



INTERIM REPORT

Royal London Bond Funds ICVC
Interim Report
for the six month period ended 30 April 2019 (unaudited)

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Company

Royal London Bond Funds ICVC

Registered in England with Company Number IC000797

Registered office:

55 Gracechurch Street, London EC3V 0RL

Directors

The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited which is the sole director.

Place of business and Registered office:

55 Gracechurch Street, London EC3V 0RL

Authorised and regulated by the Financial Conduct Authority; a member of The Investment Association (IA).

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Directors: A.S. Carter

R.A.D. Williams

A. Hunt

R. Kumar

S. Spiller

C.R. Read

Investment Adviser

Royal London Asset Management Limited

Place of business and Registered office:

55 Gracechurch Street, London EC3V 0RL

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

DST Financial Services International Limited

The Register may be inspected at:

DST House, St Nicholas Lane, Basildon, Essex SS15 5FS

Authorised and Regulated by the Financial Conduct Authority.

Independent Auditors

PricewaterhouseCoopers LLP

Atria One, 144 Morrison Street, Edinburgh EH3 8EX

DIRECTORS' REPORT

We are pleased to present the Interim Report for the Royal London Bond Funds ICVC, covering the period from 1 November 2018 to 30 April 2019.

Royal London Bond Funds 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.

The sub-funds in existence during the period from 1 November 2018 to 30 April 2019 were:

Royal London Ethical Bond Fund (launched 30 October 2009)
Royal London Sterling Credit Fund (launched 30 October 2009)
Royal London Global Index Linked Fund (launched 27 January 2010)
Royal London Short-Term Money Market Fund (launched 30 April 2010)
Royal London Corporate Bond Fund (launched 30 April 2010)
Royal London Index Linked Fund (launched 30 April 2010)
Royal London UK Government Bond Fund (launched 30 April 2010)
Royal London Cash Plus Fund (launched 15 June 2011)
Royal London International Government Bond Fund (launched 4 November 2011)
Royal London European Corporate Bond Fund (launched 13 August 2012)
Royal London Duration Hedged Credit Fund (launched 24 September 2012)
Royal London Short Duration Credit Fund (launched 7 November 2013)
Royal London Short Duration Gilts Fund (launched 7 November 2013)
Royal London Enhanced Cash Plus Fund (launched 18 May 2015)
Royal London Cautious Managed Fund (launched 10 June 2015)
Royal London Investment Grade Short Dated Credit Fund (launched 7 December 2015)
Royal London Short Duration Index Linked Fund (launched 23 February 2016)

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

A. Hunt (Director)

R. Kumar (Director)

25 June 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

1. Accounting policies

Basis of accounting

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 applicable UK accounting standards, Instrument of Incorporation, and in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association (now referred to as The Investment Association) in May 2014 (the 2014 SORP).

All of the sub-funds have been prepared on a going concern basis with the exception of the Royal London Ethical Bond Fund and the Royal London Short Duration Credit Fund (the terminating funds). Following FCA and Shareholder approval, these two sub-funds ceased investment activity 12 April 2019. They were merged into two new sub-funds within the UCITS umbrella, Royal London Bond Funds II ICVC. Accordingly the financial statements of these two sub-funds have been prepared on a basis other than going concern. In applying this basis of preparation, no adjustments were necessary in the sub-funds' financial statements to adjust assets or liabilities to their realisable values, to provide for liabilities arising from the termination or to reclassify long-term assets and liabilities as current assets and liabilities.

The accounting policies outlined below have been applied on a consistent basis throughout the current 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 closing bid price on 30 April 2019, the last valuation point in the accounting period.

The Short-Term Money Market Fund has been authorised as a Regulated Money Market Fund and is valued in accordance with the Money Market Funds Regulation. Further details are contained in the Prospectus.

Unquoted, suspended and delisted investments are valued based on the Authorised Corporate Director's (ACD) opinion of fair value, the intention of which is to estimate market value.

Investments in collective investment schemes (CIS) have been valued at bid prices. For those CIS funds that are not dual priced, single prices are used.

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. Interest received from or paid to the sub-funds from Interest Rate and Inflation Rate Swaps designed to protect capital are treated as capital and are included in net capital gains on derivative securities.

Zero coupon Interest rate swaps as at 30 April 2019 are priced dirty.

Exchange rates

Assets and liabilities denominated in foreign currencies have been converted to sterling at the bid-market closing rates of exchange on 30 April 2019.

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

Recognition of revenue

All dividends (including distributions from collective investment schemes) on investments marked ex-dividend up to the accounting date are included in revenue inclusive of any tax deducted at source and net of attributable tax credits.

Revenue received from investments in authorised collective investment schemes, which are purchased during the financial year, will include an element of equalisation which represents the average amount of revenue included in the price paid for shares or units. This equalisation is treated as capital and deducted from the cost of the investment.

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.

Fees earned from stock lending are included in revenue on a net basis. The notes disclose the gross fees and related expenses.

Management fee rebates received from management companies are recognised when the entitlement arises, and are recognised as either income or capital in accordance with the treatment of the management fee charged on the underlying CIS.

Treatment of expenses

Expenses are recognised on an accruals basis.

The underlying sub-funds may currently have up to eight share classes. Each share class suffers a different ACD fee as advised within the constitution starting on page 185. Consequently, the level of expenses attributable to each class will differ.

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.

Treatment of derivative contracts

The unrealised gains or losses on open interest rate swaps and inflation rate swaps and 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 levy

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

Normally, the Company will only charge such a levy on a sub-fund experiencing large levels of net purchases or net redemptions relative to its size. Any dilution levy is charged at the discretion of the ACD.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

2. Distribution policies

Basis of distribution

Revenue produced by the sub-fund's 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-funds make distributions on a quarterly basis: Ethical Bond, Sterling Credit, Corporate Bond, Duration Hedged Credit, Cash Plus, Enhanced Cash Plus and Investment Grade Short Dated Credit.

The following sub-funds make distributions on a half yearly basis: Global Index Linked, Short-Term Money Market, Index Linked, UK Government Bond, International Government Bond, European Corporate Bond, Short Duration Credit, Short Duration Gilt and Short Duration Global Index Linked.

The following sub-fund makes a distribution on an annual basis: Cautious Managed.

For the purposes of calculating the distribution on Index Linked Fund, revenue is computed on an effective yield basis utilising the exemption set out in the Financial Conduct Authority's COLL 6.8.3 (for funds whose policy is to invest predominantly in index linked securities) to treat capital indexation as non-distributable.

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 ACD's management charge 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 as follows:

Ethical Bond, Sterling Credit, Short-Term Money Market, Corporate Bond, Cash Plus, International Government Bond, European Corporate Bond, Duration Hedged Credit, Short Duration Credit, Short Duration Gilts, Enhanced Cash Plus and Investment Grade Short Dated Credit: on an effective yield basis.

Global Index Linked, Short Duration Global Index Linked and the Index Linked sub-funds: on an effective yield basis excluding indexation on any index linked gilt-edged securities. For the accounting year to 31 October 2018 revenue on the Index Linked Fund was calculated on a coupon basis.

UK Government Bond: the higher amount determined on an accrual of coupon basis and an effective yield basis.

The Cautious Managed Fund held no debt securities during the current and prior year accounting periods.

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 Sterling Credit, Global Index Linked, Corporate Bond, UK Government Bond, International Government Bond, European Corporate Bond, Short Duration Credit, Short Duration Gilts, Cautious Managed, Investment Grade Short Dated Credit, and Short Duration Global Index Linked sub-funds, all expenses are borne by capital.

For Ethical Bond sub-fund 50% of the ACD fee is borne by capital and 50% borne by revenue. All other expenses are borne by revenue.

For Short-Term Money Market, Index Linked, Cash Plus, Duration Hedged Credit and Enhanced Cash Plus sub-funds, expenses are borne by revenue.

For Cash Plus sub-fund there is a 0% ACD fee applied to the Z share class.

The full list of ACD fees can be found within the Constitution starting on page 185.

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 borrowing 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

3. Risk management policies – continued

Derivatives risk

The ACD may employ derivatives for the purpose of efficient portfolio management. Duration Hedged Credit Fund has used interest rate swaps during the year to protect capital value by reducing the sensitivity of the portfolio to movements in interest rates and to target a duration of zero years. The ACD may use forward foreign currency contracts in order to hedge out some of the currency exposure in a Fund.

The ACD uses a methodology known as the “commitment approach” to measure the global exposure to derivative instruments. This methodology is used for all sub-funds with the exception of the Duration Hedged Credit Fund, which utilises the Value-at-Risk (VAR) methodology.

4. Cross Holdings

Some sub-funds within the Royal London Bond ICVC may hold other sub-funds of the scheme.

The only sub-fund impacted is Cautious Managed Fund.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Ethical Bond Fund, Class M Accumulation	3.35	3.74	17.03	30.33
Royal London Ethical Bond Fund, Class M Income	3.40	3.85	17.17	30.40
Royal London Ethical Bond Fund, Class R Accumulation	3.57	–	–	–
Royal London Ethical Bond Fund, Class Z Income	3.41	3.91	17.62	31.22

Class R Accumulation launched on 20 September 2018.

Please note the Royal London Ethical Bond Fund merged into Royal London Bond Funds II ICVC on 12 April 2019. The 6 month return is a combination of pre- and post-merger performance.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund marginally underperformed the wider sterling investment grade credit market during the six month period under review, using the Markit iBoxx Sterling Non-Gilts Index as a guide. Underweight allocations to strongly performing sectors such as utilities and telecommunications dragged on returns.

Portfolio and Market Commentary

Sterling investment grade credit outperformed UK government debt during the period under review, respectively returning 3.50% and 2.81%. The average yield spread (the extra yield available on a corporate bond over a gilt of equivalent maturity) narrowed by 21 basis points (bps) to 1.22%. After widening in the final months of 2018 over concerns that the Federal Reserve was pursuing interest rate hikes too aggressively, credit spreads have narrowed since the turn of the year as central banks softened their policy stances and trade talks between China and the US showed signs of progress.

The yield on benchmark 10-year gilts declined 25 bps to 1.19% during the review period, underperforming Germany and the US but outperforming Japan. This primarily reflected ongoing chaos at Westminster, with politicians unable to find a majority for any Brexit outcome. Global government bond yields broadly declined over the review period as global economic data continued to disappoint already downgraded expectations.

The Fund's significant underweight allocations to supranationals and consumer goods were key drivers of returns, given that they were among the weakest performing sectors over the review period. The Fund has a prominent holding of financial (banks and insurance) issues, and a preference within this for subordinated debt. Initially detracting from returns, the Fund's overweight allocation proved beneficial since subordinated insurance and banking have been among the strongest performing sectors since the start of 2019.

In sector terms, we increased the Fund's overweight allocations to structured and secured issues, modestly reduced the Fund's overweight position in banking and financial services, and moved slightly underweight consumer services. Noteworthy purchases over the period included A1 (floating rate) and A2 (fixed rate) tranches of Income Contingent Student Loans 2, the government's second securitisation of student loan debt. We took advantage of attractive pricing in social housing by buying long dated debt of Morhomes and bought a five year AAA covered new issue of Nationwide.

We took profits on our debt of utility South West Water, sold tier 1 debt of insurance firm Swiss Reinsurance ahead of its call, and sold bonds of Mexican telecommunications corporation América Móvil after they appeared fully priced, with higher prospective returns on investments elsewhere. The Fund's holdings of Coventry Building Society and Southern Water Services Finance were both sold after they invited holders to tender their outstanding securities for repurchase at highly attractive terms.

Investment Outlook

Global GDP growth looks set to slow in 2019, but with more weakness in the first half of 2019 than we had expected. The outlook for the second half of 2019 appears brighter, given responses from policy makers and improvements in financial conditions, though trade relations and Brexit continue to pose threats. A continuation of stimulus from China and a pause in central bank interest rate hikes should support growth in the year. We expect global government bond yields to rise gradually from current levels.

The Fund invests mainly in UK corporate bonds that meet predefined ethical criteria. Its duration is shorter than that of the wider sterling investment grade credit market as shown by the Markit iBoxx Sterling Non-Gilts Index, in line with our outlook for higher government bond yields. We consider that the current spread provides adequate compensation for default and other risks. We expect investment grade credit bonds to modestly outperform UK government securities over the next three years. The Fund has overweight allocations to subordinated bonds and debt rated BBB and below, with underweight exposures to senior issues and bonds rated A and higher.

Eric Holt
Fund Manager
30 April 2019
Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLES

Class A Income

Change in net assets per share	31/10/18** (p)	31/10/17 (p)	31/10/16 (p)
Opening net asset value per share	110.37	108.24	103.58
Return before operating charges*	2.23	7.24	9.90
Operating charges	(0.26)	(1.11)	(1.03)
Return after operating charges*	1.97	6.13	8.87
Distributions on income shares	–	(4.00)	(4.21)
Cancellation price	(112.34)	–	–
Closing net asset value per share	–	110.37	108.24
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	1.78%	5.66%	8.56%
Other information			
Closing net asset value (£'000)	–	4,734	5,271
Closing number of shares	–	4,289,423	4,869,199
Operating charges	–	1.00%	0.96%
Direct transaction costs	–	–	–
Prices			
Highest share price	112.90	113.30	114.10
Lowest share price	110.90	107.40	102.90

** From 25 January 2018 shares in Class A Income converted to Class M Income shares.

Class M Accumulation

Change in net assets per share	30/04/19*** (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Opening net asset value per share	133.51	132.00	124.52	114.96
Return before operating charges*	4.93	2.23	8.45	11.18
Operating charges	(0.32)	(0.72)	(0.72)	(0.62)
Return after operating charges*	4.61	1.51	7.73	10.56
Distributions on accumulation shares	(2.21)	(4.79)	(4.99)	(5.03)
Retained distributions on accumulation shares	2.21	4.79	4.74	4.03
Cancellation price	(138.12)	–	–	–
Closing net asset value per share	–	133.51	132.00	124.52
* after direct transaction costs of:	–	0.01	–	–
Performance				
Return after charges	3.45%	1.14%	6.21%	9.19%
Other information				
Closing net asset value (£'000)	–	255,547	180,899	113,243
Closing number of shares	–	191,400,444	137,043,427	90,946,982
Operating charges	–	0.54%	0.56%	0.51%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	138.70	135.20	134.30	130.20
Lowest share price	132.40	131.80	123.50	114.90

*** From 12 April 2019 this Fund merged to Royal London Ethical Bond Fund within the Royal London Bond Funds II ICVC.

COMPARATIVE TABLES (CONTINUED)

Class M Income

	30/04/19*** (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	116.66	119.55	116.97	111.64
Return before operating charges*	4.28	2.04	7.88	10.75
Operating charges	(0.27)	(0.65)	(0.67)	(0.59)
Return after operating charges*	4.01	1.39	7.21	10.16
Distributions on income shares	(1.92)	(4.28)	(4.63)	(4.83)
Cancellation price	(118.75)	–	–	–
Closing net asset value per share	–	116.66	119.55	116.97
* after direct transaction costs of:	–	0.01	–	–
Performance				
Return after charges	3.44%	1.16%	6.16%	9.10%
Other information				
Closing net asset value (£'000)	–	84,535	71,441	54,937
Closing number of shares	–	72,459,564	59,757,100	46,967,882
Operating charges	–	0.54%	0.56%	0.51%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	120.10	122.40	122.80	123.30
Lowest share price	115.60	117.00	116.10	111.00

Class R Accumulation

	30/04/19*** (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	100.11	100.00
Return before operating charges*	3.69	0.12
Operating charges	(0.03)	(0.01)
Return after operating charges*	3.66	0.11
Distributions on accumulation shares	(1.76)	(0.41)
Retained distributions on accumulation shares	1.76	0.41
Cancellation price	(103.77)	–
Closing net asset value per share	–	100.11
* after direct transaction costs of:	–	–
Performance		
Return after charges	3.66%	0.11%
Other information		
Closing net asset value (£'000)	–	5
Closing number of shares	–	5,000
Operating charges	–	0.09%
Direct transaction costs	–	–
Prices		
Highest share price	104.20	100.80
Lowest share price	99.30	99.45

** Class R Accumulation launched on 20 September 2018.

*** From 12 April 2019 this Fund merged to Royal London Ethical Bond Fund within the Royal London Bond Funds II ICVC.

COMPARATIVE TABLES (CONTINUED)

Class Z Income

	30/04/19*** (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	110.49	113.14	110.61	105.50
Return before operating charges*	4.06	1.92	7.45	10.15
Operating charges	(0.19)	(0.44)	(0.46)	(0.39)
Return after operating charges*	3.87	1.48	6.99	9.76
Distributions on income shares	(1.86)	(4.13)	(4.46)	(4.65)
Cancellation price	(112.50)	–	–	–
Closing net asset value per share	–	110.49	113.14	110.61
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	3.50%	1.31%	6.32%	9.25%
Other information				
Closing net asset value (£'000)	–	312,842	229,405	183,676
Closing number of shares	–	283,146,240	202,766,818	166,055,678
Operating charges	–	0.39%	0.40%	0.36%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	113.80	115.90	116.20	116.60
Lowest share price	109.50	110.80	109.80	104.90

*** From 12 April 2019 this Fund merged to Royal London Ethical Bond Fund within the Royal London Bond Funds II ICVC.

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.

