

# ROYAL LONDON CORPORATE BOND FUND

28 FEBRUARY 2017



ASSET MANAGEMENT

## FUND OVERVIEW

### General Information

Fund Manager:	Jonathan Platt
Fund size (mid basis)	£959.17m
Fund Type	OEIC
Fund domicile	GBR
ISA	Y
Duration	7.6
Benchmark Duration	8.2
Benchmark:	iBoxx Sterling Non Gilts All Maturities Index

### Share Class A (Income)

Inception date	29/03/1999
Initial charge	3.00%
Annual mgmt charge	0.90%
Min investment	£1,000
Min monthly contribution	£50
OCF	0.97%
Sedol number	B3P2K89
Mid price	99.43
Distribution yield	4.10%
Underlying yield	3.14%

### Share Class M (Accumulation)

Inception date	26/11/2012
Annual mgmt charge	0.45%
Min investment	£100,000
Min monthly contribution	£1,000
OCF	0.52%
Sedol number	B87FJ40
Mid price	129.80
Distribution yield	4.10%
Underlying yield	3.59%

### Share Class M (Income)

Inception date	01/05/2012
Annual mgmt charge	0.45%
Min investment	£100,000
Min monthly contribution	£1,000
OCF	0.52%
Sedol number	B6XZQT4
Mid price	119.90
Distribution yield	4.10%
Underlying yield	3.59%

### Share Class Z (Income)

Inception date	30/04/2010
Annual mgmt charge	0.30%
Min investment	£1,000,000
OCF	0.37%
Sedol number	B3MBXC4
Mid price	103.60
Distribution yield	4.10%
Underlying yield	3.74%

### Share Class Y Acc

Inception date	17/01/2016
Annual mgmt charge	0.275%
Min investment	£150,000,000
OCF	0.82%
Sedol number	BD3GHQ0
Mid price	101.80
Distribution yield	4.10%
Underlying yield	3.74%

### Share Class Y (Income)

Inception date	17/01/2016
Annual mgmt charge	0.275%
Min investment	£150,000,000
OCF	0.85%
Sedol number	BD3GHR1
Mid price	101.60
Distribution yield	4.10%
Underlying yield	3.78%

### Overview

The fund seeks to achieve a combination of mainly income with some capital growth over the medium (5 years) to long term (7 years). The Corporate Bond Fund invests in a broad range of sterling fixed interest assets.

### Performance 12 Months Ending

	28/02/17	28/02/16	28/02/15	28/02/14	28/02/13
(Class A Inc)	11.21%	-2.59%	11.10%	4.33%	12.06%
(Class M Acc)	11.70%	-2.11%	11.56%	4.72%	12.23%
(Class M Inc)	11.63%	-2.10%	11.54%	4.78%	-
(Class Z Inc)	11.86%	-2.01%	11.76%	4.95%	12.74%

### Cumulative Performance to 28/02/2017

	3 months	6 months	1 Year	3 Years	5 Years
(Class A Inc)	3.65%	-1.53%	11.21%	20.35%	40.71%
(Class M Acc)	3.76%	-1.29%	11.70%	21.99%	43.38%
(Class M Inc)	3.71%	-1.34%	11.63%	21.89%	-
(Class Z Inc)	3.76%	-1.26%	11.86%	22.50%	44.94%
(Class Y Acc)	The share class's performance information has been omitted as per FCA rules, since this share class is less than one year old.				
(Class Y Inc)	The share class's performance information has been omitted as per FCA rules, since this share class is less than one year old.				
Sector Average	3.14%	-1.78%	11.04%	18.46%	33.59%
Benchmark	3.53%	-2.45%	11.14%	23.65%	40.72%
Quartile Ranking (Class A)	1	2	2	1	1

Mid to mid, net of fees and taxes, net income reinvested unless otherwise stated. The UK government has announced that, from 6 April 2017, no tax will be deducted from any interest distributions. For details on how this will impact interest distributions, please refer to the Prospectus. Information about past performance is not a reliable indicator of future results. The investor may not get back part, or all, of the amount originally invested. The value of your investment and the income from it is not guaranteed and can fall as well as rise. Please refer to the Key Investor Information Document (KIID) for a list of the relevant risks. All yields are net of expenses and gross of taxes. This fund converted from a unit trust (bid price) to an OEIC (mid price) on 30th April 2010. This change is reflected in past performance history.

