£1,316,000	AA Bond 8.45% 31/7/2050	1,309	0.12	£2,549,000	Channel Link Enterprises Finance FRN 30/12/2050	1,900	0.18
£2,100,000	Abertis Infraestructuras Finance 3.248% variable perpetual	1,642	0.15	£6,302,000	Cheung Kong Infrastructure Finance 4.2% perpetual	3,713	0.34
£3,977,000	Abrdn 5.25% variable perpetual	3,269	0.30	£1,255,000	Close Brothers Group 2% variable 11/9/2031	1,029	0.10
£6,625,000	Aggregate Micro Power Infrastructure No.2 8% 17/10/2036	6,266	0.58	£4,386,000	Close Brothers Group 7.75% 14/6/2028	4,429	0.41
£2,200,000	Akelius Residential Property 2.375% 15/8/2025	1,993	0.18	£5,500,000	Commerzbank 1.75% 22/1/2025	5,129	0.47
£440,100	Alpha Plus 5% 31/3/2024	420	0.04	£6,800,000	Commerzbank 8.625% variable 28/2/2033	6,762	0.62
£8,339,000	Anglian Water Osprey Financing 4% 8/3/2026	7,480	0.69	£6,798,000	Connect M77 GSO 5.404% 31/3/2034	4,056	0.37
£5,952,000	Annington Funding 2.646% 12/7/2025	5,470	0.51	£3,000,000	Co-operative Rabobank 1.875% variable 12/7/2028	2,576	0.24
\$3,300,000	Argentum Netherlands 4.625% variable perpetual	2,230	0.21	£6,330,000	Co-operative Bank Finance 6% variable 6/4/2027	5,776	0.53
£3,832,000	Aroundtown 4.75% variable perpetual	1,409	0.13	£3,175,000	Co-operative Bank Finance 9.5% variable 24/5/2028	3,143	0.29
£2,400,000	Arqiva Finance 4.882% 31/12/2032	1,393	0.13	£534,000	Co-operative Bank Finance 9.5% variable 25/4/2029	523	0.05
£5,760,000	Arqiva Financing 7.21% 30/6/2045	5,856	0.54	£30,965,000	Co-operative Group 0% 20/12/2025	759	0.07
£9,600,000	Assicurazioni Generali 6.269% perpetual	9,315	0.86	£6,834,000	Co-operative Wholesale Society 7.5% Step 8/7/2026	6,434	0.59
£5,777,000	Australia and New Zealand Banking Group 1.809% variable 16/9/2031	4,876	0.45	£3,378,000	Coventry Building Society 6.875% variable perpetual	3,209	0.30
£9,500,000	Aviva 6.125% variable 14/11/2036	9,370	0.87	£1,100,000	CPUK Finance 3.588% 28/2/2042	1,025	0.09
£5,500,000	AXA 5.453% variable perpetual	5,335	0.49	£3,200,000	CPUK Finance 3.69% 28/2/2047	2,762	0.26
£10,129,000	AXA 6.6862% variable perpetual	10,087	0.93	£1,574,000	CPUK Finance 4.5% 28/8/2027	1,350	0.12
£5,700,000	Banco Santander 1.5% 14/4/2026	5,015	0.46	£1,932,000	CPUK Finance 6.136% 28/2/2047	1,848	0.17
£3,300,000	Banco Santander 2.25% variable 4/10/2032	2,688	0.25	£2,300,000	Credit Agricole 1.874% variable 9/12/2031	1,936	0.18
£1,800,000	Banco Santander 3.125% variable 6/10/2026	1,661	0.15	\$4,300,000	Credit Agricole 7.875% variable perpetual	3,326	0.31
£3,000,000	Banco Santander 4.75% variable 30/8/2028	2,845	0.26	£1,801,000	Credit Suisse 1.125% 15/12/2025	1,586	0.15
£1,484,535	Bankers Investment Trust 8% 31/10/2023	1,488	0.14	£9,658,000	Credit Suisse 7% variable 30/9/2027	9,717	0.90
£2,060,000	Barclays 1.7% variable 3/11/2026	1,845	0.17	£6,858,000	Credit Suisse 7.75% 10/3/2026	7,051	0.65
£527,000	Barclays 3% 8/5/2026	481	0.04	£4,100,000	CYBG 4% variable 25/9/2026	3,785	0.35
				£1,325,000	CYBG 9.25% variable perpetual	1,281	0.12
				£5,700,000	Daily Mail & General 6.375% 21/6/2027	5,089	0.47
				£2,458,000	Danske Bank 2.25% 14/1/2028	2,114	0.20
				£2,955,000	Danske Bank 4.625% variable 13/4/2027	2,837	0.26
				£17,780,000	Delamare Finance 5.5457% 19/2/2029	9,797	0.90
				£2,000,000	Derwent London 1.5% 12/6/2025	1,811	0.17

Portfolio Statement (continued)