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
Income Contingent Student Loan FRN 24/7/2058	9,030
Income Contingent Student Loan 2.50% 24/7/2058	5,235
Thames Water 7.738% 9/4/2058	4,713
Delamare Finance 6.067% 19/2/2029	4,705
Nationwide Building Society FRN 10/1/2024	4,469
Morhomes 3.4% 19/2/2038	4,463
Royal Bank of Scotland 3.125% variable 28/3/2027	3,591
Prudential 6.25% variable 20/10/2068	3,457
BNP Paribas 3.375% 23/1/2026	3,338
Gatwick Funding 5.25% 23/1/2024	3,309
Subtotal	46,310
Total cost of purchases, including the above, for the period	184,132

Significant Sales

	Proceeds £'000
Income Contingent Student Loan FRN 24/7/2058	9,130
Thames Water 7.738% 9/4/2058	8,524
Prudential 6.25% variable 20/10/2068	7,719
Aviva 6.125% 14/11/2036	7,453
Great Rolling Stock 6.875% 27/7/2035	6,666
Electricite de France 6% 23/1/2114	6,525
APT Pipelines 3.5% 22/3/2030	5,902
Derby Healthcare 5.564% 30/6/2041	5,890
Delamare Finance 5.5457% 19/2/2029	5,682
Barclays Bank 14% variable perpetual	5,636
Subtotal	69,127
Total proceeds from sales, including the above, for the period	828,654

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019* £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		14,332		(4,664)
Revenue	12,668		10,395	
Expenses	(1,370)		(1,237)	
Interest payable and similar charges	(6)		(2)	
Net revenue before taxation	11,292		9,156	
Taxation	–		–	
Net revenue after taxation		11,292		9,156
Total return before distributions		25,624		4,492
Distributions		(11,862)		(9,655)
Change in net assets/(liabilities) attributable to shareholders from investment activities		13,762		(5,163)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019* £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		652,929		486,479
Amounts receivable on creation of shares	141,179		82,652	
Amounts payable on cancellation of shares	(39,776)		(14,954)	
Amounts payable on in-specie transfer of shares	(774,196)		–	
		(672,793)		67,698
Change in net assets/(liabilities) attributable to shareholders from investment activities		13,762		(5,163)
Retained distributions on accumulation shares		6,102		3,569
Closing net assets attributable to shareholders		–		552,583

* From 12 April 2019 this Fund merged to Royal London Ethical Bond Fund within the Royal London Bond Funds II ICVC.

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019* £'000	31 October 2018 £'000
ASSETS		
Investments	–	632,205
Current assets:		
Debtors	196	21,803
Cash and bank balances	2,494	6,009
Total assets	2,690	660,017
LIABILITIES		
Creditors:		
Other creditors	103	3,489
Distribution payable	2,587	3,599
Total liabilities	2,690	7,088
Net assets attributable to shareholders	–	652,929

* From 12 April 2019 this Fund merged to Royal London Ethical Bond Fund within the Royal London Bond Funds II ICVC.

DISTRIBUTION TABLES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

FIRST INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 31 January 2019

	Net income	Equalisation	Distribution paid 31/03/19	Distribution paid 31/03/18
Class M Accumulation				
Group 1	1.1709	–	1.1709	1.2393
Group 2	0.6013	0.5696	1.1709	1.2393
Class M Income				
Group 1	1.0227	–	1.0227	1.1225
Group 2	0.4936	0.5291	1.0227	1.1225
Class R Accumulation*				
Group 1	0.9348	–	0.9348	n/a
Group 2	0.9348	0.0000	0.9348	n/a
Class Z Income				
Group 1	0.9894	–	0.9894	1.0839
Group 2	0.3800	0.6094	0.9894	1.0839

SECOND INTERIM

Group 1: Shares purchased prior to 1 February 2019

Group 2: Shares purchased between 1 February 2019 and 12 April 2019

	Net income	Equalisation	Distribution payable 15/05/19**	Distribution paid 30/06/18
Class M Accumulation				
Group 1	1.038066	–	1.038066	1.1775
Group 2	0.445905	0.592161	1.038066	1.1775
Class M Income				
Group 1	0.899597	–	0.899597	1.0562
Group 2	0.407076	0.492521	0.899597	1.0562
Class R Accumulation*				
Group 1	0.824558	–	0.824558	n/a
Group 2	0.358545	0.466013	0.824558	n/a
Class Z Income				
Group 1	0.867922	–	0.867922	1.0208
Group 2	0.405867	0.462055	0.867922	1.0208

* Class R Accumulation launched on 20 September 2018.

** From 12 April 2019 this Fund merged to Royal London Ethical Bond Fund within the Royal London Bond Funds II ICVC.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Sterling Credit Fund, Class M Accumulation	3.57	3.81	16.99	30.00
Royal London Sterling Credit Fund, Class M Income	3.62	3.80	17.08	30.08
Royal London Sterling Credit Fund, Class R Accumulation	3.77	–	–	–
Royal London Sterling Credit Fund, Class S Income	–	–	–	–
Royal London Sterling Credit Fund, Class Z Income	3.70	4.03	17.61	31.08

Class R Accumulation launched on 4 October 2018 and Class S Income launched on 16 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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund moderately outperformed the wider UK credit market during the 6-month period under review, using the Markit iBoxx Sterling Non-Gilt All Maturities Index as a guide.

Portfolio and Market Commentary

Sterling investment grade credit outperformed UK government debt during the period under review, respectively returning 3.50% and 2.81%. The average yield spread (the extra yield available on a corporate bond over a gilt of equivalent maturity) narrowed by 21 basis points (bps) to 1.22%. After widening in the final months of 2018 over concerns that the Federal Reserve was pursuing interest rate hikes too aggressively, credit spreads have narrowed since the turn of the year as central banks softened their policy stances and trade talks between China and the US showed signs of progress.

The yield on benchmark 10-year gilts declined 25 bps to 1.19% during the review period, underperforming Germany and the US but outperforming Japan. This primarily reflected ongoing chaos at Westminster, with politicians unable to find a majority for any Brexit outcome. Global government bond yields broadly declined over the review period as global economic data continued to disappoint already downgraded expectations.

The Fund's significant underweight allocations to supranationals and consumer goods were key drivers of returns, given that they were among the weakest performing sectors over the review period. The Fund has a prominent holding of financial (banks and insurance) issues, and a preference within this for subordinated debt. Initially detracting from returns, the Fund's overweight allocation proved beneficial since subordinated insurance and banking have been among the strongest performing sectors since the start of 2019.

The Fund's sector positioning was relatively unchanged over the period. Noteworthy purchases by the Fund included A1 (floating rate) and A2 (fixed rate) tranches of Income Contingent Student Loans 2; the government's second securitisation of student loan debt. We took advantage of attractive pricing in social housing by buying long dated debt of Morhomes and bought a five year AAA covered new issue of Nationwide.

We took profits on our debt of utility South West Water, sold tier 1 debt of insurance firm Swiss Reinsurance ahead of its call, and sold bonds of Mexican telecommunications corporation America Movil after they appeared fully priced, with higher prospective returns on investments elsewhere. The Fund's holding of Southern Water Services Finance was sold after the company invited holders to tender their outstanding securities for repurchase at highly attractive terms.

Investment Outlook

Global GDP growth looks set to slow in 2019, but with more weakness in the first half of 2019 than we had expected. The outlook for the second half of 2019 appears brighter, given responses from policy makers and improvements in financial conditions, though trade relations and Brexit continue to pose threats. A continuation of stimulus from China and a pause in central bank interest rate hikes should support growth in the year. We expect global government bond yields to rise gradually from current levels.

The Fund has a moderate short duration stance relative to the Markit iBoxx Sterling Non-Gilt All Maturities Index, in line with our outlook for higher government bond yields. We consider that current credit spreads are adequate compensation for default and other risks (e.g. liquidity and rating migration). We expect investment grade credit bonds will modestly outperform UK government securities over the next three years. The Fund is overweight in subordinated debt and issues rated A and below, while maintaining underweight allocations to senior bonds and debt rated AA and above.

Paola Binns
Fund Manager
30 April 2019
Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLES

Class M Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	133.42	132.73	124.78	114.84
Return before operating charges*	5.41	1.36	8.85	11.58
Operating charges	(0.34)	(0.67)	(0.65)	(0.61)
Return after operating charges*	5.07	0.69	8.20	10.97
Distributions on accumulation shares	(2.64)	(4.96)	(5.00)	(5.10)
Retained distributions on accumulation shares	2.64	4.96	4.75	4.07
Closing net asset value per share	138.49	133.42	132.73	124.78
* after direct transaction costs of:	—	—	—	—
Performance				
Return after charges	3.80%	0.52%	6.57%	9.55%
Other information				
Closing net asset value (£'000)	71,167	73,346	55,852	43,382
Closing number of shares	51,389,168	54,971,714	42,079,165	34,767,625
Operating charges	0.50%	0.50%	0.50%	0.50%
Direct transaction costs	—	—	—	—
Prices				
Highest share price	139.30	135.80	134.90	130.90
Lowest share price	132.10	132.10	123.60	114.70

Class M Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	116.00	119.76	116.76	111.14
Return before operating charges*	4.68	1.25	8.22	11.08
Operating charges	(0.29)	(0.60)	(0.60)	(0.59)
Return after operating charges*	4.39	0.65	7.62	10.49
Distributions on income shares	(2.29)	(4.41)	(4.62)	(4.87)
Closing net asset value per share	118.10	116.00	119.76	116.76
* after direct transaction costs of:	—	—	—	—
Performance				
Return after charges	3.78%	0.54%	6.53%	9.44%
Other information				
Closing net asset value (£'000)	113,263	91,066	86,630	61,597
Closing number of shares	95,901,202	78,506,581	72,336,531	52,755,416
Operating charges	0.50%	0.50%	0.50%	0.50%
Direct transaction costs	—	—	—	—
Prices				
Highest share price	119.90	122.50	122.90	123.50
Lowest share price	114.90	116.40	115.70	110.50

COMPARATIVE TABLES (CONTINUED)

Class M Gross Income

Change in net assets per share	31/10/18** (p)	31/10/17 (p)	31/10/16 (p)
Opening net asset value per share	111.44	108.44	103.24
Return before operating charges*	1.21	7.86	10.25
Operating charges	(0.05)	(0.57)	(0.54)
Return after operating charges*	1.16	7.29	9.71
Distributions on income shares	–	(4.29)	(4.51)
Cancellation price	(112.60)	–	–
Closing net asset value per share	–	111.44	108.44
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	1.04%	6.73%	9.41%
Other information			
Closing net asset value (£'000)	–	2,074	9,824
Closing number of shares	–	1,861,049	9,059,078
Operating charges	0.50%	0.50%	0.50%
Direct transaction costs	–	–	–
Prices			
Highest share price	112.90	114.30	114.70
Lowest share price	111.90	107.50	102.70

** From 4 December 2017 shares in Class M Gross Income converted to Class M Income shares.

Class R Accumulation

Change in net assets per share	30/04/19 (p)	31/10/18** (p)
Opening net asset value per share	100.12	100.00
Return before operating charges*	4.05	0.12
Operating charges	(0.02)	–
Return after operating charges*	4.03	0.12
Distributions on accumulation shares	(1.98)	(0.29)
Retained distributions on accumulation shares	1.98	0.29
Closing net asset value per share	104.15	100.12
* after direct transaction costs of:	–	–
Performance		
Return after charges	4.03%	0.12%
Other information		
Closing net asset value (£'000)	484,866	5
Closing number of shares	465,535,072	5,000
Operating charges	0.05%	0.05%
Direct transaction costs	–	–
Prices		
Highest share price	104.80	100.90
Lowest share price	99.19	99.46

** Class R Accumulation launched on 4 October 2018.

COMPARATIVE TABLES (CONTINUED)

Class S Income

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	(0.02)
Operating charges	–
Return after operating charges*	(0.02)
Distributions on income shares	(0.15)
Closing net asset value per share	99.83

* after direct transaction costs of: –

Performance

Return after charges (0.02%)

Other information

Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.05%
Direct transaction costs	–

Prices

Highest share price	100.57
Lowest share price	99.94

** Class S Income launched on 16 April 2019.

Class Z Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	133.77	137.89	134.23	127.57
Return before operating charges*	5.40	1.44	9.46	12.72
Operating charges	(0.23)	(0.48)	(0.49)	(0.47)
Return after operating charges*	5.17	0.96	8.97	12.25
Distributions on income shares	(2.64)	(5.08)	(5.31)	(5.59)
Closing net asset value per share	136.30	133.77	137.89	134.23

* after direct transaction costs of: – – – –

Performance

Return after charges 3.86% 0.70% 6.68% 9.60%

Other information

Closing net asset value (£'000)	1,263,760	1,534,040	1,056,335	656,289
Closing number of shares	927,195,385	1,146,745,796	766,068,381	488,922,855
Operating charges	0.35%	0.35%	0.35%	0.35%
Direct transaction costs	–	–	–	–

Prices

Highest share price	138.40	141.10	141.40	141.90
Lowest share price	132.50	134.20	133.00	126.90

COMPARATIVE TABLES (CONTINUED)

Class Z Gross Income

	31/10/18** (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share			
Opening net asset value per share	106.50	103.68	98.55
Return before operating charges*	1.13	7.30	9.81
Operating charges	(0.03)	(0.38)	(0.37)
Return after operating charges*	1.10	6.92	9.44
Distributions on income shares	–	(4.10)	(4.31)
Cancellation price	(107.60)	–	–
Closing net asset value per share	–	106.50	103.68
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	1.03%	6.67%	9.58%
Other information			
Closing net asset value (£'000)	–	258,980	187,916
Closing number of shares	–	243,177,275	181,252,724
Operating charges	0.35%	0.35%	0.35%
Direct transaction costs	–	–	–
Prices			
Highest share price	107.90	109.20	109.60
Lowest share price	106.90	102.80	98.08