### Distribution History (Net)

	Dec-16	Sep-16	Jun-16	Mar-16
(Class A Inc)	0.83p	0.84p	0.82p	0.83p
(Class M Inc)	0.99p	1.01p	0.98p	0.99p
(Class Z Inc)	0.85p	0.87p	0.85p	0.86p

Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell shares.

Credit Breakdown		
	Fund (%)	Index*(%)
AAA	3.5	19.4
AA	6.1	15.0
A	25.2	28.7
BBB	45.9	36.2
BB and below	10.7	0.8
Unrated	8.6	0.0

\*iBoxx Sterling Non Gilts All Maturities Index (RLAM as at 28/02/17)

Maturity Profile		
	Fund (%)	Index*(%)
0-5 years	18.9	29.0
5-10 years	39.5	26.3
10-15 years	22.1	16.3
15+ years	19.5	28.4

Sector Breakdown		
	Fund (%)	Index*(%)
Structured	27.1	11.0
Banks and financial services	19.5	17.0
Utilities	14.2	13.6
Insurance	11.1	6.0
Real estate	5.9	1.5
Social housing	5.8	2.9
Consumer services	4.7	5.5
Telecommunications	4.1	5.8
Covered	2.7	3.8
General industrials	1.7	4.4
Investment trusts	1.3	0.0
Consumer goods	1.1	6.8
Index linked bonds	0.4	0.0
Foreign sovereigns	0.3	1.2
Conventional gilts	0.2	0.0
Supranationals & agencies	0.0	20.4

\*iBoxx Sterling Non Gilts All Maturities Index (RLAM as at 28/02/17)

Asset Split		
	Fund (%)	Index*(%)
Conventional corporate bonds****	99.1	98.8
Index linked corporate bonds	0.4	0.0
Foreign conventional sovereign	0.3	1.2
Sterling conventional gilts	0.2	0.0

\*iBoxx Sterling Non Gilts All Maturities Index (RLAM as at 28/02/17)

\*\*Conventional corporate bond allocation includes exposure to non-sterling credit bonds and certificates of deposits, where applicable.

Top Ten Holdings		Fund (%)
Co-operative Bank	4.75% 11/11/2021	0.9
Annington Finance	0% 07/12/2022	0.8
Prudential	5.7% 19/12/2063	0.8
Thames Water Utilities	7.738% 09/04/58	0.8
Barclays Bank	10% 21/05/2021	0.8
Electricite de France	6% 23/01/2114	0.8
AA Bond	6.269% 07/31/25	0.8
Lloyds Bank	5.125% 2025	0.7
SL Finance	6.75% Perp	0.7
Lloyds Bank	13% Perp	0.7
Total		7.8
Total No. of Holdings		324

(RLAM as at 28/02/2017)

## RISK WARNINGS

The issuers of certain bonds could become unable to make income or capital payments on their bonds.

### Yield Definitions

The **distribution yield** reflects the amounts that maybe expected to be distributed over the next 12 months. The **underlying yield** reflects the annualised income net expenses of the fund as a percentage (Calculated in accordance with the relevant accounting standards). Both these yields are calculated as a (%) of the mid-price of the fund and are month end snap shots and do not include any preliminary charges and investors may be subject to tax on distributions

## CONTACT DETAILS

### For institutional investors

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Our ref: FF RLAM PD 0089

Source: rlam, Financial Express and HSBC as at 28/02/2017, unless otherwise stated. Yield definitions are shown above.