As at 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 92.17% (31/01/23 – 90.80%) – continued				€1,100,000	La Mondiale 0.75% 20/4/2026	857	0.08
£5,900,000	Deutsche Bank 2.625% 16/12/2024	5,573	0.51	£2,100,000	Landesbank BadenWuerttemberg 1.125% 8/12/2025	1,852	0.17
£5,600,000	Deutsche Bank 4% variable 24/6/2026	5,256	0.49	£4,809,000	Leeds Building Society 3.75% variable 25/4/2029	4,163	0.38
£3,542,000	DNB Bank 2.625% variable 10/6/2026	3,317	0.31	£4,500,000	Legal & General 3.75% variable 26/11/2049	3,740	0.35
£8,019,000	DNB Bank 4% variable 17/8/2027	7,481	0.69	£272,000	Legal & General 5.125% variable 14/11/2048	251	0.02
£800,000	Electricite de France 5.875% variable perpetual	670	0.06	£5,000,000	Legal & General 5.25% variable 21/3/2047	3,691	0.34
£12,200,000	Electricite de France 6% variable perpetual	11,298	1.04	£4,153,000	Legal & General 5.375% variable 27/10/2045	4,003	0.37
€1,749,000	Eni SpA 2.75% variable perpetual	1,192	0.11	£10,468,000	Legal & General 5.5% variable 27/6/2064	9,725	0.90
£3,008,000	Esure Group 12% variable 20/12/2033	3,070	0.28	£3,444,000	Lendinvest Secured Income 5.375% 6/10/2023	3,372	0.31
£359,000	Esure Group 6.75% 19/12/2024	355	0.03	NOK39,331,313	Lime Petroleum FRN 7/7/2025	2,991	0.28
£3,280,000	European Energy FRN 8/9/2026	2,797	0.26	£3,380,000	Liverpool Victoria Friendly Society 6.5% variable 22/5/2043	3,290	0.30
£9,042,000	Eversholt Funding 6.697% 22/2/2035	7,811	0.72	£2,285,000	Lloyds Bank 2% variable 12/4/2028	1,946	0.18
£2,700,000	Folio Residential Finance 1.246% 31/10/2037	2,225	0.21	£4,495,000	Lloyds Bank 2.707% variable 3/12/2035	3,360	0.31
£1,964,000	Fuller Smith & Turner 6.875% 30/4/2028	1,863	0.17	£500,000	Lloyds Bank 5.125% variable perpetual	465	0.04
£3,000,000	Gatwick Funding 6.125% 2/3/2028	2,990	0.28	£617,000	Lloyds Bank 6.625% variable 2/6/2033	601	0.06
£5,142,000	Go-Ahead Group 2.5% 6/7/2024	5,105	0.47	£3,868,000	Lloyds Bank 8.5% variable perpetual	3,728	0.34
£2,766,000	Goldman Sachs 3.625% variable 29/10/2029	2,456	0.23	£6,000,000	Logicor 2019 1.875% 17/11/2031	5,202	0.48
£3,946,000	Great Rolling Stock 6.5% 5/4/2031	2,923	0.27	£2,994,000	London Merchant Securities 6.5% 16/3/2026	2,968	0.27
£2,367,000	Greene King 5.318% 15/9/2031	1,187	0.11	£3,200,000	Longstone 4.896% 19/4/2036	2,857	0.26
£4,489,000	Grosvenor UK Finance 6.5% 29/9/2026	4,546	0.42	£18,750,000	Longstone Finance 4.791% 19/4/2036	6,759	0.62
£6,200,000	Groupama 6.375% variable perpetual	5,308	0.49	£2,313,000	M&G 3.875% variable 20/7/2049	2,247	0.21
£4,300,000	Haven Funding 8.125% 30/9/2037	4,122	0.38	£4,670,000	M&G 5.625% variable 20/10/2051	4,216	0.39
£3,865,000	Heathrow Finance 3.875% Step 1/3/2027	3,309	0.31	£8,250,000	Marstons Issuer FRN 15/10/2031	3,434	0.32
£3,726,000	Heathrow Finance 4.125% Step 1/9/2029	3,012	0.28	£5,185,000	Meadowhall Finance FRN 12/7/2037	2,862	0.26
£4,720,000	Heathrow Finance 4.75% Step 1/3/2024	4,626	0.43	£2,982,000	Merchants Trust 5.875% 20/12/2029	2,982	0.28
£1,997,000	Heathrow Funding 2.625% 16/3/2028	1,660	0.15	£2,653,823	Metrocentre New Money Not Sonia + 11% PIK 6/12/2023	2,574	0.24
£3,412,000	Heathrow Funding 6.75% 3/12/2028	3,457	0.32	£2,583,000	Metropolitan Life Global Funding 4.125% 2/9/2025	2,484	0.23
£835,000	Hemingway Properties 10.375% 31/7/2024	835	0.08	£1,133,000	MIELI London 4.82% 12/8/2027	1,020	0.09
£4,477,811	Home Group 0% 11/5/2027	3,305	0.31	£35,253,000	Mitchells & Butler 5.965% 15/12/2023	1,066	0.10
£4,844,402	Housing Finance 8.625% 13/11/2023	4,869	0.45	£11,940,000	Mitchells & Butlers 5.574% 15/12/2030	2,896	0.27
£5,601,000	HSBC 1.75% variable 24/7/2027	4,907	0.45	£9,400,000	Mitchells & Butlers Finance FRN 15/12/2030	2,591	0.24
£2,730,000	HSBC 2.256% variable 13/11/2026	2,484	0.23	£6,877,000	Mitchells & Butlers FRN 15/12/2028	3,463	0.32
£2,583,000	HSBC 3% variable 22/7/2028	2,283	0.21	£4,709,000	Mitchells & Butlers FRN 15/12/2030	1,672	0.15
£1,452,000	HSBC 5.875% variable perpetual	1,310	0.12	£1,550,000	Mitchells & Butlers FRN 15/12/2033	1,140	0.11
£15,628,000	HSBC 8.201% variable 16/11/2034	16,315	1.51	£3,257,000	Mizuho Financial 5.628% 13/6/2028	3,187	0.29
£4,886,000	IG GROUP 3.125% 18/11/2028	3,818	0.35	£6,500,000	MPT Operating Partnership 2.5% 24/3/2026	5,263	0.49
£4,317,000	Industrial Commercial Bank of China 1.625% 28/12/2025	3,773	0.35	£7,240,000	National Australia Bank 1.699% variable 15/9/2031	6,060	0.56
£2,800,000	ING Groep 5% variable 30/8/2026	2,720	0.25	£7,378,000	National Express 4.25% variable perpetual	6,466	0.60
£7,700,000	ING Groep 6.25% variable 20/5/2033	7,330	0.68	£2,605,000	Nationwide Building Society 5.75% variable perpetual	2,289	0.21
\$3,000,000	ING Groep 6.75% variable perpetual	2,250	0.21	£3,270,000	Nationwide Building Society 5.769% perpetual	3,095	0.29
£5,546,000	Integrated Accommodation Service 6.48% 31/3/2029	2,005	0.19	£1,582,000	Nationwide Building Society 6.178% variable 7/12/2027	1,563	0.14
£2,244,000	InterContinental Hotels 3.375% 8/10/2028	1,953	0.18	£2,433,000	Nationwide Building Society 6.25% variable perpetual	2,366	0.22
€2,546,000	Intermediate Capital Group 1.625% 17/2/2027	1,867	0.17	€2,400,000	NatWest 1.043% variable 14/9/2032	1,708	0.16
£5,699,000	Intesa Sanpaolo SpA 6.5% 14/3/2029	5,485	0.51	£7,207,000	NatWest 2.105% variable 28/11/2031	6,091	0.56
£896,000	Intu (SGS) Finance 3.875% 17/3/2028	515	0.05	£1,846,000	NatWest 3.619% variable 29/3/2029	1,630	0.15
£3,680,000	Intu Metrocentre Finance 4.125% 6/12/2028	2,053	0.19	£2,500,000	NatWest 4.5% variable perpetual	1,963	0.18
£8,595,000	Investec 1.875% variable 16/7/2028	6,924	0.64	£3,413,000	NatWest 6.375% 8/11/2027	3,433	0.32
£1,654,000	Investec 2.625% variable 4/1/2032	1,329	0.12	£2,382,000	NatWest 7.416% variable 6/6/2033	2,376	0.22
£1,864,000	Investec 9.125% variable 6/3/2033	1,868	0.17	£2,000,000	NatWest 7.5% 29/4/2024	2,014	0.19
\$2,225,658	Jacktel 10% 4/12/2023	1,730	0.16	£7,780,000	NGG Finance 5.625% variable 18/6/2073	7,423	0.69
£5,747,000	John Lewis 6.125% 21/1/2025	5,570	0.51				
£942,000	JPMorgan Chase 0.991% variable 28/4/2026	866	0.08				
£2,798,000	JRP Group 9% 26/10/2026	2,930	0.27				
£3,783,000	Jupiter Fund Management 8.875% variable 27/7/2030	3,769	0.35				
£5,304,000	Just Group 7% variable 15/4/2031	5,087	0.47				
£3,500,000	KBC 1.25% variable 21/9/2027	3,004	0.28				
£3,100,000	KBC 5.5% variable 20/9/2028	3,005	0.28				
£6,400,000	La Banque Postale 5.625% variable 21/9/2028	6,117	0.56				

Portfolio Statement (continued)