** From 4 December 2017 shares in Class Z Gross Income converted to Class Z Income shares.

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 2.40% (31/10/18 – 2.92%)			
£1,308,000	British Land 5.264% 24/9/2035	1,685	0.09
£5,297,000	Canary Wharf Finance II (A7) FRN 22/10/2037	4,547	0.24
£9,400,000	Equity Release Funding FRN 14/7/2045	8,603	0.45
£7,323,000	Equity Release Funding No.3 5.05% 26/4/2033	8,998	0.47
£7,594,749	Finance for Residence Social Housing 'A1' 8.368% 4/10/2058	8,912	0.46
£4,883,356	Finance for Residence Social Housing 'A2' 8.569% 5/10/2058	4,854	0.25
£3,100,000	Mutual Securitisation 7.5873% 30/9/2022	992	0.05
£2,795,000	Ribbon Finance FRN 20/4/2028	2,715	0.14
£11,500,000	SCAST 2016 1 FRN 25/7/2021	4,753	0.25
Total Commercial Mortgage Backed Securities		46,059	2.40

Corporate Bonds – 95.26% (31/10/18 – 95.15%)			
£4,324,000	3i Group 5.75% 3/12/2032	5,387	0.28
£3,150,000	A2Dominion Housing Group 3.5% 15/11/2028	3,212	0.17
£2,900,000	AA Bond 2.75% 31/7/2023	2,697	0.14
£9,574,000	AA Bond 6.269% 2/7/2043	10,142	0.53
£4,290,000	Aegon NV 5.625% variable 29/12/2049	3,867	0.20
£7,616,000	Akelius Residential Property AB 2.375% 15/8/2025	7,395	0.38
£5,675,000	Aker BP ASA 6% 1/7/2022	4,481	0.23
£3,450,000	Alpha Plus 5% 31/3/2024	3,587	0.19
£2,000,000	America Movil 4.375% 7/8/2041	2,473	0.13
£1,200,000	Anglian Water Services 2.625% 15/6/2027	1,144	0.06
£2,480,000	Anglian Water Services 2.75% 26/10/2029	2,570	0.13
£3,946,000	Anglian Water Services 4% 8/3/2026	3,569	0.18
£5,411,000	Anglian Water Services 5% 30/4/2023	5,420	0.28
£4,740,000	Annes Gate Property 5.661% 30/6/2031	6,118	0.32
£4,385,000	Annington Funding 3.184% 12/7/2029	4,415	0.23
£6,000,000	Annington Funding 3.935% 12/7/2047	6,293	0.33
£4,472,000	APT Pipelines 3.125% 18/7/2031	4,507	0.23
£7,875,000	APT Pipelines 3.5% 22/3/2030	8,229	0.43
£3,000,000	Aroundtown 3% 16/10/2029	2,849	0.15
£4,750,000	Aroundtown 3.625% 10/4/2031	4,668	0.24
£8,628,000	Arsenal Securities 5.1418% 1/9/2029	5,621	0.29
£1,301,000	Artesian Finance 6% 30/9/2033	1,841	0.10
£4,000,000	Asciano Finance 5% 19/9/2023	4,373	0.23
£10,782,000	Aspire Defence Finance 'A' 4.674% 31/3/2040	12,101	0.63
£8,572,000	Aspire Defence Finance 'B' 4.674% 31/3/2040	9,621	0.50
£4,950,000	Assicurazioni Generali 6.269% perpetual	5,182	0.27
£3,250,000	Assicurazioni Generali 6.416% variable perpetual	3,403	0.18
£2,050,000	AT&T 4.25% 1/6/2043	2,236	0.12
£2,600,000	AT&T 5.2% 18/11/2033	3,159	0.16
£2,750,000	AT&T 7% 30/4/2040	4,082	0.21
£8,615,000	Aviva 5.9021% variable perpetual	8,927	0.46
£4,760,000	Aviva 6.125% 14/11/2036	5,422	0.28
£7,700,000	Aviva 6.125% variable perpetual	8,311	0.43
£4,547,000	Aviva 6.875% variable 20/5/2058	5,851	0.30
£1,700,000	Aviva 6.875% variable perpetual	1,742	0.09
£3,450,000	AXA 5.625% variable 16/1/2054	3,897	0.20
£9,760,000	AXA 6.6862% variable perpetual	11,420	0.59
£5,846,000	AXA variable perpetual	6,390	0.33
£4,600,000	Banco Santander 2.75% 12/9/2023	4,683	0.24
£2,400,000	Bank of America 7% 31/7/2028	3,297	0.17
£4,500,000	Bank of Scotland 4.875% 20/12/2024	5,282	0.27

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 95.26% (31/10/18 – 95.15%) – continued			
£8,504,000	Bank of Scotland 7.754% variable perpetual	9,364	0.48
£12,410,000	Barclays Bank 3.25% 17/1/2033	11,796	0.61
£3,268,000	Barclays Bank 5.75% 14/9/2026	3,872	0.20
£4,000,000	Barclays Bank 7% variable perpetual	4,045	0.21
£7,044,000	Barclays Bank 7.125% variable perpetual	7,424	0.38
£2,400,000	Barclays Bank 7.25% variable perpetual	2,528	0.13
£3,515,000	Barclays Bank 7.75% variable perpetual	2,786	0.14
£8,200,000	BAT International Finance 2.25% 9/9/2052	5,745	0.30
£7,900,000	BNP Paribas 3.375% 23/1/2026	8,213	0.43
£2,727,000	BNP Paribas 6.625% variable perpetual	2,133	0.11
£8,400,000	BPCE 5.25% 16/4/2029	9,854	0.51
£2,900,000	BPHA Finance 4.816% 11/4/2044	3,733	0.19
£5,793,000	British Land 5.264% 24/9/2035	7,458	0.39
£4,352,000	British Land 5.357% 31/3/2028	5,278	0.27
£2,420,000	Broadgate 4.949% 5/4/2029	1,383	0.07
£2,000,000	BUPA Finance 5% 8/12/2026	2,226	0.12
£6,575,000	BUPA Finance 6.125% variable perpetual	6,908	0.36
£1,644,000	BWP Issuer 2.868% 30/6/2036	1,618	0.08
£5,650,000	Cadent Finance 2.625% 22/9/2038	5,408	0.28
£2,080,000	Cadent Finance 3.125% 21/3/2040	2,130	0.11
£32,500	Calgary & Edmonton Railway 4% perpetual	8	–
£10,565,000	Canary Wharf Finance II 5.952% 22/1/2035	14,839	0.77
£8,725,000	Canary Wharf Finance II 6.455% 22/10/2033	2,280	0.12
£6,078,000	Centrica 5.25% variable 10/4/2075	6,185	0.32
£2,099,000	Channel Link FRN 30/12/2050	1,421	0.07
£1,500,000	Cheltenham & Gloucester 11.75% perpetual	3,035	0.16
£2,195,000	Citigroup 2.75% 24/1/2024	2,246	0.12
£764,441	City of London Investment Trust 10.25% 30/4/2020	824	0.04
£2,970,000	Clerical Medical Finance 7.375% variable perpetual	3,005	0.16
£3,354,000	Close Brothers Finance 2.75% 26/4/2023	3,393	0.18
£2,150,000	Close Brothers Finance 4.25% 24/1/2027	2,251	0.12
£10,750	Clydeport Operations 3% perpetual	8	–
£5,750	Clydeport Operations 4% perpetual ~	4	–
£6,800,000	CNP Assurances 7.375% variable 30/9/2041	7,520	0.39
£6,775,000	Commonwealth Bank of Australia 3% 4/9/2026	7,377	0.38
£6,623,000	Connect M77/GSO 5.404% 31/3/2034	5,433	0.28
£15,589,000	Co-operative Bank 4.75% 11/11/2021	16,533	0.86
£7,944,000	Co-operative Wholesale Society 6.25% Step 8/7/2026	8,915	0.46
£5,568,000	Coventry Building Society 6.875% variable perpetual	5,690	0.29
£2,257,000	CPUK Finance 3.588% 28/2/2042	2,378	0.12
£4,900,000	CPUK Finance 3.69% 28/8/2028	5,088	0.26
£339,000	CYBG 3.125% variable 22/6/2025	331	0.02
£6,882,000	CYBG 4% variable 25/9/2026	6,970	0.36
£1,814,000	CYBG 5% variable 9/2/2026	1,825	0.09
£6,709,000	CYBG 7.875% variable 14/12/2028	7,372	0.38
£2,681,000	CYBG 9.25% variable perpetual	2,838	0.15
£3,900,000	Daily Mail & General 6.375% 21/6/2027	4,426	0.23
£2,250,000	Dali Capital 4.79924% 21/12/2037	2,842	0.15
£1,300,000	Danske Bank 6.125% variable perpetual	934	0.05
£15,830,000	Delamare Finance 5.5457% 19/2/2029	15,361	0.79
£5,280,000	Delamare Finance 6.067% 19/2/2029	6,210	0.32
£5,482,000	Deutsche Bahn Finance GMBH 1.875% 13/2/2026	5,525	0.29
£5,300,000	Deutsche Bank AG 3.875% 12/2/2024	5,329	0.28
£10,104,000	Derby Healthcare 5.564% 30/6/2041	12,804	0.66
£4,779,000	Digital Stout 3.75% 17/10/2030	4,909	0.25

Royal London Sterling Credit Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 95.26% (31/10/18 – 95.15%) – continued			
£3,090,000	Digital Stout 4.25% 17/1/2025	3,332	0.17
£2,420,000	Dignity Finance 3.5456% 31/12/2034	2,129	0.11
£1,483,000	Direct Line Insurance 9.25% variable 27/4/2042	1,759	0.09
£4,000,000	DNO ASA 8.75% 18/6/2020	3,187	0.17
£2,231,000	Edinburgh Investment Trust 7.75% 30/9/2022	2,625	0.14
£2,700,000	Electricite de France 5.5% 17/10/2041	3,722	0.19
£10,900,000	Electricite de France 5.875% variable perpetual	11,262	0.58
£11,100,000	Electricite de France 6% 23/1/2114	16,708	0.86
£4,800,000	Electricite de France 6% variable perpetual	5,046	0.26
£7,406,000	Enel 6.625% variable 15/9/2076	8,030	0.42
£4,400,000	Enel Finance 5.75% 14/9/2040	5,721	0.30
£862,000	Enterprise Inns 6% 6/10/2023	918	0.05
£14,715,000	Enterprise Inns 6.375% 26/9/2031	15,880	0.82
£11,455,000	Equity Release 5.7% 26/2/2031	11,100	0.57
£8,055,000	Equity Release 5.88% 26/5/2032	8,751	0.45
£4,300,000	Eskmuir Properties 4.255% 12/12/2047	4,006	0.21
£3,543,000	Esure Group 6.75% 19/12/2024	3,444	0.18
£4,610,000	Eversholt Funding 3.529% 7/8/2042	4,467	0.23
£5,900,000	Eversholt Funding 6.697% 22/2/2035	7,482	0.39
£2,440,000	Exchequer Partnership 5.396% 13/7/2036	2,545	0.13
£8,467,000	Fidelity International 7.125% 13/2/2024	10,070	0.52
£1,632,931	Fitrust Debenture 9.25% 20/5/2023	2,047	0.11
£5,240,000	First Hydro Finance 9% 31/7/2021	6,038	0.31
£2,765,000	Freshwater Finance 4.607% 17/10/2036	3,452	0.18
£1,935,000	Freshwater Finance 5.182% 20/4/2035	2,524	0.13
£3,300,000	GB Social Housing 5.193% 12/2/2038	4,045	0.21
£4,225,000	GE Capital UK Funding 5.875% 18/1/2033	5,176	0.27
£2,600,000	GE Capital UK Funding 8% 14/1/2039	3,904	0.20
£8,655,000	General Electric 4.875% 18/9/2037	9,019	0.47
£8,000,000	General Electric 5% variable perpetual	5,809	0.30
£8,000,000	Genfinance II 6.064% 21/12/2039	11,289	0.58
£4,000,000	Glaxosmithkline 5.25% 19/12/2033	5,332	0.28
£3,740,000	Glencore Finance Europe 3.125% 26/3/2026	3,767	0.20
£5,500,000	Global Switch Holdings 2.25% 31/5/2027	4,901	0.25
£3,570,000	Go-Ahead Group 2.5% 6/7/2024	3,487	0.18
£5,680,000	Goldman Sachs 3.125% 25/7/2029	5,780	0.30
£1,500,000	Goldman Sachs 6.875% 18/1/2038	2,113	0.11
£2,091,505	Gouman Hotels 7.875% 20/6/2022	2,283	0.12
£4,417,000	Great Rolling Stock 6.5% 5/4/2031	4,729	0.25
£10,500,000	Great Rolling Stock 6.875% 27/7/2035	9,893	0.51
£3,320,000	Greene King Finance 3.593% 15/3/2035	3,349	0.17
£5,500,000	Greene King Finance FRN 15/12/2033	4,052	0.21
£5,634,667	Grosvenor UK Finance 6.5% 29/9/2026	7,180	0.37
£3,130,000	Gwynt y Môr OFTO 2.778% 17/2/2034	2,790	0.14
£5,144,113	Harbour Funding 5.28% 31/3/2034	6,599	0.34
£4,533,000	Hastoe Capital 5.6% 27/3/2042	6,289	0.33
£6,400,000	Haven Funding 8.125% 30/9/2037	9,299	0.48
£4,600,000	Heathrow Finance 3.875% 1/3/2027	4,431	0.23
£4,120,000	Heathrow Finance 4.75% 1/3/2024	4,310	0.22
£6,139,000	Heathrow Funding 2.75% 9/8/2051	5,876	0.30
£4,678,000	Heathrow Funding 6.45% variable 10/12/2031	6,652	0.34
£1,800,000	Hemingway Properties 10.375% 31/7/2023	2,086	0.11
£5,648,000	Home Group 0% 11/5/2019	5,644	0.29
£3,721,000	Home Group 0% 11/5/2027	2,659	0.14
£4,180,000	Home Group 3.125% 27/3/2043	4,073	0.21
£1,250,000	Home Group 8.75% 11/5/2037	1,956	0.10
£6,360,000	Housing Association Funding 8.25% 7/6/2027	2,960	0.15
£3,790,000	Housing and Care 3.288% 8/11/2049	3,917	0.20
£7,000,000	Housing Finance Corporation 8.625% 13/11/2023	8,868	0.46

