

Royal London Short Duration Global High Yield Bond Fund

M Inc GBP
31 May 2024

Fund objective

The investment objective of the Fund is to provide income, the Fund will seek to achieve its objective on an active basis. The Fund seeks to achieve its investment objective by outperforming its benchmark, SONIA (the "Benchmark") by 2% per annum over rolling three year periods. The Benchmark is being used by the Fund for performance comparison purposes only and the Fund does not intend to track the Benchmark. While the Fund may invest in investments which are constituents of the Benchmark, the Fund will be actively managed and its portfolio will not be constrained by reference to any index, and the Investment Manager may use its discretion to invest in instruments which are not included in the Benchmark.

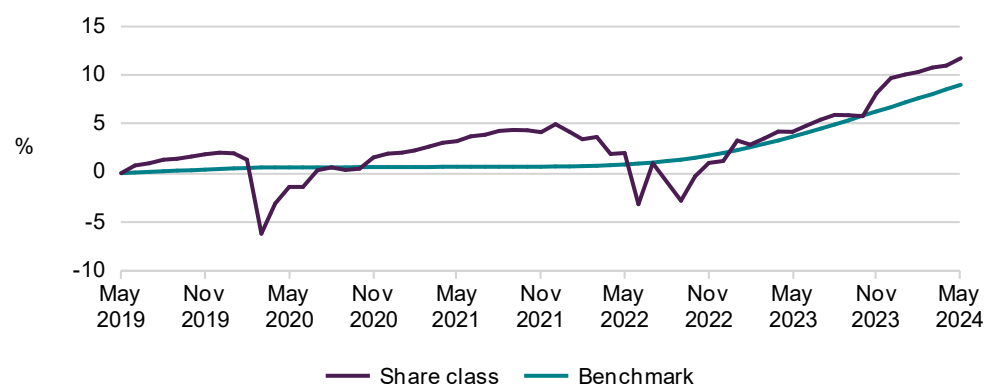
Cumulative performance %

	3M	6M	1Y	3Y	5Y	Annualised %	
						3Y	5Y
Share class	1.27	3.27	7.21	8.18	11.71	2.65	2.24
Benchmark	1.28	2.57	5.13	8.36	9.20	2.71	1.77
IA Sector	1.53	5.62	10.78	4.46	16.70	1.47	3.14
Quartile Rank	3	4	4	2	3	2	3

Year on year performance % (12 months to 31 May)

	31/05/2023 - 31/05/2024	31/05/2022 - 31/05/2023	31/05/2021 - 31/05/2022	31/05/2020 - 31/05/2021	31/05/2019 - 31/05/2020
Share class	7.21	2.10	(1.17)	4.73	(1.41)

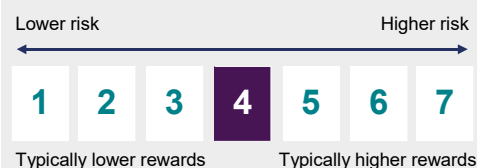
Rolling performance



Past performance is not a guide to future performance. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested. Fund performance is shown on a mid to mid price basis, net of fees and gross of taxes, with gross income reinvested unless otherwise stated. Benchmark performance is shown gross of fees and taxes. The impact of commissions, fees and other charges can be material on the performance of your investment.

Fund launch date	15 February 2013
Fund size	£1,256.95m
Fund type	OEIC
Fund domicile	IE
Fund managers	Azhar Hussain Stephen Tapley
ISA eligible	Yes
Fund base currency	GBP
Share class currency	GBP
Share class launch date	9 April 2013
Benchmark	Sterling Overnight Index Average (SONIA)
SFDR classification	Article 8
Settlement days	T+3
IA sector	£ High Yield
Duration to expected	1.13 years
Distribution yield (%)	4.11
FX adjusted yield (%)	7.10
Fund management fee	0.590%
Minimum investment	£100,000
Mid price	£0.76
ISIN	IE00B9BQGL21
Sedol	B9BQGL2

Risk measurement



The indicator is based on historical data and may not be a reliable indication of the future risk profile. The category shown may change over time. The lowest category does not mean 'risk free'.