As at 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 92.17% (31/01/23 – 90.80%) – continued				\$5,000,000	Standard Chartered 6.409% variable perpetual		
\$3,500,000	NIBC Bank 0.9673% variable perpetual	2,090	0.19			3,567	0.33
£1,950,000	Octagon Healthcare 5.333% 31/12/2035	1,350	0.12	£10,363,000	Stirling Water Seafield 5.822% 26/9/2026	2,526	0.23
€2,000,000	Oeyfjell Wind Investment 2.75% 14/9/2026	1,498	0.14	£8,773,000	Summit Finance 6.484% 31/3/2028	2,845	0.26
£1,474,000	OneSavings Bank 4.6007% variable perpetual	1,367	0.13	£1,475,000	Svenska Handelsbanken 4.625% variable 23/8/2032	1,345	0.12
£3,733,000	OP Corporate Bank 1.375% 4/9/2026	3,212	0.30	£4,018,000	Swedbank 1.375% Variable 8/12/2027	3,415	0.32
£1,500,000	Opus Chartered variable 31/3/2025	530	0.05	£6,479,000	Swedbank 7.272% variable 15/11/2032	6,429	0.59
£1,300,000	Orsted 2.5% variable 18/2/3021	867	0.08	£6,235,000	Telereal Secured Finance 4.01% 10/12/2033	3,130	0.29
£2,757,000	OSB 6% variable perpetual	2,071	0.19	£6,139,000	Telereal Securitisation 1.3657% 10/12/2033	3,742	0.35
£4,446,000	OSB 9.993% variable 27/7/2033	4,343	0.40	£2,610,000	Telereal Securitisation 1.9632% variable 10/12/2033	2,293	0.21
£3,828,321	Peel South East 10% 30/4/2026	3,847	0.36	£2,661,000	Telereal Securitisation 3.507% variable 10/12/2033	2,348	0.22
£4,941,000	Pension Insurance 8% 23/11/2026	5,024	0.46	£4,950,000	Telereal Securitisation 4.9741% 10/12/2033	2,011	0.19
£3,640,000	PGH Capital 6.625% 18/12/2025	3,610	0.33	£2,566,000	Telereal Securitisation 5.3887% 10/12/2033	952	0.09
\$2,000,000	Phoenix Group Holdings 4.75% variable 4/9/2031	1,416	0.13	£1,750,000	Telereal Securitisation 5.4252% 10/12/2033	1,401	0.13
£2,518,000	Places for People Homes 5.09% 31/7/2043	2,485	0.23	£7,009,000	Telereal Securitisation 6.1645% 10/12/2033	5,796	0.54
£5,695,000	Places for People Treasury 2.875% 17/8/2026	5,171	0.48	£3,500,000	Telereal Securitisation FRN 10/12/2033	1,058	0.10
£2,080,000	Premier Transmission Finance 5.2022% 31/3/2030	832	0.08	£4,836,000	Telereal Securitisation FRN 10/12/2033	3,628	0.34
£3,500,000	Premiertel 5.683% 8/8/2029	1,863	0.17	£3,700,000	Telereal Securitisation FRN 10/12/2033	2,979	0.28
£10,141,000	Premiertel 6.175% 8/5/2032	7,012	0.65	£3,719,000	Thames Water 1.875% 24/1/2024	3,609	0.33
£2,151,000	Principality Building Society 8.625% 12/7/2028	2,216	0.20	£2,000,000	Thames Water 6.75% 16/11/2028	1,973	0.18
£3,578,000	Protective Life Global Funding 5.248% 13/1/2028	3,480	0.32	£7,452,000	Thames Water Kemble Finance 4.625% 19/5/2026	5,112	0.47
£2,786,000	Punch Finance 6.125% 30/6/2026	2,399	0.22	£2,900,000	Thames Water Utilities 2.875% 3/5/2027	2,259	0.21
£5,139,000	QBE Insurance 2.5% variable 13/9/2038	4,024	0.37	£3,783,000	TP ICAP 5.25% 29/5/2026	3,521	0.33
£4,280,000	Quadrant Housing 7.93% Step 10/2/2033	3,650	0.34	£1,706,000	TP ICAP Finance 7.875% 17/4/2030	1,650	0.15
£1,976,000	Realty Income 1.875% 14/1/2027	1,709	0.16	£3,730,000	Trafford Centre 4.25% 28/4/2029	3,517	0.32
£1,589,000	Reassure Group 5.867% 13/6/2029	1,466	0.14	£1,280,000	Trafford Centre 6.5% 28/7/2033	801	0.07
£1,949,500	Retail Charity Bonds 3.9% 23/11/2029	1,654	0.15	£4,400,000	Trafford Centre 7.03% 28/1/2029	1,391	0.13
£3,005,400	Retail Charity Bonds 4.25% 6/7/2028	2,674	0.25	£9,400,000	Trafford Centre FRN 28/7/2038	7,624	0.70
£4,956,000	Rothesay Life 3.375% 12/7/2026	4,483	0.41	£1,071,000	Travis Perkins 3.75% 17/2/2026	954	0.09
£3,403,000	Rothesay Life 5.5% variable 17/9/2029	3,323	0.31	£2,240,000	UBS AG Jersey 8.75% 18/12/2025	2,293	0.21
£5,709,000	Rothesay Life 6.875% variable perpetual	4,768	0.44	£2,500,000	UBS Group 2.125% variable 12/9/2025	2,371	0.22
£5,943,000	Rothschild Continuation Finance 9% perpetual	6,032	0.56	£4,000,000	UBS Group 2.75% 8/8/2025	3,689	0.34
£1,150,000	Royal Bank of Scotland 2.875% variable 19/9/2026	1,061	0.10	\$2,357,000	UniCredit SpA 2.569% 22/9/2026	1,677	0.15
£4,940,000	Royal Bank of Scotland 3.125% variable 28/3/2027	4,518	0.42	£31,874,000	Unique Pub Finance 5.659% 30/6/2027	12,618	1.17
£3,000,000	Royal Bank of Scotland 3.622% variable 14/8/2030	2,797	0.26	£15,827,000	Unique Pub Finance 7.395% 30/3/2024	4,271	0.39
£3,010,000	RSA Insurance 5.125% variable 10/10/2045	2,869	0.26	£3,343,000	Unite USAF 3.921% 30/6/2030	3,158	0.29
£3,086,000	Sainsburys Bank 10.5% variable 12/3/2033	3,212	0.30	£1,905,000	Varsity Funding 8.7915% Step 24/7/2026	239	0.02
£5,978,000	Santander UK 2.421% variable 17/01/2029	4,996	0.46	£1,897,000	Vattenfall 6.875% variable 17/8/2083	1,859	0.17
£2,669,000	Santander UK Group Holdings 2.92% variable 8/5/2026	2,485	0.23	£1,200,000	Vicinity Centres 3.375% 7/4/2026	1,113	0.10
£4,499,075	Scottish Mortgage Investment Trust 12% 30/6/2026	5,161	0.48	£3,156,000	Virgin Money 2.625% variable 19/8/2031	2,640	0.24
£4,270,000	Skandinaviska Enskilda Banken 5.5% 1/6/2026	4,212	0.39	£2,000,000	Virgin Money 5.125% variable 11/12/2030	1,846	0.17
£3,625,000	Skipton Building Society 2% variable 2/10/2026	3,234	0.30	£6,493,000	Virgin Money 7.875% variable 14/12/2028	6,461	0.60
\$5,000,000	Societe Generale SA 6.447% variable 12/1/2027	3,916	0.36	£2,998,000	Virgin Money 8.25% variable perpetual	2,608	0.24
£3,777,000	Society of Lloyds 4.875% variable 7/2/2047	3,483	0.32	£3,095,000	Vodafone 4.875% variable 3/10/2078	2,898	0.27
£3,000,000	Southern Water Services Finance 6.64% 31/3/2026	2,970	0.27	£3,261,000	Vodafone 8% variable 30/8/2086	3,255	0.30
£4,115,000	SSE 3.74% variable perpetual	3,733	0.34	£2,700,000	Volkswagen Financial Services 1.125% 5/7/2026	2,349	0.22
£1,355,000	Stagecoach 4% 29/9/2025	1,257	0.12	£2,400,000	Volkswagen Financial Services 3.25% 13/4/2027	2,165	0.20
				£2,700,000	Volkswagen International Finance 3.375% 16/11/2026	2,477	0.23
				\$4,159,091	Waldorf Energy Finance 12% 2/3/2026	3,055	0.28
				\$2,005,527	Waldorf Production 9.75% 1/10/2024	1,554	0.14
				£1,876,000	Weir 6.875% 14/6/2028	1,897	0.18

Portfolio Statement (continued)

As at 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 92.17% (31/01/23 – 90.80%) – continued			
£4,828,000	Western Power Distribution 3.875% 17/10/2024	4,698	0.43
£5,044,000	Western Power Distribution 5.5% 9/5/2025	5,000	0.46
£3,358,000	Westfield Stratford City 1.642% 4/8/2031	2,884	0.27
£1,319,000	Whitbread Group 2.375% 31/5/2027	1,121	0.10
£4,513,000	White City Property 5.1202% 17/4/2035	3,305	0.31
£2,970,000	Worcestershire Hospital 5.57% 31/12/2030	1,348	0.12
£1,158,000	Workspace Group 2.25% 11/3/2028	878	0.08
£3,100,000	Yorkshire Building Society 3.375% variable 13/9/2028	2,646	0.24
£753,000	Yorkshire Building Society 3.511% variable 11/10/2030	632	0.06
£3,431,000	Yorkshire Building Society 6.375% variable 15/11/2028	3,337	0.31
£3,295,000	Yorkshire Water Finance 5.25% 28/4/2030	3,122	0.29
Total Corporate Bonds		998,003	92.17
Index Linked Bonds – 0.36% (31/01/23 – 0.35%)			
£1,260,000	Road Management Services 3.642% IL 31/3/2028	844	0.08
£1,500,000	Tesco 3.322% IL 5/11/2025	3,021	0.28
Total Index Linked Bonds		3,865	0.36
Preference Shares – 0.35% (31/01/23 – 0.32%)			
2,500,000	Haleon FRN preference perpetual	2,540	0.24
6,965,250	Jacktel preference	1,231	0.11
Total Preference Shares		3,771	0.35
Forward Currency Contracts – 0.06% (31/01/23 – 0.07%)			
	Buy £16,380,085 & Sell €19,000,000†	49	0.01
	Buy £4,230,851 & Sell NOK57,450,000†	(190)	(0.02)
	Buy £49,001,484 & Sell \$62,080,000†	758	0.07
	Buy \$1,900,000 & Sell £1,470,114†	6	0.00
Total Forward Currency Contracts		623	0.06
Total value of investments[^]		1,070,858	98.91
Net other assets		11,841	1.09
Total value net assets		1,082,699	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 31 July 2023