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 95.26% (31/10/18 – 95.15%) – continued			
£2,000,000	HSBC 4.75% 24/3/2046	2,398	0.12
£10,506,000	HSBC 5.375% 4/11/2030	12,082	0.63
£9,260,000	HSBC 5.375% 22/8/2033	11,448	0.59
£3,000,000	HSBC 6% 29/3/2040	3,908	0.20
£1,400,000	HSBC 6.75% 11/9/2028	1,794	0.09
£1,451,000	HSBC 5.844% variable perpetual	1,866	0.10
£7,642,000	HSBC 5.862% variable perpetual	7,880	0.41
£4,102,000	HSBC 5.875% variable perpetual	4,283	0.22
£5,330,000	Imperial Brands 4.875% 7/6/2032	6,065	0.31
£8,180,000	Income Contingent Student Loan 2.50% 24/7/2056	7,094	0.37
£9,090,000	Income Contingent Student Loan FRN 24/7/2056	6,990	0.36
£12,483,000	Income Contingent Student Loan 2.50% 24/07/2058	11,293	0.58
£23,119,000	Income Contingent Student Loan FRN 24/7/2058	22,929	1.19
£1,910,000	Incommunities Treasury 3.25% 21/3/2049	1,972	0.10
£11,700,000	Innogy Finance 6.125% 6/7/2039	16,831	0.87
£5,212,000	Innogy Finance 6.25% 3/6/2030	6,924	0.36
£3,000,000	Intu (SGS) Finance 3.875% 17/3/2028	3,004	0.16
£3,696,000	Intu (SGS) Finance 4.25% 17/9/2035	3,643	0.19
£1,150,000	Intu (SGS) Finance 4.625% 17/3/2028	1,172	0.06
£6,631,000	Intu Debenture 5.562% 31/12/2027	5,858	0.30
£5,500,000	Intu Metrocentre Finance 4.125% 6/12/2028	5,561	0.29
£9,040,000	Investec Bank 4.25% variable 24/7/2028	9,051	0.47
£5,280,000	IPIC GMTN 6.875% 14/3/2026	6,852	0.35
£13,300,000	Jacktel AS 10% 04/12/2023	9,258	0.48
£1,526,000	John Lewis 6.125% 21/1/2025	1,698	0.09
£4,778,000	JRP Group 9% 26/10/2026	5,545	0.29
£10,311,000	Juturna Euro Loan Conduit 5.0636% 10/8/2033	10,646	0.55
£1,308,000	KBC Bank 6.202% variable perpetual	1,336	0.07
£3,340,000	Kelda Finance (No.3) 5.75% 17/2/2020	3,365	0.17
£1,519,711	Keystone Investment Trust 6.5% 27/4/2023	1,753	0.09
£1,399,000	Knightstone Capital 5.576% Step 2/10/2048	2,013	0.10
£2,530,000	Land Securities 1.974% 8/2/2026	2,547	0.13
£5,930,000	Leeds Building Society 3.75% variable 25/4/2029	5,788	0.30
£3,310,000	Legal & General 5.125% variable 14/11/2048	3,558	0.18
£4,180,000	Legal & General 5.375% variable 27/10/2045	4,579	0.24
£3,480,000	Legal & General 5.5% variable 27/6/2064	3,814	0.20
£2,770,000	Libra Treasury 3.25% 15/5/2043	2,824	0.15
£1,100,000	Libra Treasury 5.125% 2/8/2038	1,410	0.07
£4,995,000	Liverpool Victoria Friendly Society 6.5% Variable 22/5/2043	5,446	0.28
£4,100,000	Lloyds Banking Group 4.875% 30/3/2027	5,013	0.26
£4,200,000	Lloyds Banking Group 6% 8/2/2029	5,691	0.29
£8,800,000	Lloyds Banking Group 7.5% Step 22/3/2032	7,809	0.40
£4,500,000	Lloyds Banking Group 7.625% 22/4/2025	5,755	0.30
£900,000	Lloyds Banking Group 9.625% 6/4/2023	1,148	0.06
£2,700,000	Lloyds Banking Group variable perpetual	2,716	0.14
£5,970,000	London & Quadrant Housing Trust 2.75% 20/7/2057	5,290	0.27
£1,704,000	London & Quadrant Housing Trust 3.125% 28/2/2053	1,662	0.09
£4,769,000	London Merchant Securities 6.5% 16/3/2026	5,984	0.31
£1,524,000	London Power Networks 2.625% 01/3/2029	1,550	0.08
£11,460,000	Longstone Finance 4.791% 19/4/2036	7,566	0.39
£2,489,000	Lunar Funding 5.75% 18/10/2033	3,414	0.18
£4,290,000	Martlet Homes 3% 9/5/2052	4,171	0.22
£8,520,000	Meadowhall Finance 4.986% 12/1/2032	7,418	0.38

Royal London Sterling Credit Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 95.26% (31/10/18 – 95.15%) – continued			
£5,000,000	Mercantile Investment Trust 6.125% 25/2/2030	6,433	0.33
£2,254,000	MIELI London 4.82% 12/8/2027	2,355	0.12
£2,869,000	Mitchells & Butler 5.574% 15/12/2030	1,354	0.07
£8,000,000	Mitchells & Butlers FRN 15/12/2030	4,674	0.24
£6,873,000	Mitchells & Butlers FRN 15/12/2033	5,517	0.29
£10,850,000	Mitchells & Butlers (A4) FRN 15/12/2028	8,541	0.44
£3,536,000	Mondelez International 3.875% 6/3/2045	3,743	0.19
£1,890,000	Monks Investment Trust 6.375% 1/3/2023	2,132	0.11
£9,030,000	Morhomes 3.4% 19/2/2038	9,056	0.47
£3,500,000	Muenchener Rueckversicherung 3.25% variable 26/5/2049	3,324	0.17
£3,300,000	Munich Reinsurance 6.625% variable 26/5/2042	3,741	0.19
£6,100,000	Myriad Capital 4.75% 20/12/2043	7,773	0.40
£2,480,000	Nationwide BS 5.769% perpetual	2,591	0.13
£1,700,000	National Exhibition Center 7.5625% 30/9/2027	2,307	0.12
£2,760,000	Natwest Market 5.625% variable perpetual	2,754	0.14
£50,000	New Brunswick 4% Perpetual	13	–
£8,450,000	NGG Finance 5.625% variable 18/6/2073	9,132	0.47
£5,482,000	Nordea Bank 6.625% variable perpetual	4,292	0.22
£5,540,000	Northumbrian Water Finance 2.375% 5/10/2027	5,536	0.29
£1,970,000	Notting Hill Genesis 2.875% 31/1/2029	1,985	0.10
£2,680,000	Notting Hill Housing Trust 3.25% 12/10/2048	2,622	0.14
£11,079,000	Octagon Healthcare 5.333% 31/12/2035	11,472	0.59
£8,500,000	Orange 5.75% variable perpetual	9,314	0.48
£3,700,000	Orange 5.875% variable perpetual	4,012	0.21
£5,373,000	Orbit Capital 3.375% 14/6/2048	5,571	0.29
£3,130,000	Peabody Capital 3.25% 14/9/2048	3,172	0.16
£5,187,134	Peel Land & Property Investments 8.375% Step 30/4/2040	7,369	0.38
£2,330,000	Penarian Housing Finance 3.212% 7/6/2052	2,301	0.12
£4,185,000	Pension Insurance 5.625% 20/12/2030	4,162	0.22
£3,540,000	Pension Insurance 8% 23/11/2026	4,149	0.21
£5,010,000	Phoenix Life 5.75% variable perpetual	4,563	0.24
£11,310,000	Phoenix Life 7.25% variable perpetual	11,734	0.61
£6,900,000	Places for People Homes 3.625% 22/11/2028	7,032	0.36
£10,843,000	Places for People Homes 5.09% 31/7/2043	12,347	0.64
£2,662,000	Places for People Homes 6.625% 3/9/2038	2,918	0.15
£4,257,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	4,923	0.26
£1,370,000	Porterbrook Rail Finance 7.125% 20/10/2026	1,744	0.09
£4,700,000	Premier Transport 5.2022% 31/3/2030	3,191	0.17
£8,236,000	Premiertel 6.175% 8/5/2032	8,658	0.45
£4,780,000	Principality Building Society 2.375% 23/11/2023	4,722	0.24
£8,131,000	Progress Health 5.581% 2/10/2042	7,930	0.41
£4,988,000	Provident Financial 7% 4/6/2023	5,077	0.26
£3,100,000	Prudential 5% variable 20/7/2055	3,393	0.18
£5,976,000	Prudential 5.625% variable 20/10/2051	6,371	0.33
£15,550,000	Prudential 5.7% variable 19/12/2063	18,728	0.97
£4,000,000	Prudential 6.125% 19/12/2031	5,272	0.27
£10,372,000	Prudential 6.25% variable 20/10/2068	11,493	0.59
£5,493,000	QBE Insurance Group 6.115% variable 24/5/2042	5,947	0.31
£1,410,000	Quadrant Housing 7.93% Step 10/2/2033	1,884	0.10
£4,040,000	Rabobank Nederland 4.625% 23/5/2029	4,573	0.24
£2,100,000	Rabobank Nederland 5.25% 14/9/2027	2,459	0.13

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 95.26% (31/10/18 – 95.15%) – continued			
£6,026,000	Rabobank Nederland 6.91% variable perpetual	8,421	0.44
£16,788,000	RMPA Services 5.337% 30/9/2038	16,190	0.84
£7,000,000	Road Management Services 9.18% 10/6/2021	1,780	0.09
£5,461,000	Rothschild Continuation Finance 9% perpetual	6,675	0.35
£8,238,000	Royal Bank of Scotland 3.125% variable 28/3/2027	8,311	0.43
£5,930,000	RSA Insurance 5.125% variable 10/10/2045	6,444	0.33
£2,983,000	RSL Finance 6.625% 31/3/2038	3,690	0.19
£5,475,000	Sanctuary 8.375% 1/9/2031	7,239	0.37
£10,086,000	Santander 10.0625% perpetual	16,062	0.83
£2,950,000	Santander 3.625% 14/1/2026	3,118	0.16
£4,960,000	Santander 5.75% 2/3/2026	6,270	0.32
£1,000,000	Saxon Weald Capital 5.375% 6/6/2042	1,303	0.07
£2,590,000	Saudi Arabian Oil Co 4.375% 16/4/2049	1,931	0.10
£2,201,356	Scottish American Investment Trust 8% 10/4/2022	2,555	0.13
£57,500	Scottish Investment Trust 4.25% Perpetual	55	–
£105,200	Scottish Investment Trust 5% Perpetual	102	0.01
£2,013,313	Scottish Mortgage Investment Trust 14% 30/9/2020	2,327	0.12
£3,396,000	Scottish Widows 5.5% 16/6/2023	3,749	0.19
£8,102,000	Scottish Widows 7% 16/6/2043	10,506	0.54
£1,526,000	Severn Trent Utilities Finance 4.875% 24/1/2042	2,004	0.10
£7,531,000	Shaftesbury Carnaby 2.487% 30/9/2031	7,163	0.37
£8,716,000	Shaftesbury Chinatown 2.348% 30/9/2027	8,469	0.44
£2,300,000	Sheffield City 6.25% 31/3/2024	1,419	0.07
£3,000,000	Society of Lloyds 4.75% 30/10/2024	3,251	0.17
£6,703,000	Society of Lloyds 4.875% variable 7/2/2047	7,224	0.37
£4,822,000	South East Water 5.5834% 29/3/2029	6,021	0.31
£1,320,000	South Eastern Power Networks 5.625% 30/9/2030	1,713	0.09
£1,075,000	South West Water 5.875% 16/7/2040	1,539	0.08
£2,100,000	Southern Electric Power Distribution 5.5% 07/6/2032	2,720	0.14
£3,668,000	Southern Housing Group 3.50% 19/10/2047	3,896	0.20
£1,612,000	Southern Water Services Finance 6.192% 31/3/2029	2,163	0.11
£3,800,000	Spirit Issuer 5.472% 28/12/2034	3,952	0.20
£3,900,000	Spirit Issuer FRN 28/3/2025	1,748	0.09
£2,500,000	Spirit Issuer FRN 28/12/2031	2,398	0.12
£5,800,000	SRLEV NV 9% variable 15/4/2041	5,672	0.29
£6,750,000	SSE 3.625% variable 16/9/2077	6,776	0.35
£5,371,000	SSE 3.875% variable perpetual	5,437	0.28
£1,794,000	Stagecoach 4% 29/9/2025	1,849	0.10
£6,748,000	Standard Chartered 5.125% 6/6/2034	7,661	0.40
£5,309,000	Standard Chartered 5.375% variable perpetual	5,432	0.28
£5,400,000	Standard Life 4.25% variable 30/6/2048	3,873	0.20
£6,244,000	Stirling Water Seafield 5.822% 26/9/2026	3,387	0.18
£2,853,000	St James Oncology Financing 2.804% 31/3/2037	2,700	0.14
£5,837,000	Summit Finance 6.484% 31/3/2028	3,566	0.18
£6,269,000	Sunderland 6.38% 31/3/2042	8,540	0.44
£1,873,000	Sustainable Communities for Leeds Finance 5.069% 30/9/2032	2,004	0.10
£4,520,000	Swan Housing Capital 3.625% 5/3/2048	4,699	0.24
£2,900,000	Swiss Re Finance Luxembourg 2.534% variable 30/4/2050	2,543	0.13

Royal London Sterling Credit Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 95.26% (31/10/18 – 95.15%) – continued			
£2,800,000	Swiss Re Finance Luxembourg 5% variable 02/4/2049	2,208	0.11
£6,207,000	Telereal Secured Finance 4.01% 10/12/2033	5,045	0.26
£5,759,000	Telereal Securitisation 3.507% variable 10/9/2031	5,286	0.27
£5,000,000	Telereal Securitisation 4.0902% variable 10/12/2033	5,181	0.27
£2,307,000	Telereal Securitisation 4.9741% 10/9/2027	1,643	0.09
£3,945,000	Telereal Securitisation 5.5534% 10/12/2031	3,622	0.19
£2,482,000	Telereal Securitisation 5.563% 10/12/2031	1,188	0.06
£2,636,000	Telereal Securitisation 5.9478% 10/12/2031	2,466	0.13
£7,044,000	Telereal Securitisation 6.1645% 10/12/2033	7,905	0.41
£4,916,000	Telereal Securitisation FRN 10/9/2031	4,534	0.23
£2,095,000	Telereal Securitisation (B6) FRN 10/12/2033	1,698	0.09
£7,000,000	Telereal Securitisation FRN 10/12/2033	3,864	0.20
£2,560,000	Tesco Property 5.6611% 13/10/2041	3,021	0.16
£3,400,000	Thames Water 4% 19/6/2025	3,704	0.19
£2,165,000	Thames Water 5.75% 13/9/2030	2,361	0.12
£5,150,000	Thames Water 7.738% 9/4/2058	9,621	0.50
£1,386,000	Thames Water Kemble Finance 5.875% 15/7/2022	1,415	0.07
£7,548,000	THFC Funding 5.2% 11/10/2043	10,213	0.53
£2,442,154	THFC Social Housing Finance 8.75% 18/12/2021	2,827	0.15
£7,797,000	THPA Finance 7.127% 15/3/2024	3,884	0.20
£2,000,000	Time Warner Cable 5.25% 15/7/2042	2,264	0.12
£3,080,000	Time Warner Cable 5.75% 2/6/2031	3,657	0.19
£3,733,000	Town Centre 5.375% 20/11/2031	3,923	0.20
£4,675,000	TP ICAP 5.25% 26/1/2024	4,774	0.25
£10,600,000	Trafford Centre Finance FRN 28/7/2035	9,441	0.49
£5,200,000	TSB Banking Group 5.75% variable 6/5/2026	5,319	0.28
£2,500,000	TXU Eastern Funding 7.25% 8/3/2030 [~]	–	–
£6,164,000	Unifund 5.32% 7/12/2047	8,117	0.42
£1,800,000	Unique Pub Finance 6.542% 30/3/2021	594	0.03
£3,000,000	University of Oxford 2.544% 8/12/2117	2,931	0.15
£10,555,000	UPP Bond Issuer 4.9023% 28/2/2040	11,874	0.61
£3,580,000	Verizon Communications 3.375% 27/10/2036	3,823	0.20
£5,496,000	Virgin Money 3.375% variable 24/4/2026	5,521	0.29
£1,800,000	Virgin Money 8.75% variable perpetual	1,934	0.10
£7,000,000	Vodafone 3.375% 8/8/2049	6,364	0.33
£3,870,000	Vodafone 7% variable 04/4/2079	3,089	0.16
£3,000,000	Wells Fargo 2% 28/7/2025	2,950	0.15
£4,450,000	Wells Fargo 2.5% 02/5/2029	4,422	0.23
£6,200,000	Welltower 4.5% 1/12/2034	7,065	0.37
£5,154,000	Western Power Distribution 5.5% 9/5/2025	6,246	0.32
£4,700,000	Western Power Distribution 5.75% 16/4/2032	6,237	0.32
£1,100,000	Western Power Distribution 5.75% 23/3/2040	1,565	0.08
£2,000,000	Western Power Distribution 5.75% Step 10/12/2040	3,021	0.16
£1,529,000	Western Power Distribution 5.875% 25/3/2027	1,904	0.10
£2,400,000	Westpac Banking Corporation 5% variable perpetual	1,686	0.09
£10,259,000	White City Property 5.1202% 17/4/2035	11,265	0.58
£1,193,000	Witan Investments 6.125% 15/12/2025	1,450	0.08
£2,295,000	Wods Transmission 3.446% 24/8/2034	2,215	0.12
£4,020,000	Worcestershire Hospital 5.87% 31/12/2030	3,152	0.16
£1,610,000	Yorkshire Building Society 3% Variable 18/4/2025	1,617	0.08