Fund Commentary

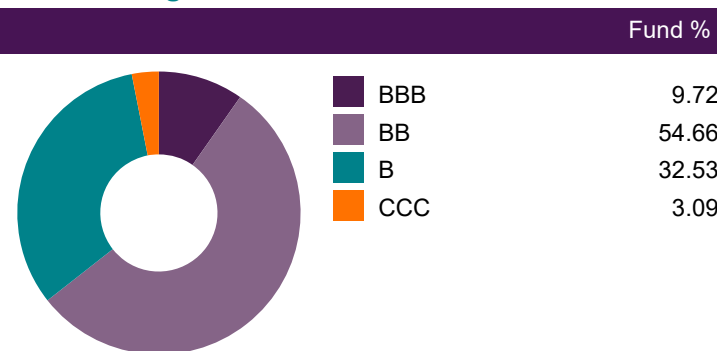
The global high yield market rebounded in May and produced a GBP-hedged monthly return of 1.16%. The primary contributor during the month was the government yield curve which fell 14bps. Global high yield spreads (BB-B index) tightened 9bps during the month and have now tightened every month since January. The high yield market is now yielding 7.05% (YTW) with a duration of 3.6 years. Price returns were 0.6%, while income returns were 0.5%. The fund's GBP-expected FX-adjusted yield increased by 14bps to 7.10% with an expected duration of 1.13 years. The month of May saw a continuation of the high issuance seen in previous months, with the amount of global high yield new issuance at \$59.0bn which is the highest amount of monthly new issuance since September 2021. In the US, \$33.8bn of high yield debt was issued which consequently is also the highest monthly amount since September 2021. Out of the \$33.8bn of new issuance, \$20.3bn was issued by single B rated companies.

The US high yield default rate fell to 2.0% in May from 2.3% in April – hitting its lowest mark since August 2023. May's figure now means the US high yield default rate has been sitting in a range between 2.0% and 2.6% since April 2023. For comparison, during the GFC the default rate was seen over 20% and it was over 7% during the Covid pandemic. The global high yield rate inched lower to 2.8% in May from 2.9% in April and is lower than the 3.0% seen in May last year. These default levels would be entirely normal in an historic context, but the nature of the economic backdrop and strong company balance sheets means we expect default rates to grind higher, instead of sharply spiking.

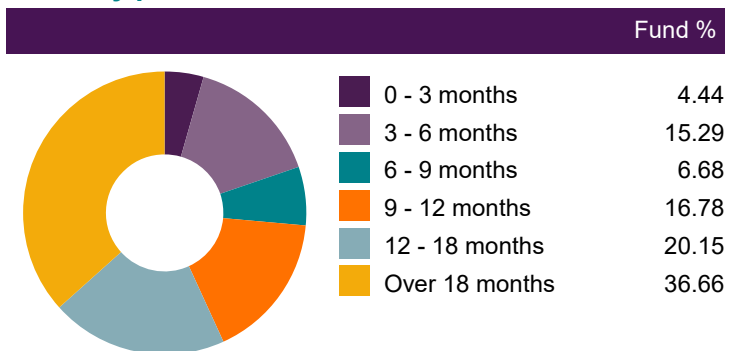
Decomposing the funds' assets: all regions produced positive returns with RoW and UK assets outperforming on a relative basis. By rating, the fund's BBB assets relatively outperformed, with BB and single B assets still producing positive returns. With respect to sector, our services, telecommunications and transportation holdings were the largest contributors to performance. Asset composition by region and rating were both broadly unchanged on the month. With the continued new issuance, the fund's holdings in AA, Adevinta and Centre Parcs were redeemed in May while Telecom Italia's 2024 bond matured and was repaid. During the month, cash was spent on adding to existing positions as well as new positions in Aggreko, Carnival Cruises, Cheplapharm, Premier Foods, Post Holdings and Tui. Overall, the cash level was 3.9% at end of the month.