Credit breakdown*	31 Jul 2023		31 Jan 2023	
	Bid-Market value £'000	Total net assets %	Bid-Market value £'000	Total net assets %
Investments of investment grade	701,039	64.75	775,304	66.73
Investments of below investment grade	180,492	16.67	165,960	14.34
Unrated bonds	184,933	17.08	193,780	16.71
Total bonds	1,066,464	98.50	1,135,044	97.78
Forward currency contracts – assets	813	0.08	834	0.08
Corporate preference shares	3,771	0.35	3,683	0.32
Investments as shown in the balance sheet	1,071,048	98.93	1,139,561	98.18
Forward currency contracts – liabilities	(190)	(0.02)	(13)	(0.01)
Total value of investments	1,070,858	98.91	1,139,548	98.17

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

Summary of Material Portfolio Changes

For the six month period ended 31 July 2023

Significant Purchases

	Cost £'000
Legal & General 5.5% variable 27/6/2064	9,734
Barclays 6.278% variable perpetual	9,579
ING Groep 6.25% variable 20/5/2033	7,463
Unique Pub Finance 7.395% 30/3/2024	6,707
Arqiva Financing 7.21% 30/6/2045	5,754
Intesa Sanpaolo SpA 6.5% 14/3/2029	5,561
Annington Funding 2.646% 12/7/2025	5,405
Places for People Treasury 2.875% 17/8/2026	5,091
Aviva 6.125% variable 14/11/2036	5,080
Barclays 5.75% 14/9/2026	5,017
Subtotal	65,391
Total cost of purchases, including the above, for the period	250,048

Significant Sales

	Proceeds £'000
BNP Paribas 2% variable 24/5/2031	11,874
M&G 3.875% variable 20/7/2049	8,713
Principality Building Society 2.375% 23/11/2023	7,751
Scottish Widows 5.5% 16/6/2023	7,744
Intermediate Capital Group 5% 24/3/2023	7,489
Asciano Finance 5% 19/9/2023	7,363
Rothschild Continuation Finance 9% perpetual	7,185
Yorkshire Water Services 3.75% variable 22/3/2046	6,496
Goldman Sachs 1% variable 16/12/2025	5,729
South Eastern Power Networks 5.5% 5/6/2026	5,595
Subtotal	75,939
Total proceeds from sales, including the above, for the period	293,322

Financial Statements

Statement of Total Return

For the six month period ended 31 July 2023

	31 Jul 2023		31 Jul 2022	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(21,282)		(54,128)
Revenue	28,282		18,396	
Expenses	(1,532)		(1,398)	
Interest payable and similar charges	(25)		(3)	
Net revenue before taxation	26,725		16,995	
Taxation	–		(7)	
Net revenue after taxation		26,725		16,988
Total return/(deficit) before distributions		5,443		(37,140)
Distributions		(28,256)		(18,386)
Change in net assets attributable to shareholders from investment activities		(22,813)		(55,526)

Balance Sheet

As at 31 July 2023

	31 Jul 2023	31 Jan 2023
	£'000	£'000
Assets		
Investments	1,071,048	1,139,561
Current assets:		
Debtors	18,973	20,033
Cash and bank balances	9,626	21,810
Total assets	1,099,647	1,181,404
Liabilities		
Investment liabilities	190	13
Creditors:		
Other creditors	2,621	8,595
Distribution payable	14,137	12,048
Total liabilities	16,948	20,656
Net assets attributable to shareholders	1,082,699	1,160,748

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 31 July 2023

	31 Jul 2023		31 Jul 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,160,748		1,106,770
Amounts receivable on creation of shares	150,730		95,445	
Amounts payable on cancellation of shares	(220,913)		(117,893)	
		(70,183)		(22,448)
Dilution adjustment charged		1,183		198
Change in net assets attributable to shareholders from investment activities		(22,813)		(55,526)
Retained distributions on accumulation shares		13,764		7,958
Closing net assets attributable to shareholders		1,082,699		1,036,952

Distribution Table

For the six month period ended 31 July 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased between 1 February 2023 and 31 July 2023

	Net income	Equalisation	Distribution payable 29/09/23	Distribution paid 30/09/22
Class M Accumulation				
Group 1	2.7117	–	2.7117	1.8605
Group 2	1.5672	1.1445	2.7117	1.8605
Class M Income				
Group 1	2.3312	–	2.3312	1.6618
Group 2	1.1756	1.1556	2.3312	1.6618
Class R Accumulation				
Group 1	2.7306	–	2.7306	1.8687
Group 2	2.7306	0.0000	2.7306	1.8687
Class S Accumulation				
Group 1	2.6614	–	2.6614	1.8215
Group 2	2.6614	0.0000	2.6614	1.8215
Class S Income				
Group 1	2.3396	–	2.3396	1.6636
Group 2	2.3396	0.0000	2.3396	1.6636
Class Z Accumulation				
Group 1	2.7153	–	2.7153	1.8624
Group 2	1.3185	1.3968	2.7153	1.8624
Class Z Income				
Group 1	2.3434	–	2.3434	1.6699
Group 2	0.7479	1.5955	2.3434	1.6699

Royal London Sustainable Short Duration Corporate Bond Fund

Manager's Investment Report

Fund performance

6 months to 31 July 2023

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Sustainable Short Duration Corporate Bond Fund, Class M Accumulation	-0.10	-	-	-
Royal London Sustainable Short Duration Corporate Bond Fund, Class M Income	-0.03	-	-	-
Royal London Sustainable Short Duration Corporate Bond Fund, Class R Accumulation	0.10	-	-	-
Royal London Sustainable Short Duration Corporate Bond Fund, Class S Accumulation	0.10	-	-	-
Royal London Sustainable Short Duration Corporate Bond Fund, Class S Income	0.07	-	-	-
Royal London Sustainable Short Duration Corporate Bond Fund, Class Z Accumulation	0.00	-	-	-
Royal London Sustainable Short Duration Corporate Bond Fund, Class Z Income	-0.03	-	-	-
ICE BofAML 1-5yr Sterling Non-Gilt All Stocks Index	-0.92	-2.49	-5.74	-0.49
IA £ Corporate Bond TR	-2.30	-5.86	-14.25	-2.79

The Fund launched on 23 November 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 31 July 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 was launched in November 2022, therefore no performance figures are available for 12 months and further years. The Fund delivered broadly flat absolute returns for the period under review, outperforming the shorter-dated sterling investment grade credit market, using the ICE BofAML 1-5 Year Sterling Non-Gilt Index as a benchmark. It also outperformed the broad all-maturities Investment Association (IA) Sterling Corporate Bond sector.

Market overview

The market started the period under review with key questions around the strength of inflationary pressures and what that would mean for interest rates.

Central bank interest rate rises continued to dominate headlines. For the major central banks of the US Federal Reserve (Fed), European Central Bank (ECB) and Bank of England (BoE), after more than 12 months of tightening monetary policy, market attention turned towards expectations of when, and at what level, interest rates will peak. All increased rates further during the review period in response to higher inflation, but gave differing indications of how close they were to a peak.

The backdrop of rising interest rates and inflation meant that global bond yields, including gilts, increased (and therefore prices fell) significantly over the period. Sterling investment grade credit markets also struggled, but outperformed gilts, as the negative impact of higher gilt yields were mitigated by the higher yield on corporate bonds, as well as the tightening of the credit spreads (the average extra yield available from non-gilt bonds compared with government debt of equal maturity).

In terms of sectors, financials outperformed industrials and utilities, with the banking sector shrugging off the impact of the Credit Suisse collapse and subsequent rescue by UBS. Shorter-dated bonds outperformed longer-dated, predominantly due to the higher interest rate risk in the latter.

Manager's Investment Report (continued)

Portfolio commentary

The Fund performed well relative to the market over the review period. Performance was driven primarily by sector and security selection. Our underweight in supranational bonds was a significant contributor as these underperformed the Index. Meanwhile, in the insurance sector, we benefited from capital restructuring trends, as legacy bonds were called or tendered at significant premia to prevailing market prices. In insurance our Axa 2054 bonds benefitted from this. Towards the end of the period, Aviva paid a 16% consent fee to bondholders to allow them to bring the terms and conditions of their bond into compliance with current Solvency II requirements.

One issuer of note was Thames Water. Towards the end of the quarter, the CEO unexpectedly resigned, leading to significant focus on the utility's debt levels. The portfolio owns Thames Water bonds, with most exposure at the operating company level. We believe that operating company debt remains protected by the regulatory framework and the criticality of the infrastructure. The portfolio also held a smaller position in holding company debt, secured on the equity of the operating company. While the impact from exposure to Thames Water was negative for the portfolio, the effect was mitigated by portfolio's significant diversification.