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 95.26% (31/10/18 – 95.15%) – continued			
£6,100,000	Yorkshire Building Society 3.375% variable 13/9/2028	5,896	0.31
£2,590,000	Yorkshire Water Finance 2.75% 18/4/2041	2,577	0.13
£8,296,000	Yorkshire Water Services 3.75% variable 22/3/2046	8,553	0.44
£1,700,000	Yorkshire Water Services 4.965% 13/6/2033	2,004	0.10
£6,671,000	Zurich Finance 6.625% variable perpetual	7,411	0.38
Total Corporate Bonds		1,841,752	95.26
Corporate Preference Bonds – 0.08% (31/10/18 – 0.09%)			
£1,000,000	Santander UK 10.375%	1,600	0.08
Total Corporate Preference Bonds		1,600	0.08
Government Bonds – 0.29% (31/10/18 – 0.32%)			
£3,666,000	Government of Italy 6% 4/8/2028	4,206	0.22
£1,250,000	United Mexican States 5.625% 19/3/2114	1,282	0.07
Total Government Bonds		5,488	0.29
Index Linked Bonds – 0.51% (31/10/18 – 0.59%)			
£3,129,000	Coventry & Rugby 3.246% IL 30/6/2040	4,531	0.23
£3,800,000	Road Management Services 3.642% IL 31/3/2028	3,710	0.19
£840,000	Scottish Power 3.494% IL 13/10/2024	1,744	0.09
Total Index Linked Bonds		9,985	0.51
Forward Currency Contracts – 0.00% (31/10/18 – (0.05)%)			
	Buy £51,440,814 & Sell \$67,650,000 [†]	(239)	(0.01)
	Buy £22,830,368 & Sell \$26,350,000 [†]	114	0.01
Total Forward Currency Contracts		(125)	–
Total value of investments[^]		1,904,759	98.54
Net other assets		28,302	1.46
Total net assets		1,933,061	100.00

[^] Including investment liabilities

[~] Suspended

[†] 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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	1,319,463	68.26	1,250,370	73.62
Investments of below investment grade	178,372	9.23	166,311	9.80
Unrated	405,449	20.97	264,352	15.56
Total bonds	1,903,284	98.46	1,681,033	98.98
Corporate preference shares	1,600	0.08	1,540	0.09
Forward currency contract – assets	114	0.01	–	–
Investments as shown in the balance sheet	1,904,998	98.55	1,682,573	99.07
Forward currency contract – liabilities	(239)	(0.01)	(776)	(0.05)
Total value of investments	1,904,759	98.54	1,681,797	99.02

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
UK Treasury 1.75% 22/7/2019	44,296
Income Contingent Student Loan FRN 24/7/2058	22,575
Jacktel AS 10% 04/12/2023	10,114
Morhomes PLC 3.4% 19/2/2038	8,935
Royal Bank of Scotland 3.125% variable 28/3/2027	8,194
BNP Paribas 3.375% 23/1/2026	7,938
Income Contingent Student Loan 2.50% 24/7/2058	7,605
CYBG 7.875% variable 14/12/2028	7,267
Nationwide Building Society FRN 10/1/2024	7,151
THFC Funding 5.2% 11/10/2043	6,780
Subtotal	130,855
Total cost of purchases, including the above, for the period	513,601

Significant Sales

	Proceeds £'000
UK Treasury 1.75% 22/7/2019	44,279
Jacktel 7% 9/7/2019	14,726
Rabobank Capital Funding Trust 5.556% variable perpetual	10,273
RWE Finance 7% variable perpetual	8,253
Swiss Reinsurance 6.3024% variable perpetual	7,844
Southern Water Services Finance 4.5% variable 31/3/2038	7,386
Nationwide Building Society FRN 10/1/2024	7,165
Volkswagen International Finance 4.125% 16/11/2038	6,846
First Hydro Finance 9% 31/7/2021	6,671
CYBG 5% variable 9/2/2026	6,655
Subtotal	120,098
Total proceeds from sales, including the above, for the period	323,101

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		38,575		(16,629)
Revenue	35,801		28,494	
Expenses	(2,902)		(2,875)	
Interest payable and similar charges	(15)		(6)	
Net revenue before taxation	32,884		25,613	
Taxation	(3)		–	
Net revenue after taxation		32,881		25,613
Total return before distributions		71,456		8,984
Distributions		(35,782)		(28,488)
Change in net assets/(liabilities) attributable to shareholders from investment activities		35,674		(19,504)

Statement of Change In Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		1,698,457		1,459,871
Amounts receivable on creation of shares	298,959		262,055	
Amounts payable on cancellation of shares	(107,883)		(76,479)	
		191,076		185,576
Dilution levy charged		–		119
Change in net assets/(liabilities) attributable to shareholders from investment activities		35,674		(19,504)
Retained distributions on accumulation shares		7,854		1,083
Closing net assets attributable to shareholders		1,933,061		1,627,145

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	1,904,998	1,682,573
Current assets:		
Debtors	52,355	34,909
Cash and bank balances	5,956	5,200
Total assets	1,963,309	1,722,682
LIABILITIES		
Investment liabilities	239	776
Creditors:		
Other creditors	16,795	7,464
Distribution payable	13,214	15,985
Total liabilities	30,248	24,225
Net assets attributable to shareholders	1,933,061	1,698,457

DISTRIBUTION TABLES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

FIRST INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 31 January 2019

	Net income	Equalisation	Distribution paid 31/03/19	Distribution paid 31/03/18
Class M Accumulation				
Group 1	1.3252	–	1.3252	1.1860
Group 2	0.9386	0.3866	1.3252	1.1860
Class M Income				
Group 1	1.1523	–	1.1523	1.0701
Group 2	0.4716	0.6807	1.1523	1.0701
Class R Accumulation*				
Group 1	0.9948	–	0.9948	n/a
Group 2	0.5987	0.3961	0.9948	n/a
Class Z Income				
Group 1	1.3289	–	1.3289	1.2323
Group 2	0.7974	0.5315	1.3289	1.2323

SECOND INTERIM

Group 1: Shares purchased prior to 1 February 2019

Group 2: Shares purchased between 1 February 2019 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class M Accumulation				
Group 1	1.3167	–	1.3167	1.1854
Group 2	0.6182	0.6985	1.3167	1.1854
Class M Income				
Group 1	1.1337	–	1.1337	1.0602
Group 2	0.5789	0.5548	1.1337	1.0602
Class R Accumulation*				
Group 1	0.9897	–	0.9897	n/a
Group 2	0.8437	0.1460	0.9897	n/a
Class S Income**				
Group 1	0.1472	–	0.1472	n/a
Group 2	0.1472	–	0.1472	n/a
Class Z Income				
Group 1	1.3079	–	1.3079	1.2214
Group 2	0.5435	0.7644	1.3079	1.2214

* Class R Accumulation launched on 4 October 2018.

** Class S Income launched on 16 April 2019.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Global Index Linked Fund, Class M Income	2.90	2.88	9.70	18.82
Royal London Global Index Linked Fund, Class R Accumulation	3.09	–	–	–
Royal London Global Index Linked Fund, Class Z Income	2.96	3.01	10.11	19.49

Class R Accumulation launched on 20 September 2018.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

After fees, the Fund returned 2.90% over the period, underperforming global inflation bonds, as shown by the Barclays Global Inflation Linked (hedged) index. Some of this difference was due to timing differences between fund pricing at midday and end of day market indices. Also, the Fund has sizeable holding of UK 'linkers', which underperformed their global peer group. Otherwise, it performed well from a tactical trading perspective.

Portfolio and Market Commentary

A slowdown in global economic activity and the more dovish attitude of central banks, combined with Brexit-related uncertainty in the UK, increased demand for government bonds over the period. Nominal gilt yields fell, with the benchmark 10-year gilt falling from 1.44% at the end of October 2018 to 1.19% by April's close.

While the US Federal Reserve continued to raise rates through to December, because of Brexit, the Bank of England's (BoE) base rate remained at 0.75% throughout the period, having last been raised in early August 2018. Despite huge political uncertainty, we still believe a deal will be reached on Brexit. If this proves correct, we would expect 10-year bonds to underperform as expectations recede of inflation driven by a sharp fall in sterling. This should lead to a flatter curve and pressure on the 10-year sector.

A key event for active investment in the period was the UK 'index extension' on 22 March when the 2024 index linked bond fell below five years and therefore dropped out of the index. This is a technical event that passive index linked funds have to match by selling the 2024 and buy longer dated bonds to match the increase in duration of the benchmark (c. 0.7 years). This can cause volatility and extreme valuation moves.

As active managers, we are not obliged to hold certain bonds and actively chose to refrain from buying longer dated index link bonds at all-time low yields. We decided to cover the benchmark duration rise by buying a combination of gilts, short dated index linked bonds and US TIPS (picking up 291bps of additional yield before hedging costs) and allowed the Fund to move to a shorter duration position relative to the benchmark. Following the extension, long dated index linked bonds fell sharply, whereas our alternative basket outperformed. This is a key example of the opportunities that active bond managers can exploit compared to passive 'tracker' funds.

The UK government issuance remit announced after the Spring Statement left a large gap in index linked issuance with the first scheduled auction not until 23 May 2019. This was due to the imminent statement on RPI reform following a recommendation from a House of Lords committee, endorsed by the Treasury Select Committee. However, the Debt Management Office (DMO) unexpectedly announced a mini tender in mid-April.

In the US, we were long at the short end of the curve as the period came to a close. Dovish comments from the Federal Reserve meant this position was very positive and, by the end of April, we sold 5-10 years and bought 30 years after the yield curve steepened.

Globally, real yields are too low, but inflation is priced too cheaply outside the UK, which is subject to specific Brexit-related factors. Inflation protection is supported by dovish central banks that are running their economies hot against the apparently deflationary backdrop. We expected overseas index linked bonds to outperform the UK following the domestic 'index extension' in March.

As a result, we were short the UK (0.5 years) and Australia, flat the US, and long France, Germany and Japan. During the first half of April, global bonds outperformed the UK – we reduced our long positions into this strength and added to the UK, ending the period long (0.1 years). We ended the period with limited cross market exposure, being slightly short Spain and Australia.

Investment Outlook

We expect real yields to continue to rise, led by shorter-dated maturities. With the government's proposed Brexit deal still failing to pass, we believe that uncertainty will continue to constrain business investment. Against this background, we expect interest rates to remain at low levels. We will continue to trade tactically to take advantage of intra-day volatility, which remains high.

A noticeable trend over the past year has shown UK ultra-long dated bonds falling out of favour, and we expect this to continue as pension fund demand appears to be shifting towards the 30-year sector. After the sharp selloff in April, we purchased ultra-long dated bonds, but would envisage selling these into any significant rally.

We believe global inflation-linked bonds offer better value than UK equivalents, and will be looking for both strategic and tactical opportunities for cross-market trades versus the UK in 2019, which we expect to arise from central bank comments, political events and supply activity.

We believe that UK breakeven rates are still pricing excessive future rises in inflation and we expect them to fall, particularly in shorter-dated maturities. The Fund remains short inflation through its holding of conventional gilts.

Paul Rayner and Craig Inches
Fund Managers
30 April 2019
Royal London Asset Management

The views expressed are the author's own and do not constitute investment advice and are not an indication of future fund performance.

Source: Royal London Asset Management, unless otherwise stated.

COMPARATIVE TABLES

Class M Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	110.98	113.08	114.13	104.19
Return before operating charges*	4.02	0.18	0.12	11.21
Operating charges	(0.29)	(0.57)	(0.57)	(0.53)
Return after operating charges*	3.73	(0.39)	(0.45)	10.68
Distributions on income shares	–	(1.71)	(0.60)	(0.74)
Closing net asset value per share	114.71	110.98	113.08	114.13

* after direct transaction costs of: – – – –

Performance

Return after charges	3.36%	(0.34)%	(0.39)%	10.25%
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Other information

Closing net asset value (£'000)	95,988	75,791	57,615	28,633
Closing number of shares	83,676,189	68,291,882	50,952,381	25,088,531
Operating charges	0.51%	0.50%	0.50%	0.49%
Direct transaction costs	–	–	–	–

Prices

Highest share price	116.00	114.90	116.00	116.70
Lowest share price	109.70	111.00	110.10	102.70

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	100.03	100.00
Return before operating charges*	3.63	0.04
Operating charges	(0.06)	(0.01)
Return after operating charges*	3.57	0.03
Distributions on accumulation shares	–	–
Retained distributions on accumulation shares	–	–
Closing net asset value per share	103.60	100.03

* after direct transaction costs of: – –

Performance

Return after charges	3.57%	0.03%
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Other information

Closing net asset value (£'000)	58,459	5
Closing number of shares	56,428,785	5,000
Operating charges	0.12%	0.12%
Direct transaction costs	–	–

Prices

Highest share price	104.70	100.50
Lowest share price	98.85	99.09

** Class R Accumulation launched on 20 September 2018.

COMPARATIVE TABLES (CONTINUED)

Class Z Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	127.27	129.52	130.59	118.95
Return before operating charges*	4.59	0.21	0.15	12.79
Operating charges	(0.26)	(0.52)	(0.52)	(0.48)
Return after operating charges*	4.33	(0.31)	(0.37)	12.31
Distributions on income shares	–	(1.94)	(0.70)	(0.67)
Closing net asset value per share	131.60	127.27	129.52	130.59

* after direct transaction costs of: – – – –

Performance

Return after charges	3.40%	(0.24)%	(0.28)%	10.35%
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Other information

Closing net asset value (£'000)	95,129	181,858	152,945	93,949
Closing number of shares	72,287,749	142,891,707	118,089,897	71,941,955
Operating charges	0.41%	0.40%	0.40%	0.39%
Direct transaction costs	–	–	–	–

Prices

Highest share price	133.00	131.60	132.80	133.40
Lowest share price	125.80	127.20	125.90	117.30