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

Credit ratings



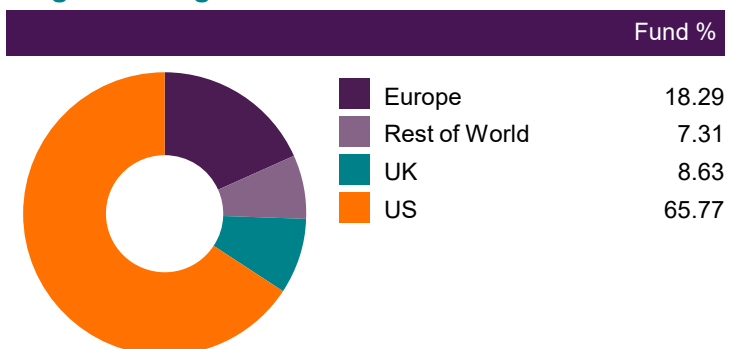
Maturity profile



Top holdings

	Weight %
HESS MIDSTREAM OPERATION 5.625000000	1.76
VERISURE HOLDING AB 3.875000000 2026-07-15	1.68
ALTICE FINANCING SA 2.250000000 2025-01-15	1.67
SIRIUS XM RADIO INC 3.125000000 2026-09-01	1.67
TRANSDIGM INC 5.500000000 2027-11-15	1.65
ROLLS-ROYCE PLC 3.625000000 2025-10-14	1.65
IRON MOUNTAIN UK PLC 3.875000000 2025-11-15	1.63
SUNOCO LP/FINANCE CORP 6.000000000	1.61
CARNIVAL CORP 7.625000000 2026-03-01	1.61
EIRCOM FINANCE DAC 3.500000000 2026-05-15	1.60

Regional weights



Lead Fund Manager



Azhar Hussain
Head of Global Credit
Tenure from: 15 February 2013

Deputy Fund Manager



Stephen Tapley
Senior Fund Manager
Tenure from: 15 February 2013

Key concepts to understand

Bonds: Securities that represent an obligation to repay a debt, with interest. Investment grade bonds are high quality bonds that are viewed as being highly likely to make all scheduled payments of interest and principal. Low quality bonds carry higher risk but also typically pay higher rates of interest. Corporate bonds are those issued by companies to raise finance.

Derivatives: A financial instrument whose price is dependent upon or derived from one or more underlying asset.

Distribution yield: The distribution yield reflects the amounts that may be expected to be distributed over the next 12 months. It is calculated net of standard management charges. It reflects RLAM's current perception of market conventions around timing of bond cash flows.

Efficient Portfolio Management (EPM) techniques: The Fund may engage in EPM techniques including holdings of derivative instruments. The use of these instruments may expose the Fund to volatile investment returns and increase the volatility of the net asset value of the Fund. EPM techniques may involve the Fund entering into transactions with counterparties where there may be a risk of counterparty default. The Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

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

Fund risks

Counterparty risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

Credit risk: Should the issuer of a fixed income security become unable to make income or capital payments, or their rating is downgraded, the value of that investment will fall. Fixed income securities that have a lower credit rating can pay a higher level of income and have an increased risk of default.

Derivative risk: Derivatives are highly sensitive to changes in the value of the underlying asset which can increase both Fund losses and gains. The impact to the Fund can be greater where they are used in an extensive or complex manner, where the Fund could lose significantly more than the amount invested in derivatives.

EPM techniques risk: The Fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Fund to increased price volatility.

Emerging markets risk: Investing in Emerging Markets may provide the potential for greater rewards but carries greater risk due to the possibility of high volatility, low liquidity, currency fluctuations, the adverse effect of social, political and economic instability, weak supervisory structures and accounting standards.

Exchange rate risk: Changes in currency exchange rates may affect the value of your investment.

Interest rate risk: Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital. Unlike the income from a single fixed interest security, the level of income (yield) from a fund is not fixed and may go up and down. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background.

Investment risk: The value of investments and any income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

Liquidity risk: In difficult market conditions the value of certain fund investments may be difficult to value and harder to sell, or sell at a fair price, resulting in unpredictable falls in the value of your holding.

Share class fees and charges

Share class	ISIN	Fee	Minimum investment
A Inc GBP	IE00B991KN91	0.990%	£1,000
M Acc GBP	IE00BD0NHNK86	0.590%	£100,000
M Inc GBP	IE00B9BQGL21	0.590%	£100,000
Z Acc EUR Hedged	IE00BGSVCT98	0.530%	€3,000,000
Z Acc GBP	IE00BD0ND118	0.480%	£3,000,000
Z Acc USD Hedged	IE00BGSVCV11	0.530%	\$3,000,000
Z Inc GBP	IE00B979BF49	0.480%	£3,000,000

Contact details

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Further information



Further information on this fund, including commentaries and reports, can be found in the Funds section of www.rlam.com as appropriate to your investor type and location.

Important information

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The Fund is a sub-fund of Royal London Asset Management Funds plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds.

Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. It is a recognised scheme under the Financial Services and Markets Act 2000.

The Management Company is FundRock Management Company SA, Registered office: 33 rue de Gasperich, L - 5826 Hesperange, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

The Investment Manager is Royal London Asset Management Limited.

For more information on the Fund or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on www.rlam.com.

Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available.

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Source: Royal London Asset Management as at 31 May 2024 unless otherwise stated.