We participated in a number of new issues during the period. While the period saw further issuance of labelled bonds, such as 'green' and 'sustainable' bonds, some of which we participated in, we remain cautious about labelled bonds, which do not automatically offer value, and sometimes lack clear or challenging objectives. We continue to assess each individual credit on its particular merits, remaining focused on adding value in underserved or inefficient areas of the market. Lack of regulation in this area makes it more susceptible to greenwashing, which we are very cognisant of in our overall assessment.

On sustainability grounds, we have no exposure to bonds of oil & gas companies or extractive industries, and all issuers within our sustainable holdings offer a net benefit to society or show ESG leadership. Key themes in the funds include social housing, social & environmental infrastructure, community funding (regulated banks and building societies focused on SME and retail lending), financial inclusion & resilience (such as insurance products to support individuals through shocks) and the energy transition.

Investment outlook

We expect the downward trend in inflation to continue through the rest of 2023, as energy and food price increases moderate and sluggish GDP weakens the labour market. Nonetheless, UK interest rates are likely to rise further as the 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. Nevertheless, it is our view that credit spreads remain at reasonably attractive levels, and that absolute yield levels are attractive compared to government bonds. 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 opportunities with an attractive balance of risk and return and ensuring a high degree of diversification across issuers and sectors.

Matt Franklin and Shalin Shah
Fund Managers
Royal London Asset Management Limited
31 July 2023

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

This report covers investment performance, activity and outlook. For a wider look at the Fund, our Annual Assessment of Value report is available on www.rlam.com.

The Task Force on Climate-related Financial Disclosures Report can be found under the relevant Fund name at <https://www.rlam.com/uk/institutional-investors/funds/fund-information-factsheets/>. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change. A copy of Royal London Asset Management Limited's annual TCFD Report can also be found on our website.

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 Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23** (p)
Opening net asset value per share	101.94	100.00
Return before operating charges*	0.17	2.00
Operating charges	(0.16)	(0.06)
Return after operating charges*	0.01	1.94
Distributions on accumulation shares	(2.79)	(0.88)
Retained distributions on accumulation shares	2.79	0.88
Closing net asset value per share	101.95	101.94
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.01%	1.94%
Other information		
Closing net asset value (£'000)	58	3
Closing number of shares	56,494	2,500
Operating charges	0.35%	0.35%
Direct transaction costs	–	–
Prices[^]		
Highest share price	103.30	102.40
Lowest share price	99.92	99.94

** Class M Accumulation launched on 23 November 2022.

Class M Income

Change in net assets per share	31/07/23 (p)	31/01/23** (p)
Opening net asset value per share	101.07	100.00
Return before operating charges*	0.17	2.01
Operating charges	(0.16)	(0.06)
Return after operating charges*	0.01	1.95
Distributions on income shares	(2.77)	(0.88)
Closing net asset value per share	98.31	101.07
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.01%	1.95%
Other information		
Closing net asset value (£'000)	2	3
Closing number of shares	2,500	2,500
Operating charges	0.35%	0.35%
Direct transaction costs	–	–
Prices[^]		
Highest share price	102.40	102.40
Lowest share price	99.06	99.94

** Class M Income launched on 23 November 2022.

Class R Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23** (p)
Opening net asset value per share	101.99	100.00
Return before operating charges*	0.18	2.00
Operating charges	(0.03)	(0.01)
Return after operating charges*	0.15	1.99
Distributions on accumulation shares	(2.79)	(0.88)
Retained distributions on accumulation shares	2.79	0.88
Closing net asset value per share	102.14	101.99
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.15%	1.99%
Other information		
Closing net asset value (£'000)	95,968	54,479
Closing number of shares	93,955,566	53,414,634
Operating charges	0.06%	0.06%
Direct transaction costs	–	–
Prices[^]		
Highest share price	103.40	102.50
Lowest share price	100.10	99.95

** Class R Accumulation launched on 23 November 2022.

Class S Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23** (p)
Opening net asset value per share	102.00	100.00
Return before operating charges*	0.16	2.00
Operating charges	(0.01)	–
Return after operating charges*	0.15	2.00
Distributions on accumulation shares	(2.79)	(0.88)
Retained distributions on accumulation shares	2.79	0.88
Closing net asset value per share	102.15	102.00
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.15%	2.00%
Other information		
Closing net asset value (£'000)	2	3
Closing number of shares	2,500	2,500
Operating charges	0.06%	0.06%
Direct transaction costs	–	–
Prices[^]		
Highest share price	103.40	102.50
Lowest share price	100.10	99.95

** Class S Accumulation launched on 23 November 2022.

Comparative Tables (continued)

Class S Income

Change in net assets per share	31/07/23 (p)	31/01/23** (p)
Opening net asset value per share	101.12	100.00
Return before operating charges*	0.14	2.00
Operating charges	(0.03)	–
Return after operating charges*	0.11	2.00
Distributions on income shares	(2.77)	(0.88)
Closing net asset value per share	98.46	101.12
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.11%	2.00%
Other information		
Closing net asset value (£'000)	11,297	3
Closing number of shares	11,474,111	2,500
Operating charges	0.06%	0.06%
Direct transaction costs	–	–
Prices[^]		
Highest share price	102.50	102.50
Lowest share price	99.19	99.95

** Class S Income launched on 23 November 2022.

Class Z Accumulation

Change in net assets per share	31/07/23 (p)	31/01/23** (p)
Opening net asset value per share	101.95	100.00
Return before operating charges*	0.18	2.01
Operating charges	(0.15)	(0.06)
Return after operating charges*	0.03	1.95
Distributions on accumulation shares	(2.79)	(0.88)
Retained distributions on accumulation shares	2.79	0.88
Closing net asset value per share	101.98	101.95
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.03%	1.95%
Other information		
Closing net asset value (£'000)	2,840	3
Closing number of shares	2,784,425	2,500
Operating charges	0.31%	0.31%
Direct transaction costs	–	–
Prices[^]		
Highest share price	103.30	102.40
Lowest share price	99.95	99.94

** Class Z Accumulation launched on 23 November 2022.

Class Z Income

Change in net assets per share	31/07/23 (p)	31/01/23** (p)
Opening net asset value per share	101.07	100.00
Return before operating charges*	0.18	2.01
Operating charges	(0.15)	(0.06)
Return after operating charges*	0.03	1.95
Distributions on income shares	(2.77)	(0.88)
Closing net asset value per share	98.33	101.07
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.03%	1.95%
Other information		
Closing net asset value (£'000)	276	3
Closing number of shares	280,579	2,500
Operating charges	0.31%	0.31%
Direct transaction costs	–	–
Prices[^]		
Highest share price	102.40	102.40
Lowest share price	99.08	99.94