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Bonds – 0.27% (31/10/18 – 0.02%)			
€30,000	Federal Republic of Germany 4.75% 4/7/2028	37	0.01
CAD598,000	Government of Canada 3% 1/12/2036	637	0.26
Total Government Bonds		674	0.27
Government Index-Linked Bonds – 99.43% (31/10/18 – 99.98%)			
€4,000	Federal Republic of Germany 0.1% IL 15/4/2026	4	–
€1,241,000	Federal Republic of Germany 0.1% IL 15/4/2046	1,410	0.57
€3,198,000	Federal Republic of Germany 0.5% IL 15/4/2030	3,395	1.36
AUD1,280,000	Government of Australia 0.75% IL 21/11/2027	742	0.30
AUD3,390,000	Government of Australia 1.25% IL 21/2/2022	2,157	0.86
AUD5,000	Government of Australia 2.5% IL 20/9/2030	4	–
AUD130,000	Government of Australia 3% IL 20/9/2025	102	0.04
AUD52,000	Government of Australia 4% IL 20/8/2020	51	0.02
CAD2,026,000	Government of Canada 1.25% IL 1/12/2047	1,510	0.61
CAD520,000	Government of Canada 2% IL 1/12/2041	471	0.19
CAD534,000	Government of Canada 4% IL 1/12/2031	654	0.26
CAD710,000	Government of Canada 4.25% IL 1/12/2026	814	0.33
€6,000	Government of France 0.1% IL 25/7/2021	6	–
€4,404,000	Government of France 0.1% IL 1/3/2025	4,181	1.68
€3,681,000	Government of France 0.1% IL 1/3/2028	3,528	1.41
€1,670,000	Government of France 0.1% IL 25/7/2036	1,585	0.64
€1,000	Government of France 0.1% IL 25/7/2047	1	–
€1,740,000	Government of France 0.25% IL 25/7/2024	1,706	0.68
€3,860,000	Government of France 1.1% IL 25/7/2022	4,057	1.63
€860,000	Government of France 1.8% IL 25/7/2040	1,282	0.51
€1,590,000	Government of France 1.85% IL 25/7/2027	1,887	0.76
€1,743,000	Government of France 2.1% IL 25/7/2023	1,949	0.78
€1,490,000	Government of France 3.15% IL 25/7/2032	2,499	1.00
€1,000,000	Government of Italy 0.1% IL 15/5/2022	889	0.36
€1,960,000	Government of Italy 2.1% IL 15/9/2021	1,991	0.80
€1,600,000	Government of Italy 2.35% IL 15/9/2035	1,818	0.73
€774,000	Government of Italy 2.55% IL 15/9/2041	788	0.32
€2,484,000	Government of Italy 2.6% IL 15/9/2023	2,733	1.10
€1,308,000	Government of Italy 3.1% IL 15/9/2026	1,394	0.56
JPY163,700,000	Government of Japan 0.1% IL 10/3/2024	1,200	0.48
JPY134,000,000	Government of Japan 0.1% IL 10/9/2024	960	0.38
JPY327,000,000	Government of Japan 0.1% IL 10/3/2025	2,349	0.94
JPY189,600,000	Government of Japan 0.1% IL 10/3/2026	1,366	0.55
JPY328,500,000	Government of Japan 0.1% IL 10/3/2027	2,381	0.95
JPY176,900,000	Government of Japan 0.1% IL 10/3/2028	1,273	0.51
NZD696,000	Government of New Zealand 3% IL 20/9/2030	466	0.19
€852,000	Government of Spain 1% IL 30/11/2030	847	0.34

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Index-Linked Bonds – 99.43% (31/10/18 – 99.98%) – continued			
£2,681,000	UK Treasury 0.125% IL 22/3/2026	3,467	1.39
£3,314,000	UK Treasury 0.125% IL 10/8/2028	4,175	1.67
£4,440,000	UK Treasury 0.125% IL 22/3/2029	6,620	2.65
£6,501,502	UK Treasury 0.125% IL 22/11/2036	10,184	4.08
£1,635,000	UK Treasury 0.125% IL 10/8/2041	2,572	1.03
£863,400	UK Treasury 0.125% IL 22/3/2044	1,624	0.65
£440,000	UK Treasury 0.125% IL 22/3/2046	801	0.32
£1	UK Treasury 0.125% IL 10/8/2048*	–	–
£1,140,000	UK Treasury 0.125% IL 22/11/2056	2,412	0.97
£283,000	UK Treasury 0.125% IL 22/3/2058	630	0.25
£605,622	UK Treasury 0.125% IL 22/11/2065	1,520	0.61
£2,353,254	UK Treasury 0.125% IL 22/3/2068	6,498	2.60
£2,382,958	UK Treasury 0.25% IL 22/3/2052	5,276	2.11
£121,000	UK Treasury 0.375% IL 22/3/2062	336	0.13
£2,170,000	UK Treasury 0.5% IL 22/3/2050	5,563	2.23
£490,000	UK Treasury 0.625% IL 22/11/2042	1,137	0.46
£2,000	UK Treasury 0.75% IL 22/3/2034	4	–
£502,000	UK Treasury 0.75% IL 22/11/2047	1,331	0.53
£1,090,000	UK Treasury 1.125% IL 22/11/2037	2,583	1.04
£2,660,000	UK Treasury 1.25% IL 22/11/2027	5,175	2.07
£1,003,000	UK Treasury 1.25% IL 22/11/2032	1,996	0.80
£1,430,000	UK Treasury 1.25% IL 22/11/2055	5,320	2.13
£4,000	UK Treasury 1.875% IL 22/11/2022	6	–
£940,000	UK Treasury 2% IL 26/1/2035	2,619	1.05
£780,000	UK Treasury 2.5% IL 16/4/2020	2,779	1.11
£500,000	UK Treasury 4.125% IL 22/7/2030	1,849	0.74
\$21,541,000	US Treasury 0.125% IL 15/4/2021	17,482	7.00
\$3,620,000	US Treasury 0.125% IL 15/1/2022	3,076	1.23
\$14,300,000	US Treasury 0.125% IL 15/1/2023	11,890	4.76
\$4,468,000	US Treasury 0.125% IL 15/7/2024	3,610	1.45
\$3,869,900	US Treasury 0.125% IL 15/7/2026	3,057	1.22
\$6,000	US Treasury 0.25% IL 15/1/2025	5	–
\$6,216,600	US Treasury 0.375% IL 15/7/2023	5,197	2.08
\$9,010,000	US Treasury 0.375% IL 15/1/2027	7,154	2.87
\$6,570,000	US Treasury 0.5% IL 15/1/2028	5,146	2.06
\$14,420,000	US Treasury 0.625% IL 15/1/2024	12,111	4.85
\$805,000	US Treasury 0.625% IL 15/1/2024	663	0.27
\$2,119,000	US Treasury 0.625% IL 15/2/2043	1,667	0.67
\$380,000	US Treasury 0.75% IL 15/2/2042	315	0.13
\$7,130,000	US Treasury 0.875% IL 15/2/2047	5,617	2.25
\$2,110,000	US Treasury 1% IL 15/2/2046	1,745	0.70
\$3,300,000	US Treasury 1% IL 15/2/2049	2,580	1.03
\$740,900	US Treasury 1.125% IL 15/1/2021	664	0.27
\$5,430,000	US Treasury 1.75% IL 15/1/2028	5,539	2.22
\$9,570,000	US Treasury 2% IL 15/1/2026	10,284	4.12
\$2,700,000	US Treasury 2.125% IL 15/2/2040	3,004	1.20
\$2,610,000	US Treasury 2.125% IL 15/2/2041	2,883	1.16
\$5,234,000	US Treasury 2.375% IL 15/1/2025	5,970	2.39
\$1,648,000	US Treasury 2.375% IL 15/1/2027	1,806	0.72
\$2,889,500	US Treasury 2.5% IL 15/1/2029	3,085	1.24
\$1,768,000	US Treasury 3.625% IL 15/4/2028	2,683	1.08
Total Government Index-Linked Bonds		248,160	99.43

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Forward Currency Contracts – (1.27)% (31/10/18 – 0.23%)			
	Buy £2,954,255 & Sell AUD5,534,000 [†]	(31)	(0.01)
	Buy £3,968,756 & Sell CAD6,969,000 [†]	(2)	–
	Buy £60,758,087 & Sell €70,694,826 [†]	(78)	(0.03)
	Buy £9,418,848 & Sell JPY1,387,368,000 [†]	(145)	(0.06)
	Buy £408,746 & Sell NZD798,000 [†]	1	–
	Buy £124,270,157 & Sell \$166,098,569 [†]	(2,933)	(1.18)
	Buy €26,444,054 & Sell £22,843,468 [†]	(87)	(0.03)
	Buy \$12,969,000 & Sell £9,825,728 [†]	106	0.04
Total Forward Currency Contracts		(3,169)	(1.27)
<hr/>			
Total value of investments[^]		245,665	98.43
Net other assets		3,911	1.57
Total net assets		249,576	100.00

+ Value less than £500

[†] Unlisted

[^] Including investment liabilities

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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	248,834	99.70	257,650	100.00
Total bonds	248,834	99.70	257,650	100.00
Forward currency contracts – assets	107	0.04	1,603	0.62
Investments as shown on the balance sheet	248,941	99.74	259,253	100.62
Forward currency contracts – liabilities	(3,276)	(1.31)	(1,006)	(0.39)
Total value of investments	245,665	98.43	258,247	100.23

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
UK Treasury 0.125% IL 22/3/2026	46,296
UK Treasury 0.125% IL 22/3/2068	32,805
UK Treasury 0.125% IL 10/8/2028	31,873
UK Treasury 0.125% IL 22/11/2036	20,170
UK Treasury 1.25% IL 22/11/2027	20,111
UK Treasury 0.125% IL 22/3/2029	18,135
UK Treasury 1.875% IL 22/11/2022	17,090
UK Treasury 0.125% IL 22/3/2024	16,191
Federal Republic of Germany 0.5% IL 15/4/2030	11,096
US Treasury 0.625% IL 15/1/2024	9,899
Subtotal	223,666
Total cost of purchases, including the above, for the period	393,919

Significant Sales

	Proceeds £'000
UK Treasury 0.125% IL 22/3/2026	42,929
UK Treasury 0.125% IL 22/3/2068	30,218
UK Treasury 0.125% IL 10/8/2028	29,693
UK Treasury 1.875% IL 22/11/2022	24,450
US Treasury 0.125% IL 15/7/2026	18,765
UK Treasury 0.125% IL 22/3/2024	16,113
UK Treasury 1.25% IL 22/11/2027	15,847
UK Treasury 0.125% IL 22/3/2029	11,596
UK Treasury 0.125% IL 22/11/2036	10,483
UK Treasury 0.125% IL 10/8/2048	10,457
Subtotal	210,551
Total proceeds from sales, including the above, for the period	407,086

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		7,985		(1,310)
Revenue	159		2,299	
Expenses	(481)		(471)	
Interest payable and similar charges	(1)		(2)	
Net (expense)/revenue before taxation	(323)		1,826	
Taxation	–		–	
Net (expense)/revenue after taxation		(323)		1,826
Total return before distributions		7,662		516
Distributions		4		(1,348)
Change in net assets/(liabilities) attributable to shareholders from investment activities		7,666		(832)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		257,654		211,282
Amounts receivable on creation of shares	34,894		33,788	
Amounts payable on cancellation of shares	(50,641)		(9,477)	
		(15,747)		24,311
Dilution levy charged		3		–
Change in net assets/(liabilities) attributable to shareholders from investment activities		7,666		(832)
Closing net assets attributable to shareholders		249,576		234,761

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	248,941	259,253
Current assets:		
Debtors	4,114	3,173
Cash and bank balances	7,754	4,560
Total assets	260,809	266,986
LIABILITIES		
Investment liabilities	3,276	1,006
Creditors:		
Other creditors	7,957	5,951
Distribution payable	–	2,375
Total liabilities	11,233	9,332
Net assets attributable to shareholders	249,576	257,654

DISTRIBUTION TABLE

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class M Income				
Group 1	–	–	–	0.6833
Group 2	–	–	–	0.6833
Class R Accumulation*				
Group 1	–	–	–	n/a
Group 2	–	–	–	n/a
Class Z Income				
Group 1	–	–	–	0.7629
Group 2	–	–	–	0.7629

* Class R Accumulation launched on 20 September 2018.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Short-Term Money Market Fund, Class R Accumulation	0.41	–	–	–
Royal London Short-Term Money Market Fund, Class S Accumulation	–	–	–	–
Royal London Short-Term Money Market Fund, Class S income	–	–	–	–
Royal London Short-Term Money Market Fund, Class Y Accumulation	0.37	0.67	1.25	1.45
Royal London Short-Term Money Market Fund, Class Y Income	0.37	0.67	1.25	1.45

Class R Accumulation launched on 4 October 2018 and Class S Accumulation and Class S Income launched on 16 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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund outperformed very short-dated money market rates over the period, helped by adding investments during higher yielding periods combined with the Fund's relatively low interest rate exposure due to shorter maturity instruments and floating rate notes.

Portfolio and Market Commentary

Early in the period, monthly GDP figures and other economic indicators signalled a sharp slowdown from the 0.6% quarterly pace of growth in the third quarter of 2018. The economy remained broadly characterised by weak productivity and a strong labour market, with business investment still curbed by uncertainty about the outcome of Brexit. Headline consumer price inflation was subdued, slowing to 2.3% (annual rate) in November from 2.4% at the close of the third quarter. The slower pace of GDP growth was confirmed as we moved into 2019, with 2018 GDP growth of 1.4%, compared to 1.8% in 2017. The Bank of England (BoE) left its key interest rate unchanged at 0.75%, but took a more dovish stance, leading the market to take a more cautious view on future rate rises. Cash market rates did not end the period at significantly different levels, with 7-day LIBID starting the period at 0.59% and ending it at 0.58%.

Active management has continued to provide solid performance while maintaining diversification. As 2018 came to an end, we allowed the Fund's duration to drift lower, reflecting tighter liquidity and ongoing uncertainty around Brexit. This was largely effected by running down our exposure to covered bonds, and adding to shorter supranationals and treasury bills. However, as it became clear that any interest rate increase was probably going to be pushed further into 2019, we moved to add exposure before available yields fell. As a result, by the end of the quarter, around 16% of the Fund was in securities with a maturity of six months or more, compared with only 10% at the start of 2019. The Fund continues to invest across a diversified asset base, and holds high quality assets. The Fund maintained diversity among its holdings, with exposure to a range of issuers and geographies.

The Fund maintains a high weighting in UK treasuries to ensure liquidity. Of the top non-treasury exposures, the larger positions are predominantly in covered bonds and overnight issues, both of which are immune from 'bail in' risk. The Fund profile remains concentrated on government, high quality and assets with extra security. Most of the top 10 holdings excluding UK government are covered or short/overnight positions.

Investment Outlook

The path ahead for the UK remains highly Brexit dependent and so assessing the outlook for the UK economy is difficult. Both 'no deal' and 'no Brexit' remain plausible outcomes. Nevertheless, even in our tentative central case of some form of UK-EU deal, which should lead to previously held back investment being released, the prospects for a significant economic boost have faded. With surveys signalling stagnation in March, we expect that UK growth will be both bumpy and mediocre in 2019 and the BoE will proceed with fewer and later rate rises.

As cash managers, our primary aim is the preservation of capital value while providing a return in line with money market rates. We will continue to review cash market rates, while managing portfolios for security and liquidity.

Tony Cole and Craig Inches
Fund Managers
30 April 2019
Royal London Asset Management

The views expressed are the author's own and do not constitute investment advice and are not an indication of future fund performance.

Source: Royal London Asset Management, unless otherwise stated.