** Class Z Income launched on 23 November 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 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 5.42% (31/01/23 – 6.31%)							
£2,881,000	Castell FRN 25/3/2053	678	0.61	£722,000	CPUK Finance 3.588% 28/2/2042	673	0.61
£741,000	Deco 2019-RAM DAC FRN 7/8/2030	248	0.22	£100,000	CPUK Finance 3.69% 28/2/2047	86	0.08
£900,000	Equity Release FRN 14/7/2045	634	0.57	£600,000	Credit Agricole 1.874% variable 9/12/2031	505	0.46
£790,000	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058	582	0.53	£200,000	Credit Agricole 4.875% 23/10/2029	190	0.17
£700,000	Finance for Residence Social Housing 'A2' 8.569% 5/10/2058	447	0.41	£431,000	CYBG 9.25% variable perpetual	417	0.38
£100,000	Frost CMBS 2021 1 DAC FRN 22/11/2026	97	0.09	£1,330,000	Delamare Finance 5.5457% 19/2/2029	733	0.66
£550,000	Income Contingent Student Loan 2 FRN 24/7/2058	55	0.05	£180,000	Derwent London 1.875% 17/11/2031	127	0.11
£2,850,000	Income Contingent Student Loan FRN 24/7/2056	160	0.15	£192,000	Dignity Finance 3.5456% 31/12/2034	109	0.10
£565,000	Income Contingent Student Loan 2.5% 24/7/2056	297	0.27	£250,000	DWR Cymru Financing 1.625% 31/3/2026	222	0.20
£368,000	Last Mile Logistics CMBS 2023-1 FRN 17/8/2033	368	0.33	£150,000	Eastern Power Networks 5.75% 8/3/2024	150	0.14
£100,000	PCL Funding FRN 15/10/2025	100	0.09	£358,000	Eastern Power Networks 8.5% 31/3/2025	367	0.33
£242,000	PCL Funding FRN 15/5/2028	242	0.22	£818,000	Electricity North West 8.875% 25/3/2026	872	0.79
£410,000	Sage AR Funding FRN 17/11/2030	399	0.36	£789,000	Equity Release Funding 5.7% 26/2/2031	365	0.33
£450,000	Sage AR Funding FRN 17/11/2051	434	0.39	£960,000	Equity Release Funding 5.88% 26/5/2032	575	0.52
£1,150,000	Taurus 2018 FRN 22/5/2028	662	0.60	£890,000	Equity Release Funding No.3 5.05% 26/4/2033	794	0.72
£2,764,000	Together Asset Backed Securitisation 2019 FRN 15/7/2061	581	0.53	£450,000	Esure Group 6% variable perpetual	310	0.28
Total Commercial Mortgage Backed Securities		5,984	5.42	£118,000	Esure Group 12% variable 20/12/2033	120	0.11
Corporate Bonds – 92.66% (31/01/23 – 91.89%)				£380,000	Eversholt Funding 2.742% 30/6/2040	258	0.23
£903,000	A2Dominion Housing Group 3.5% 15/11/2028	802	0.73	£180,000	Eversholt Funding 6.359% 2/12/2025	180	0.16
£850,000	AA Bond 6.269% 2/7/2043	821	0.74	£900,000	Eversholt Funding 6.697% 22/2/2035	777	0.70
£100,000	AA Bond 8.45% 31/7/2050	99	0.09	£328,000	First Group 6.875% 18/9/2024	327	0.30
£200,000	ABN AMRO Bank 5.25% 26/5/2026	197	0.18	£991,000	Folio Residential Finance 1.246% 31/10/2037	817	0.74
£300,000	Abrdn 5.25% variable perpetual	247	0.22	£200,000	Go-Ahead Group 2.5% 6/7/2024	199	0.18
£258,000	Affinity Water Finance 2004 5.875% 13/7/2026	256	0.23	£750,000	Great Rolling Stock 6.875% 27/7/2035	412	0.37
£590,000	Akelius Residential Property 2.375% 15/8/2025	534	0.48	£1,679,000	Greater Gabbard OFTO 4.137% 29/11/2032	1,040	0.94
£350,000	Anglian Water Osprey Financing 4% 8/3/2026	314	0.28	£1,101,000	Grosvenor UK Finance 6.5% 29/9/2026	1,115	1.01
£870,000	Annington Funding 2.646% 12/7/2025	800	0.72	£200,000	Gwyn y Môr OFTO 2.778% 17/2/2034	116	0.11
£495,000	Arqiva Financing 5.34% 30/12/2037	460	0.42	£705,000	Harbour Funding 5.28% 31/3/2044	676	0.61
£240,000	Arqiva Financing 7.21% 30/6/2045	244	0.22	£100,000	Haven Funding 7% 30/11/2032	77	0.07
£850,000	Assicurazioni Generali 6.269% perpetual	825	0.75	£407,051	Haven Funding 8.125% 30/9/2037	390	0.35
£1,840,000	Aviva 6.125% variable 14/11/2036	1,815	1.64	£307,655	Home Group 0% 11/5/2027	227	0.21
£123,000	Aviva 6.875% variable 20/5/2058	121	0.11	£126,000	Home Group 8.75% 11/5/2037	148	0.13
£500,000	AXA 5.625% variable 16/1/2054	468	0.42	£165,000	Housing Finance 5% 30/9/2027	157	0.14
£1,190,000	AXA 6.6862% variable perpetual	1,185	1.07	£1,840,935	Housing Finance 8.625% 13/11/2023	1,850	1.68
£100,000	Banco Santander 1.5% 14/4/2026	88	0.08	£725,000	HSBC 1.75% variable 24/7/2027	635	0.57
£200,000	Banco Santander 2.25% variable 4/10/2032	163	0.15	£200,000	HSBC 2.256% variable 13/11/2026	182	0.16
£200,000	Banco Santander 4.75% variable 30/8/2028	190	0.17	£190,000	HSBC 3% variable 22/7/2028	168	0.15
£582,000	Bank of Scotland 4.875% 20/12/2024	573	0.52	£840,000	HSBC 5.844% variable perpetual	842	0.76
£500,000	Banque Federative Du Credit Mutuel 4.875% 25/9/2025	487	0.44	£1,500,000	HSBC 8.201% variable 16/11/2034	1,566	1.42
£100,000	Banque Federative Du Credit Mutuel 5.375% 25/5/2028	97	0.09	£100,000	ING Groep NV 5% variable 30/8/2026	97	0.09
£1,227,000	Bazalgette Finance 2.375% 29/11/2027	1,062	0.96	£1,200,000	ING Groep NV 6.25% variable 20/5/2033	1,142	1.03
£900,000	BNP Paribas 2% variable 24/5/2031	774	0.70	£550,000	International Finance Facility for Immunisation 2.75% 7/6/2025	520	0.47
£700,000	BPCE 2.5% variable 30/11/2032	572	0.52	£961,000	Investec 1.875% variable 16/7/2028	774	0.70
£200,000	BPCE 6% variable 29/9/2028	197	0.18	£400,000	Investec 2.625% variable 4/1/2032	321	0.29
£300,000	BPCE 6.125% 24/5/2029	296	0.27	£450,000	Investec 9.125% variable 6/3/2033	451	0.41
£100,000	British Land 5.357% 31/3/2028	95	0.09	£407,000	John Lewis 6.125% 21/1/2025	394	0.36
£1,390,000	British Land 5.357% 31/3/2028	1,321	1.20	£432,000	Just Group 7% variable 15/4/2031	414	0.38
£100,000	BUPA Finance 5% 8/12/2026	95	0.09	£115,000	Just Group 8.125% 26/10/2029	116	0.11
£325,000	Close Brothers Group 2% variable 11/9/2031	267	0.24	£1,106,000	Jutuma Euro Loan Conduit 5.0636% 10/8/2033	729	0.66
£698,000	Close Brothers Group 7.75% 14/6/2028	705	0.64	£200,000	KBC Group 5.5% variable 20/9/2028	194	0.18
£550,000	Co-operative Bank Finance 6% variable 6/4/2027	502	0.45	£310,000	Land Securities 5.391% variable 31/3/2027	304	0.28
£100,000	Co-operative Bank 9.5% variable 25/4/2029	98	0.09	£1,025,000	Land Securities Capital Markets 1.974% 8/2/2026	1,002	0.91
£550,000	Co-operative Wholesale Society 7.5% Step 8/7/2026	518	0.47	£300,000	Land Securities Capital Market 2.375% 29/3/2029	264	0.24
£400,000	Coventry Building Society 6.875% variable perpetual	380	0.34	£700,000	Leeds Building Society 1.375% 6/10/2027	578	0.52
				£350,000	Leeds Building Society 1.5% variable 16/3/2027	307	0.28
				£100,000	Leeds Building Society 3.75% variable 25/4/2029	87	0.08
				£382,000	Legal & General 5.125% variable 14/11/2048	352	0.32
				£1,137,000	Legal & General 5.375% variable 27/10/2045	1,096	0.99
				£1,339,000	Legal & General 5.5% variable 27/6/2064	1,244	1.13

Portfolio Statement (continued)