COMPARATIVE TABLES

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	100.05	100.00
Return before operating charges*	0.41	0.05
Operating charges	(0.01)	–
Return after operating charges*	0.40	0.05
Distributions on accumulation shares	(0.41)	(0.06)
Retained distributions on accumulation shares	0.41	0.06
Closing net asset value per share	100.45	100.05
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.40%	0.05%
Other information		
Closing net asset value (£'000)	2,088,822	90
Closing number of shares	2,079,474,845	90,188
Operating charges	0.02%	0.02%
Direct transaction costs	–	–
Prices		
Highest share price	100.50	100.10
Lowest share price	100.10	100.00

** Class R Accumulation launched on 4 October 2018.

Class S Accumulation

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.02
Operating charges	–
Return after operating charges*	0.02
Distributions on accumulation shares	(0.04)
Retained distributions on accumulation shares	0.04
Closing net asset value per share	100.02
* after direct transaction costs of:	–
Performance	
Return after charges	0.02%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.02%
Direct transaction costs	–
Prices	
Highest share price	100.00
Lowest share price	100.00

** Class S Accumulation launched on 16 April 2019.

COMPARATIVE TABLES (CONTINUED)

Class S Income

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.02
Operating charges	–
Return after operating charges*	0.02
Distributions on income shares	(0.04)
Closing net asset value per share	99.98

* after direct transaction costs of: –

Performance

Return after charges 0.02%

Other information

Closing net asset value (£'000) 5

Closing number of shares 5,000

Operating charges 0.02%

Direct transaction costs –

Prices

Highest share price 100.00

Lowest share price 100.00

** Class S Income launched on 16 April 2019.

Class Y Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	100.97	100.47	100.26	99.93
Return before operating charges*	0.43	0.59	0.30	0.52
Operating charges	(0.05)	(0.09)	(0.09)	(0.10)
Return after operating charges*	0.38	0.50	0.21	0.42
Distributions on accumulation shares	(0.38)	(0.48)	(0.21)	(0.44)
Retained distributions on accumulation shares	0.38	0.48	0.21	0.35
Closing net asset value per share	101.35	100.97	100.47	100.26

* after direct transaction costs of: – – – –

Performance

Return after charges 0.38% 0.50% 0.21% 0.33%

Other information

Closing net asset value (£'000) 660,728 3,085,213 3,526,886 2,435,096

Closing number of shares 651,941,651 3,055,426,398 3,510,502,655 2,428,785,070

Operating charges 0.09% 0.09% 0.09% 0.10%

Direct transaction costs – – – –

Prices

Highest share price 101.40 101.00 100.50 100.30

Lowest share price 101.00 100.50 100.30 99.94

COMPARATIVE TABLES (CONTINUED)

Class Y Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	97.17	97.14	97.14	97.16
Return before operating charges*	0.40	0.58	0.29	0.50
Operating charges	(0.05)	(0.09)	(0.09)	(0.09)
Return after operating charges*	0.35	0.49	0.20	0.41
Distributions on income shares	(0.36)	(0.46)	(0.20)	(0.43)
Closing net asset value per share	97.16	97.17	97.14	97.14

* after direct transaction costs of: — — — —

Performance

Return after charges	0.36%	0.50%	0.21%	0.42%
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Other information

Closing net asset value (£'000)	267,811	243,896	223,163	143,260
Closing number of shares	275,627,571	251,002,404	229,727,353	147,472,547
Operating charges	0.09%	0.09%	0.09%	0.10%
Direct transaction costs	—	—	—	—

Prices

Highest share price	97.54	97.46	97.28	97.34
Lowest share price	97.18	97.15	97.16	97.18

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.

Royal London Short-Term Money Market Fund

PORTFOLIO STATEMENT

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Certificates of Deposit – 54.11% (31/10/18 – 61.92%)			
£50,000,000	ABN Amro Bank 1.08% 20/5/2019	50,011	1.66
£10,000,000	Bank of China 0.84% 4/7/2019	10,000	0.33
£25,000,000	Bank of Nova Scotia 0.94% 24/5/2019	25,003	0.83
£70,000,000	Bank of Tokyo Mitsu 0.85% 17/7/2019	69,998	2.32
£70,000,000	Barclays Bank 0.86% 2/9/2019	69,980	2.32
£60,000,000	BNP Paribas 0.91% 8/5/2019	60,005	1.99
£45,000,000	China Construction Bank 0.80% 3/9/2019	44,854	1.49
£72,500,000	Citibank 0.80% 2/8/2019	72,479	2.40
£80,000,000	Commonwealth Bank of Australia 0.85% 28/10/2019	80,016	2.65
£20,000,000	Commonwealth Bank of Australia 0.93% 29/10/2019	20,000	0.66
£75,000,000	Cooperative Rabobank 0.87% 9/9/2019	75,023	2.49
£35,000,000	Credit Agricole 0.91% 2/5/2019	35,000	1.16
£30,000,000	Credit Suisse London 0.84% 14/6/2019	30,001	0.99
£15,000,000	Danske Bank 0.86% 12/7/2019	15,000	0.50
£75,000,000	DNB 0.87% 30/9/2019	75,014	2.49
£57,500,000	DZ Bank 0.88% 7/5/2019	57,504	1.90
£45,000,000	Industrial & Commercial Bank of China 0% 8/11/2019	44,756	1.48
£40,000,000	ING Bank 0% 5/6/2019	39,968	1.32
£50,000,000	National Australia Bank 0.97% 7/5/2019	50,004	1.66
£44,500,000	National Bank of Abu Dhabi 1% 22/7/2019	44,513	1.47
£15,000,000	National Bank of Abu Dhabi 1.08% 7/6/2019	15,004	0.50
£50,000,000	Nationwide Building Society 1% 8/7/2019	50,014	1.66
£70,000,000	Natixis Securities 0.87% 1/8/2019	69,996	2.32
£75,000,000	Natwest Bank 0.93% 8/7/2019	75,012	2.49
£75,000,000	Nordea Bank 0.81% 15/7/2019	74,992	2.49
£8,000,000	OP Corporate Bank 0% 21/5/2019	7,997	0.26
£8,000,000	OP Corporate Bank 0% 28/5/2019	7,995	0.26
£13,500,000	OP Corporate Bank 0% 5/7/2019	13,480	0.45
£50,000,000	QNB 0% 27/8/2019	49,848	1.65
£10,000,000	Royal Bank of Canada 0.78% 4/7/2019	9,999	0.33
£12,500,000	SEB 0.79% 21/5/2019	12,501	0.41
£15,000,000	SEB 0.90% 30/9/2019	14,995	0.50
£75,000,000	Standard Chartered Bank 1% 5/6/2019	75,014	2.49
£50,000,000	Svenska 0.88% 5/8/2019	49,997	1.66
£60,000,000	United Overseas Bank 0.84% 9/8/2019	59,989	1.99
£20,000,000	UOB Kay Hian Pte 0.95% 29/5/2019	20,003	0.66
£20,000,000	Wells Fargo Bank International 1.08% 13/6/2019	20,006	0.66
£11,800,000	Wells Fargo Bank International 1.08% 8/7/2019	11,805	0.39
£25,000,000	Westpac Banking 1.03% 19/11/2019	25,000	0.83
Total Certificates of Deposit		1,632,776	54.11

Corporate Bonds – 10.52% (31/10/18 – 15.44%)			
£10,000,000	Barclays Bank FRN 22/5/2020	10,009	0.33
£51,900,000	Coventry Building Society FRN 17/3/2020	51,970	1.72
£22,000,000	Lloyds Banking Group FRN 18/7/2019	22,006	0.73
£103,080,000	Lloyds Banking Group FRN 16/1/2020	103,192	3.42
£37,500,000	Royal Bank of Canada FRN 27/4/2020	37,497	1.24
£33,773,000	Royal Bank of Scotland FRN 15/5/2020	33,813	1.12
£4,000,000	Santander UK FRN 8/7/2019	4,002	0.13
£34,753,000	Santander UK FRN 5/5/2020	34,793	1.16
£20,000,000	Westpac Banking Corporation FRN 14/1/2020	20,000	0.67
Total Corporate Bonds		317,282	10.52

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Bonds – 17.61% (31/10/18 – 15.52%)			
£75,000,000	UK Treasury 0% 7/5/2019	74,961	2.48
£5,000,000	UK Treasury 0% 20/5/2019	4,996	0.17
£140,000,000	UK Treasury 0% 10/6/2019	139,827	4.63
£25,000,000	UK Treasury 0% 17/6/2019	24,966	0.83
£75,000,000	UK Treasury 0% 8/7/2019	74,867	2.48
£1,000,000	UK Treasury 0% 15/7/2019	998	0.03
£210,500,000	UK Treasury 1.75% 22/7/2019	210,879	6.99
Total Government Bonds		531,494	17.61

Supranational Bonds – 0.00% (31/10/18 – 1.01%)

Total value of investments	2,481,552	82.24
Net other assets	535,819	17.76
Total net assets	3,017,371	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 30 APRIL 2019

Significant Purchases

	Cost £'000
UK Treasury 4.5% 7/3/2019	226,564
UK Treasury 1.75% 22/7/2019	211,268
UK Treasury 0% 10/6/2019	139,741
Lloyds Banking Group FRN 16/1/2020	103,170
UK Treasury 0% 29/4/2019	100,809
UK Treasury 0% 8/4/2019	89,833
Bank of Montreal 0.95% 4/4/2019	75,000
Standard Chartered Bank 1% 5/6/2019	75,000
Natwest Bank 0.93% 8/7/2019	75,000
Nordea Bank 0.81% 15/7/2019	75,000
Subtotal	1,171,385
Total cost of purchases, including the above, for the period	3,397,770

Significant Sales

	Proceeds £'000
UK Treasury 4.5% 7/3/2019	224,590
UK Treasury 0% 14/1/2019	200,000
Lloyds Banking Group FRN 14/1/2019	152,551
UK Treasury 0% 29/4/2019	101,000
UK Treasury 0% 8/4/2019	90,000
UK Treasury 0% 7/1/2019	85,000
Nordea Eiendomskreditt FRN 14/1/2019	77,979
Standard Chartered Bank 0.89% 2/1/2019	75,000
Credit Industrial et Commercial 0.81% 3/1/2019	75,000
Barclays Bank 0.80% 1/2/2019	75,000
Subtotal	1,156,120
Total proceeds from sales, including the above, for the period	4,040,143

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital (losses)/gains		(116)		822
Revenue	12,650		7,933	
Expenses	(1,034)		(1,582)	
Interest payable and similar charges	–		(2)	
Net revenue before taxation	11,616		6,349	
Taxation	–		–	
Net revenue after taxation		11,616		6,349
Total return before distributions		11,500		7,171
Distributions		(11,984)		(6,349)
Change in net (liabilities)/assets attributable to shareholders from investment activities		(484)		822

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		3,329,199		3,750,049
Amounts receivable on creation of shares	781,166		571,719	
Amounts payable on cancellation of shares	(1,103,548)		(1,009,904)	
		(322,382)		(438,185)
Change in net (liabilities)/assets attributable to shareholders from investment activities		(484)		822
Retained distribution on accumulation shares		11,038		5,712
Closing net assets attributable to shareholders		3,017,371		3,318,398

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	2,481,552	3,125,647
Current assets:		
Debtors	79,063	22,732
Cash and bank balances	579,456	380,212
Total assets	3,140,071	3,528,591
LIABILITIES		
Creditors:		
Other creditors	121,696	198,675
Distribution payable	1,004	717
Total liabilities	122,700	199,392
Net assets attributable to shareholders	3,017,371	3,329,199

Royal London Short-Term Money Market Fund

DISTRIBUTION TABLE

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class R Accumulation*				
Group 1	0.4126	—	0.4126	n/a
Group 2	0.1366	0.2760	0.4126	n/a
Class S Accumulation**				
Group 1	0.0362	—	0.0362	n/a
Group 2	0.0362	0.0000	0.0362	n/a
Class S Income**				
Group 1	0.0362	—	0.0362	n/a
Group 2	0.0362	0.0000	0.0362	n/a
Class Y Accumulation				
Group 1	0.3770	—	0.3770	0.1850
Group 2	0.2139	0.1631	0.3770	0.1850
Class Y Income				
Group 1	0.3644	—	0.3644	0.1789
Group 2	0.1270	0.2374	0.3644	0.1789

* Class R Accumulation launched on 4 October 2018.

** Class S Income and S Accumulation launched on 16 April 2019.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Corporate Bond Fund, Class A Income	3.38	3.23	15.87	27.41
Royal London Corporate Bond Fund, Class M Accumulation	3.62	3.70	17.52	30.42
Royal London Corporate Bond Fund, Class M Income	3.61	3.77	17.55	30.40
Royal London Corporate Bond Fund, Class R Accumulation	3.79	–	–	–
Royal London Corporate Bond Fund, Class S Accumulation	–	–	–	–
Royal London Corporate Bond Fund, Class Y Accumulation	3.67	3.86	–	–
Royal London Corporate Bond Fund, Class Y Income	3.70	3.86	–	–
Royal London Corporate Bond Fund, Class Z Income	3.77	3.86	18.04	31.35

Class R Accumulation launched on 6 September 2018, Class S Accumulation launched on 9 April 2019 and Class Y Accumulation and Class Y Income launched on 17 January 2017.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund outperformed the wider sterling investment grade credit market after fees during the six months under review, using the Markit iBoxx Sterling Non-Gilts Index as a guide (which returned 3.50%). Overweight holdings of insurance and subordinated bank debt, underweight exposure to supranational debt and the overweight allocation to lower rated investment grade bonds (A and BBB) were key drivers of performance.

Portfolio and Market Commentary

Sterling investment grade credit outperformed UK government debt during the period under review, returning respectively 3.50% and 2.81%. The average yield spread (the extra yield available on a corporate bond over a gilt of equivalent maturity) narrowed by 21 basis points (bps) to 1.22%. After widening in the final months of 2018 over concerns that the US Federal Reserve was pursuing interest rate hikes too aggressively, credit spreads have narrowed since the turn of the year as central banks softened their policy stances, and trade talks between China and the US showed signs of progress.

The yield on benchmark 10 year gilts declined 25 bps to 1.19% during the review period. This primarily reflected ongoing chaos in Parliament, with politicians unable to find a majority for any Brexit outcome. Global government bond yields broadly fell over the period as global economic data continued to disappoint already downgraded expectations.

The Fund's significant underweight allocations to supranationals and consumer goods were key drivers of returns, as they were among the weakest performing sectors over the period. The Fund has a prominent holding of financial (banks and insurance) issues, and a preference within this for subordinated debt. Initially detracting from returns, the Fund's overweight allocation proved beneficial since subordinated insurance and banking have been among the strongest performing sectors since the start of 2019.

In sector terms, the Fund modestly reduced its overweight holding in insurance, while increasing the overweight allocations to social housing and structured debt; we like the protection structured debt offers. In contrast, the underweight positions in the telecoms and utilities sectors were increased. The overweight allocation in BBB rated bonds decreased slightly in favour of A rated debt.

In new issue activity, the Fund continued to implement its strategic view of adding to social housing, with purchases of various long dated issues, such as of Morhomes, Clarion Housing Group and Incommunities. It also participated in the Income Contingent Student Loans new issue, the government's second securitisation of student loan debt, which raised about £1.9 billion for taxpayers following the initial issue in December 2017. The Fund purchased bonds from the A1 (floating rate) and A2 (fixed rate) tranches, both of which were rated A by Standard & Poor's.

In the secondary market, the Fund increased exposure to 'hybrid' bonds of General Electric, which had fallen sharply in October as the heavily indebted company wrote down the value of assets in its flagship power division, cut its dividend to near zero and appointed a second new chief executive in two years. This investment proved particularly rewarding as the bonds recovered when the company announced remedial measures to strengthen its financial position.

MANAGER'S INVESTMENT REPORT (CONTINUED)

Investment Outlook

Global GDP growth looks set to slow in 2019, but with more weakness in the first half of 2019 than we had expected. The outlook for the second half remains clouded by trade tensions, Brexit uncertainty and increasing geopolitical tensions. On a more positive note, stimulus from China and a pause in central bank interest rate hikes should help support growth. We expect global government bond yields to rise gradually from current levels.

The Fund invests mainly in UK corporate bonds. Its duration is marginally below that of the wider sterling investment grade credit market, in line with our outlook for higher government bond yields. Overall, we consider that the current spread provides adequate compensation for default and other risks and we expect investment grade credit bonds to modestly outperform UK government securities over the next three years.