As at 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 92.66% (31/01/23 – 91.89%) – continued				£750,000	Premier Transmission Finance 5.2022% 31/3/2030	300	0.27
£463,000	Lloyds Banking Group 1.875% variable 15/1/2026	434	0.39	£728,000	Principality Building Society 8.625% 12/7/2028	750	0.68
£500,000	Lloyds Banking Group 1.985% variable 15/12/2031	424	0.38	£876,000	Protective Life Global Funding 5.248% 13/1/2028	852	0.77
£506,000	Lloyds Banking Group 2% variable 12/4/2028	431	0.39	£500,000	PRS Finance 1.75% 24/11/2026	422	0.38
£1,000,000	Lloyds Banking Group 6.625% variable 2/6/2033	975	0.88	£310,000	Quadrant Housing 7.93% Step 10/2/2033	264	0.24
£200,000	Lloyds Banking Group 8.5% variable perpetual	193	0.17	£400,000	Rothsay Life 3.375% 12/7/2026	362	0.33
£200,000	Lloyds Banking Group 8.5% variable perpetual	191	0.17	£1,263,000	Rothsay Life 5.5% variable 17/9/2029	1,233	1.12
£505,000	London & Quadrant 2.625% 5/5/2026	462	0.42	£200,000	Rothsay Life 6.875% variable perpetual	167	0.15
£410,000	London Merchant Securities 6.5% 16/3/2026	406	0.37	£567,000	Rothsay Life 7.734% 16/5/2033	558	0.51
£2,300,000	Longstone Finance 4.791% 19/4/2036	829	0.75	£353,000	Royal Bank of Scotland 3.125% variable 28/3/2027	323	0.29
£1,080,000	M&G 3.875% variable 20/7/2049	1,049	0.95	£700,000	Royal Bank of Scotland 3.622% variable 14/8/2030	653	0.59
£1,465,000	M&G 5.625% variable 20/10/2051	1,323	1.20	£800,000	RSA Insurance 5.125% variable 10/10/2045	762	0.69
£575,000	Meadowhall Finance 4.986% 12/1/2032	264	0.24	£311,000	RSL Finance 6.625% 31/3/2038	262	0.24
£500,000	Meadowhall Finance FRN 12/7/2037	276	0.25	£729,824	Sanctuary 8.375% 1/9/2031	635	0.57
£700,000	Metropolitan Life Global Funding 1.625% 12/10/2028	573	0.52	£375,000	Santander UK 2.92% variable 8/5/2026	349	0.32
£850,000	Metropolitan Life Global Funding 3.5% 30/9/2026	791	0.72	£150,000	Santander UK 3.625% 14/1/2026	140	0.13
£650,000	Metropolitan Life Global Funding 4.125% 2/9/2025	625	0.57	£500,000	Santander UK 7.098% variable 16/11/2027	502	0.45
£300,000	MIELI London 4.82% 12/8/2027	270	0.24	£828,000	Scentre Management 3.875% 16/7/2026	768	0.70
£658,000	Mizuho Financial 5.628% 13/6/2028	644	0.58	£403,000	Skandinaviska Enskilda Banken 5.5% 1/6/2026	397	0.36
£500,000	Muenchener Hypothekenbank 0.5% 11/12/2024	465	0.42	£872,000	Skipton Building Society 2% variable 2/10/2026	778	0.70
£530,000	National Australia Bank 1.699% variable 15/9/2031	444	0.40	£150,000	Skipton Building Society 6.25% variable 25/4/2029	145	0.13
£150,000	National Express 2.375% 20/11/2028	124	0.11	£247,500	Skipton Building Society 8.5% perpetual	277	0.25
£450,000	National Express 4.25% variable perpetual	394	0.36	£800,000	Society of Lloyds 4.875% variable 7/2/2047	738	0.67
£600,000	Nationwide Building Society 5.769% perpetual	568	0.51	£600,000	South Eastern Power Networks 5.5% 5/6/2026	592	0.54
£106,000	Nationwide Building Society 6.178% variable 7/12/2027	105	0.10	£450,000	SPD Finance UK 5.875% 17/7/2026	448	0.41
£300,000	Nationwide Building Society FRN 15/12/2023	300	0.27	£470,000	SSE 3.74% variable perpetual	426	0.39
£1,225,000	NatWest Group 2.105% variable 28/11/2031	1,035	0.94	£150,000	St James Oncology Financing 2.804% 31/3/2037	92	0.08
£100,000	NatWest Group 3.619% variable 29/3/2029	88	0.08	£472,000	Stagecoach 4% 29/9/2025	438	0.40
£100,000	NatWest Group 7.416% variable 6/6/2033	100	0.09	£527,000	Stirling Water Seafield 5.822% 26/9/2026	128	0.12
£460,000	NatWest Markets 6.375% 8/11/2027	463	0.42	£150,000	Sustainable Communities for Leeds Finance 5.069% 30/9/2032	91	0.08
£300,000	NatWest Markets 6.625% 22/6/2026	303	0.27	£657,000	Svenska Handelsbanken 4.625% variable 23/8/2032	599	0.54
£250,000	New York Life Global Funding 0.75% 14/12/2028	196	0.18	£1,020,000	TC Dudgeon OFTO 3.158% 12/11/2038	750	0.68
£305,000	New York Life Global Funding 1.625% 15/12/2023	300	0.27	£410,000	Telereal Secured Finance 4.01% 10/12/2033	206	0.19
£500,000	NGG Finance 5.625% variable 18/6/2073	477	0.43	£200,000	Telereal Securitisation 1.3657% 10/12/2033	122	0.11
£400,000	NIE Finance 6.375% 2/6/2026	403	0.37	£884,000	Telereal Securitisation 1.9632% variable 10/12/2033	776	0.70
£450,000	Nordea Bank Abp 1.625% variable 9/12/2032	359	0.33	£150,000	Telereal Securitisation 3.507% variable 10/12/2033	132	0.12
£198,000	Nordea Bank Abp 6% variable 2/6/2026	196	0.18	£1,100,000	Telereal Securitisation 4.9741% 10/12/2033	447	0.40
£650,000	Notting Hill Genesis 2.875% 31/1/2029	559	0.51	£1,180,000	Telereal Securitisation 5.3887% 10/12/2033	438	0.40
£120,000	OP Corporate Bank 1.375% 4/9/2026	103	0.09	£485,000	Telereal Securitisation 6.1645% 10/12/2033	401	0.36
£350,000	OP Corporate Bank 3.375% 14/1/2026	329	0.30	£1,350,000	Telereal Securitisation FRN 10/12/2033	408	0.37
£378,000	Orsted 2.5% variable 18/2/3021	252	0.23	£594,000	Telereal Securitisation FRN 10/12/2033	446	0.40
£400,000	OSB Group 6% variable perpetual	300	0.27	£750,000	Telereal Securitisation FRN 10/12/2033	604	0.55
£222,000	OSB Group 9.993% variable 27/7/2033	217	0.20	£100,000	Thames Water Utilities 2.875% 3/5/2027	78	0.07
£450,000	Pension Insurance 8% 23/11/2026	458	0.41	£385,000	Thames Water Utilities 4% 19/6/2025	359	0.33
£215,000	PGH Capital 6.625% 18/12/2025	213	0.19	£350,000	Thames Water Utilities Finance 0.875% 19/10/2023	344	0.31
£200,000	Phoenix Life 5.75% variable perpetual	158	0.14	£600,000	Thames Water Kemble Finance 4.625% 19/5/2026	412	0.37
£1,000,000	Places for People Homes 3.625% 22/11/2028	888	0.80	£500,000	Toronto Dominion Bank 2.875% 5/4/2027	448	0.41
£2,062,000	Places for People Homes 5.09% 31/7/2043	2,035	1.84	£390,000	Trafford Centre 6.5% 28/7/2033	244	0.22
£1,350,000	Porterbrook Rail Finance 7.125% 20/10/2026	1,390	1.26	£450,000	Trafford Centre FRN 28/7/2038	365	0.33
				£200,000	Travis Perkins 3.75% 17/2/2026	178	0.16

Portfolio Statement (continued)

As at 31 July 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Corporate Bonds – 92.66% (31/01/23 – 91.89%) – continued			
£300,000	UK Municipal Bonds Agency Finance FRN 12/3/2025	300	0.27
£1,064,000	Unite USAF II 3.921% 30/6/2030	1,005	0.91
£400,000	Vicinity Centres 3.375% 7/4/2026	371	0.34
£437,000	Virgin Money 2.625% variable 19/8/2031	365	0.33
£300,000	Virgin Money 3.375% variable 24/4/2026	278	0.25
£180,000	Virgin Money 5.125% variable 11/12/2030	166	0.15
£680,000	Virgin Money 7.875% variable 14/12/2028	677	0.61
£450,000	Vodafone 4.875% variable 3/10/2078	421	0.38
£148,000	Welltower 4.8% 20/11/2028	136	0.12
£950,000	Wessex Water 5.375% 10/3/2028	916	0.83
£800,000	Western Power Distribution 3.875% 17/10/2024	778	0.70
£730,000	Western Power Distribution 5.5% 9/5/2025	724	0.66
£300,000	Westfield America Management 2.125% 30/3/2025	275	0.25
£1,094,000	Westfield Stratford City 1.642% 4/8/2031	939	0.85
£550,000	White City Property 5.1202% 17/4/2035	403	0.36
£800,000	Wods Transmission 3.446% 24/8/2034	505	0.46
£376,000	Yorkshire Building Society 3.511% variable 11/10/2030	316	0.29
£949,000	Yorkshire Building Society 6.375% variable 15/11/2028	923	0.84
£260,000	Yorkshire Water Finance 1.75% 26/11/2026	224	0.20
£523,000	Yorkshire Water Finance 5.25% 28/4/2030	496	0.45
£300,000	Yorkshire Water Services 6.454% 28/05/2027	299	0.27
Total Corporate Bonds		102,336	92.66
Futures – 0.00% (31/01/23 – 0.01%)			
(25)	ICF Long Gilt Future September 2023	2	–
Total Futures		2	–
Total value of investments		108,322	98.08
Net other assets		2,121	1.92
Total net assets		110,443	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 Material Portfolio Changes

For the six month period ended 31 July 2023

Significant Purchases

	Cost £'000
UK Treasury 3.5% 22/10/2025	7,052
UK Treasury 0.125% 30/1/2026	7,041
UK Treasury 0.375% 22/10/2026	4,888
HSBC 8.201% variable 16/11/2034	1,318
Housing Finance 8.625% 13/11/2023	1,303
Places for People Homes 5.09% 31/7/2043	1,274
Rothesay Life 5.5% variable 17/9/2029	1,238
ING Groep NV 6.25% variable 20/5/2033	1,158
UK Treasury 0.625% 7/6/2025	1,133
Lloyds Banking Group 6.625% variable 2/6/2033	980
Subtotal	27,385
Total cost of purchases, including the above, for the period	89,264

Significant Sales

	Proceeds £'000
UK Treasury 3.5% 22/10/2025	7,043
UK Treasury 0.125% 30/1/2026	7,021
UK Treasury 0.375% 22/10/2026	4,872
Principality Building Society 2.375% 23/11/2023	1,457
UK Treasury 0.625% 7/6/2025	1,130
Scottish Widows 5.5% 16/6/2023	900
Royal Bank of Canada 5% 24/1/2028	640
Unite USAF II 3.374% 30/6/2028	500
Anglian Water Services Financing 5.875% 20/6/2031	500
Yorkshire Building Society 3% variable 18/4/2025	439
Subtotal	24,502
Total proceeds from sales, including the above, for the period	32,296

Financial Statements

Statement of Total Return

For the six month period ended 31 July 2023

	31 Jul 2023*	
	£'000	£'000
Income		
Net capital losses		(2,135)
Revenue	2,163	
Expenses	(25)	
Interest payable and similar charges	(1)	
Net revenue before taxation	2,137	
Taxation	–	
Net revenue after taxation		2,137
Total return before distributions		2
Distributions		(2,162)
Change in net assets attributable to shareholders from investment activities		(2,160)

* The Fund launched on 23 November 2022, so there are no comparatives.

Statement of Change in Net Assets Attributable to Shareholders

For the six month period ended 31 July 2023

	31 Jul 2023*	
	£'000	£'000
Opening net assets attributable to shareholders		54,494
Amounts receivable on creation of shares	55,700	
Amounts payable on cancellation of shares	(468)	
		55,232
Dilution adjustment charged		172
Change in net assets attributable to shareholders from investment activities		(2,160)
Retained distributions on accumulation shares		2,705
Closing net assets attributable to shareholders		110,443

* The Fund launched on 23 November 2022, so there are no comparatives.

Balance Sheet

As at 31 July 2023

	31 Jul 2023	31 Jan 2023
	£'000	£'000
Assets		
Investments	108,322	53,521
Current assets:		
Debtors	1,649	1,560
Cash and bank balances	1,696	332
Total assets	111,667	55,413
Liabilities		
Creditors:		
Other creditors	898	919
Distribution payable	326	–
Total liabilities	1,224	919
Net assets attributable to shareholders	110,443	54,494

Distribution Table

For the six month period ended 31 July 2023

Distribution in pence per share

Interim

Group 1: Shares purchased prior to 1 February 2023

Group 2: Shares purchased between 1 February 2023 and 31 July 2023

	Net income	Equalisation	Distribution payable 30/09/23*
Class M Accumulation			
Group 1	2.7914	–	2.7914
Group 2	0.4319	2.3595	2.7914
Class M Income			
Group 1	2.7677	–	2.7677
Group 2	0.0124	2.7553	2.7677
Class R Accumulation			
Group 1	2.7947	–	2.7947
Group 2	0.8603	1.9344	2.7947
Class S Accumulation			
Group 1	2.7947	–	2.7947
Group 2	2.7947	0.0000	2.7947
Class S Income			
Group 1	2.7698	–	2.7698
Group 2	2.4593	0.3105	2.7698
Class Z Accumulation			
Group 1	2.7918	–	2.7918
Group 2	1.1984	1.5934	2.7918
Class Z Income			
Group 1	2.7678	–	2.7678
Group 2	0.7042	2.0636	2.7678

* The Fund launched on 23 November 2022, so there are no comparatives.

Fact File

Constitution

Royal London Ethical Bond Fund

Launch date	12 April 2019		
Accounting end dates	31 January (final)		
	31 July (interim)		
Distribution dates	31 March (final)		
	30 June (interim)		
	30 September (interim)		
	31 December (interim)		
Minimum investment	Class M	£1,000,000 (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	0.55%
		Class R	0.10%
		Class S	0.10%
		Class Z	0.40%

Royal London Short Duration Credit Fund

Launch date	12 April 2019		
Accounting end dates	31 January (final)		
	31 July (interim)		
Distribution dates	31 March (final)		
	30 September (interim)		
Minimum investment	Class M	£1,000,000 (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	0.35%
		Class R	0.10%
		Class S	0.10%
		Class Z	0.31%

Royal London Sustainable Short Duration Corporate Bond Fund

Launch date	23 November 2022		
Accounting end dates	31 January (final)		
	31 July (interim)		
Distribution dates	31 March (final)		
	30 September (interim)		
Minimum investment	Class M	£1,000,000 (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	0.35%
		Class R	0.06%
		Class S	0.06%
		Class Z	0.31%

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 Ethical Bond Fund

The Fund's investment objective is to achieve a total return over the medium term (3-5 years), by investing predominantly in sterling-denominated corporate bonds, which meet predetermined ethical criteria.

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. 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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective. (A full specification of the ethical criteria is available from the ACD upon request).

The Fund may hold transferable securities (including Exchange Traded Funds which are closed-ended funds), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

Risk and reward profile



The Fund is ranked in risk category 4 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 corporations are more volatile than bonds issued by governments.

Royal London Short Duration Credit Fund

The Fund's investment objective is to achieve a total return over the medium term (3-5 years), by investing predominantly in sterling-denominated bonds, of which primarily will be short-duration (5 years or less).

The Fund's performance target is to outperform, after the deduction of charges, the ICE Bank of America Merrill Lynch 1–5 Year Sterling Non-Gilt Total Return (GBP unhedged) Index (the "Index") over a rolling 5-year period. 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 (gilts).

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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective.

The Fund may hold transferable securities, including Exchange Traded Funds (but not those which are collective investment schemes), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares). 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

Royal London Sustainable Short Duration Corporate Bond Fund

The Fund's investment objective is to achieve a total return over the medium term (3-5 years), by investing predominantly in sterling-denominated bonds, of which primarily will be short-duration (5 years or less).

The Fund's performance target is to outperform, after the deduction of charges, the ICE Bank of America Merrill Lynch 1–5 Year Sterling Non-Gilt Total Return (GBP unhedged) Index (the "Index") over a rolling 5-year period. 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 (gilts).

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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective.

The Fund may hold transferable securities, including Exchange Traded Funds (but not those which are collective investment schemes), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

The Fund focuses on the sustainability of the products and services of the companies it invests in, as well as their standards of environmental, social & governance (ESG) management, alongside financial analysis. The Investment Manager avoids investing in tobacco and armament manufacturers, nuclear power generators, and companies that conduct animal testing (other than for purposes of human or animal health, and/or where it is required by law or regulation). This exclusion policy helps to avoid companies the Investment Manager believes expose investors to unacceptable financial risk resulting from poor management of ESG issues.

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.

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.

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 30 October 2018. 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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Ref: SREP RLAM PD 0289