Jonathan Platt
Fund Manager
30 April 2019
Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLES

Class A Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	95.55	99.14	97.26	92.63
Return before operating charges*	3.87	1.02	6.84	9.69
Operating charges	(0.46)	(0.97)	(0.97)	(0.92)
Return after operating charges*	3.41	0.05	5.87	8.77
Distributions on income shares	(1.87)	(3.64)	(3.99)	(4.14)
Closing net asset value per share	97.09	95.55	99.14	97.26

* after direct transaction costs of: – – – –

Performance

Return after charges	3.57%	0.05%	6.04%	9.47%
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Other information

Closing net asset value (£'000)	60,744	73,600	115,179	128,394
Closing number of shares	62,563,955	77,024,460	116,172,822	132,011,947
Operating charges	0.97%	0.98%	0.98%	0.95%
Direct transaction costs	–	–	–	–

Prices

Highest share price	98.58	101.20	101.80	102.80
Lowest share price	94.33	95.92	96.33	91.83

Class M Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	134.36	133.73	125.72	115.18
Return before operating charges*	5.50	1.34	8.97	12.19
Operating charges	(0.35)	(0.71)	(0.69)	(0.61)
Return after operating charges*	5.15	0.63	8.28	11.58
Distributions on accumulation shares	(2.66)	(5.00)	(5.25)	(5.21)
Retained distributions on accumulation shares	2.66	5.00	4.98	4.17
Closing net asset value per share	139.51	134.36	133.73	125.72

* after direct transaction costs of: – – – –

Performance

Return after charges	3.83%	0.47%	6.59%	10.06%
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Other information

Closing net asset value (£'000)	555,845	557,487	494,967	300,665
Closing number of shares	398,419,523	414,909,373	370,125,723	239,155,374
Operating charges	0.52%	0.53%	0.53%	0.50%
Direct transaction costs	–	–	–	–

Prices

Highest share price	140.30	136.60	135.90	131.60
Lowest share price	132.70	133.30	124.50	115.00

COMPARATIVE TABLES (CONTINUED)

Class M Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	116.14	119.97	117.15	111.06
Return before operating charges*	4.73	1.23	8.28	11.64
Operating charges	(0.30)	(0.63)	(0.63)	(0.58)
Return after operating charges*	4.43	0.60	7.65	11.06
Distributions on income shares	(2.29)	(4.43)	(4.83)	(4.97)
Closing net asset value per share	118.28	116.14	119.97	117.15

* after direct transaction costs of: – – – –

Performance

Return after charges	3.81%	0.50%	6.53%	9.96%
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Other information

Closing net asset value (£'000)	205,056	218,880	215,869	188,950
Closing number of shares	173,357,223	188,462,106	179,937,997	161,288,018
Operating charges	0.52%	0.53%	0.53%	0.50%
Direct transaction costs	–	–	–	–

Prices

Highest share price	120.10	122.50	123.10	123.70
Lowest share price	114.70	116.60	116.10	110.30

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	99.15	100.00
Return before operating charges*	3.97	(0.84)
Operating charges	(0.03)	(0.01)
Return after operating charges*	3.94	(0.85)
Distributions on accumulation shares	(1.96)	(0.57)
Retained distributions on accumulation shares	1.96	0.57
Closing net asset value per share	103.09	99.15

* after direct transaction costs of: – –

Performance

Return after charges	3.97%	(0.85)%
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Other information

Closing net asset value (£'000)	1,949	5
Closing number of shares	1,890,009	5,000
Operating charges	0.06%	0.08%
Direct transaction costs	–	–

Prices

Highest share price	103.69	100.09
Lowest share price	97.96	98.53

** Class R Accumulation launched on 6 September 2018.

COMPARATIVE TABLES (CONTINUED)

Class S Accumulation

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.03
Operating charges	–
Return after operating charges*	0.03
Distributions on accumulation shares	(0.22)
Retained distributions on accumulation shares	0.22
Closing net asset value per share	100.03
* after direct transaction costs of:	–
Performance	
Return after charges	0.03%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.06%
Direct transaction costs	–
Prices	
Highest share price	100.61
Lowest share price	99.92

** Class S Accumulation launched on 9 April 2019.

Class Y Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17** (p)
Change in net assets per share			
Opening net asset value per share	105.64	104.96	100.00
Return before operating charges*	4.33	1.05	5.29
Operating charges	(0.18)	(0.37)	(0.29)
Return after operating charges*	4.15	0.68	5.00
Distributions on accumulation shares	(2.09)	(3.93)	(3.23)
Retained distributions on accumulation shares	2.09	3.93	3.19
Closing net asset value per share	109.79	105.64	104.96
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	3.93%	0.65%	5.00%
Other information			
Closing net asset value (£'000)	42,290	9,878	4,967
Closing number of shares	38,520,121	9,350,322	4,732,389
Operating charges	0.34%	0.35%	0.36%
Direct transaction costs	–	–	–
Prices			
Highest share price	110.40	107.25	106.60
Lowest share price	104.30	104.65	99.05

** Class Y Accumulation launched on 17 January 2017.

COMPARATIVE TABLES (CONTINUED)

Class Y Income

Change in net assets per share	30/04/19 (p)	31/10/18 (p)	31/10/17** (p)
Opening net asset value per share	98.66	101.73	100.00
Return before operating charges*	4.01	1.05	5.21
Operating charges	(0.17)	(0.36)	(0.29)
Return after operating charges*	3.84	0.69	4.92
Distributions on income shares	(1.94)	(3.76)	(3.19)
Closing net asset value per share	100.56	98.66	101.73

* after direct transaction costs of: — — —

Performance

Return after charges	3.89%	0.68%	4.92%
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Other information

Closing net asset value (£'000)	11,307	5,644	3,095
Closing number of shares	11,244,201	5,721,005	3,041,999
Operating charges	0.34%	0.35%	0.36%
Direct transaction costs	—	—	—

Prices

Highest share price	102.10	103.95	104.32
Lowest share price	97.45	99.00	99.05

** Class Y Income launched on 17 January 2017.

Class Z Income

Change in net assets per share	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Opening net asset value per share	100.57	103.73	101.15	95.75
Return before operating charges*	4.09	1.06	7.14	10.03
Operating charges	(0.18)	(0.39)	(0.39)	(0.35)
Return after operating charges*	3.91	0.67	6.75	9.68
Distributions on income shares	(1.98)	(3.83)	(4.17)	(4.28)
Closing net asset value per share	102.50	100.57	103.73	101.15

* after direct transaction costs of: — — —

Performance

Return after charges	3.89%	0.65%	6.67%	10.11%
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Other information

Closing net asset value (£'000)	426,718	345,503	321,870	288,148
Closing number of shares	416,300,895	343,546,304	310,302,919	284,882,751
Operating charges	0.37%	0.38%	0.38%	0.35%
Direct transaction costs	—	—	—	—

Prices

Highest share price	104.10	106.00	106.40	106.70
Lowest share price	99.33	100.90	100.20	95.10

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 3.07% (31/10/18 – 3.25%)			
£2,356,000	BAMS Designated Activity Company FRN 17/5/2028	2,328	0.18
£1,796,000	Brass No. 7 FRN 16/10/2059	1,717	0.13
£2,452,000	Castell FRN 25/10/2044	918	0.07
£4,577,000	Equity Release Funding 5.05% 26/4/2033	5,624	0.43
£8,600,000	Equity Release Funding FRN 14/7/2045	7,871	0.60
£2,540,000	Lanark Master Issuer FRN 23/12/2069	2,509	0.19
£3,000,000	Lanark Master Issuer FRN 22/12/2069	2,986	0.23
£1,914,000	Ribbon Finance FRN 20/4/2028	1,859	0.14
£4,188,000	RMAC FRN 12/6/2046	3,700	0.28
£8,600,000	SCAST 2016 1 FRN 25/7/2021*	3,555	0.27
£2,800,000	Tolkien Funding Sukuk No1 FRN 20/7/2052	2,330	0.18
£3,000,000	Towd point Mortgage Funding FRN 20/4/2045	2,146	0.17
£3,000,000	Towd point Mortgage Funding FRN 20/5/2045	2,582	0.20
Total Commercial Mortgage Backed Securities		40,125	3.07

Corporate Bonds – 94.42% (31/10/18 – 95.34%)			
£2,500,000	3i Group 5.75% 3/12/2032	3,115	0.24
£2,300,000	AA Bond 5.5% 31/7/2043	2,073	0.16
£6,064,000	AA Bond 6.269% 2/7/2043	6,424	0.49
£6,608,000	Akelius Residential Property AB 2.375% 15/8/2025	6,416	0.49
£7,200,000	Allianz 5.5% perpetual	5,506	0.42
£2,700,000	Alpha Plus 5% 31/3/2024	2,808	0.22
£1,050,000	Amicushorizon Finance 5.25% 13/3/2043	1,430	0.11
£4,705,000	Anglian Water Osprey Financing 4% 8/3/2026	4,256	0.33
£2,491,000	Anglian Water Osprey Financing 5% 30/4/2023	2,495	0.19
£1,780,000	Anglian Water Services Financing 2.75% 26/10/2029	1,844	0.14
£2,666,000	Annes Gate Property 5.661% 30/6/2031	3,441	0.26
£4,100,000	Annington Funding 2.646% 12/7/2025	4,077	0.31
£3,761,000	Annington Funding 3.184% 12/7/2029	3,787	0.29
£3,119,000	APT Pipelines 3.125% 18/7/2031	3,143	0.24
£3,900,000	APT Pipelines 3.5% 22/3/2030	4,075	0.31
£1,500,000	APT Pipelines 4.25% 26/11/2024	1,639	0.13
£2,400,000	Aroundtown 3% 16/10/2029	2,279	0.17
£3,250,000	Aroundtown SA 3.625% 10/4/2031	3,194	0.24
£6,044,000	Arsenal Securities 5.1418% 1/9/2029	3,937	0.30
£1,000,000	Arsenal Securities FRN 1/9/2031	832	0.06
£3,351,000	Aspire Defence Finance 'A' 4.674% 31/3/2040	3,761	0.29
£3,850,000	Aspire Defence Finance 'B' 4.674% 31/3/2040	4,321	0.33
£2,000,000	Assicurazioni Generali 6.269% perpetual	2,094	0.16
£5,300,000	Assicurazioni Generali 6.416% variable perpetual	5,549	0.43
£1,380,000	Assura Financing 3% 19/7/2028	1,418	0.11
£2,616,000	Aviva 5.9021% variable perpetual	2,711	0.21
£2,990,000	Aviva 6.125% 14/11/2036	3,406	0.26
£5,000,000	Aviva 6.125% variable perpetual	5,397	0.41
£7,026,000	Aviva 6.875% variable 20/5/2058	9,040	0.69
£8,448,000	AXA 6.6862% variable perpetual	9,885	0.76
£1,257,000	AXA variable perpetual	1,374	0.11
£4,500,000	B.A.T. International Finance 4% 23/11/2055	4,528	0.35
£1,550,000	B.A.T. International Finance 5.75% 5/7/2040	1,965	0.15
£3,200,000	Bank Of Scotland 7.754% variable perpetual	3,524	0.27
£3,150,000	Barclays 2.375% variable 6/10/2023	3,139	0.24
£2,425,000	Barclays 7.75% variable perpetual	1,922	0.15

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 94.42% (31/10/18 – 95.34%) – continued			
£3,190,000	Barclays Bank 3.25% 17/1/2033	3,032	0.23
£1,914,000	Barclays Bank 9% perpetual	2,306	0.18
£1,200,000	BBC Pacific Quay Finance 5.5653% 25/7/2034	1,327	0.10
£6,900,000	BL Superstore Finance 5.27% 4/7/2025	1,320	0.10
£3,239,000	Blend Funding 3.459% 21/9/2047	3,456	0.27
£2,800,000	BNP Paribas 7% variable perpetual	2,228	0.17
£1,750,000	Boston Mayflower Finance 4.321% 8/9/2059	2,227	0.17
£925,000	British Land 5.264% 24/9/2035	1,191	0.09
£3,275,000	British Land 5.357% 31/3/2028	3,972	0.30
£3,000,000	British Land BR 5.264% 24/9/2035	3,862	0.30
£1,174,000	BWP Issuer 2.868% 30/6/2036	1,155	0.09
£9,886,000	Cadent Finance 2.625% 22/9/2038	9,463	0.73
£1,100,000	Cadent Finance 2.75% 22/9/2046	1,047	0.08
£7,025,000	Canary Wharf Finance II 5.952% 22/1/2035	9,867	0.76
£6,515,000	Canary Wharf Finance II 6.455% 22/10/2033	1,702	0.13
£4,208,000	Canary Wharf Finance II FRN 22/10/2037	3,612	0.28
£4,500,000	Centrica 5.25% variable 10/4/2075	4,579	0.35
£1,399,000	Channel Link Enterprises Finance FRN 30/12/2050	947	0.07
£2,233,000	Clarion Housing Group 3.125% 19/4/2048	2,260	0.17
£3,950,000	Close Brothers Finance 2.75% 19/10/2026	4,033	0.31
£5,000,000	Commonwealth Bank of Australia 3% 4/9/2026	5,444	0.42
£5,461,000	Connect M77 GSO 5.404% 31/3/2034	4,479	0.34
£8,210,000	Co-operative Rabobank 6.91% variable perpetual	11,473	0.88
£10,332,000	Co-operative Bank 4.75% 11/11/2021	10,958	0.84
£4,250,000	Co-operative Wholesale Society 6.25% Step 8/7/2026	4,770	0.37
£4,295,000	Coventry Building Society 6.875% variable perpetual	4,389	0.34
£4,855,000	CPUK Finance 3.588% 28/2/2042	5,116	0.39
£2,000,000	CPUK Finance 3.69% 28/8/2028	2,077	0.16
£1,800,000	Credit Suisse Group 7.5% variable perpetual	1,448	0.11
£271,000	CYBG 3.125% variable 22/6/2025	264	0.02
£3,000,000	CYBG 7.875% variable 14/12/2028	3,296	0.25
£1,817,000	CYBG 9.25% variable perpetual	1,923	0.15
£4,250,000	Daily Mail & General 6.375% 21/6/2027	4,823	0.37
£5,626,000	Danske Bank 7% variable perpetual	4,157	0.32
£6,620,000	Delamare Finance 5.5457% 19/2/2029	6,424	0.49
£4,780,000	Delamare Finance 6.067% 19/2/2029	5,622	0.43
£6,965,000	Derby Healthcare 5.564% 30/6/2041	8,826	0.68
£4,072,000	Deutsche Bahn Finance GMBH 1.875% 13/2/2026	4,104	0.31
£1,069,000	Digital Euro Finco 2.5% 16/1/2026	979	0.08
£1,961,000	Digital Stout 3.75% 17/10/2030	2,014	0.15
£3,000,000	Digital Stout 4.25% 17/1/2025	3,235	0.25
£1,250,000	Dignity Finance 3.5456% 31/12/2034	1,100	0.08
£1,200,000	E.ON International Finance 5.875% 30/10/2037	1,664	0.13
£1,730,000	Edinburgh Investment Trust 7.75% 30/9/2022	2,036	0.16
£9,900,000	Electricite de France 5.875% variable perpetual	10,228	0.78
£6,600,000	Electricite de France 6% 23/1/2114	9,934	0.76
£3,700,000	Electricite de France 6% variable perpetual	3,890	0.30
£5,100,000	Enel Finance 5.75% 14/9/2040	6,632	0.51
£1,750,000	Enel Spa 8.75% variable 24/9/2073	1,492	0.11
£7,107,000	Enterprise Inns 6.375% 26/9/2031	7,670	0.59
£7,207,000	Equity Release 5.7% 26/2/2031	6,983	0.54
£6,580,000	Equity Release 5.88% 26/5/2032	7,148	0.55

Royal London Corporate Bond Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 94.42% (31/10/18 – 95.34%) – continued			
£3,100,000	Eskmuir Group Finance 4.255% 12/12/2047	2,888	0.22
£2,657,000	Esure Group 6.75% 19/12/2024	2,583	0.20
£2,090,000	Eversholt Funding 3.529% 7/8/2042	2,025	0.16
£6,400,000	Eversholt Funding 6.697% 22/2/2035	8,116	0.62
£7,700,000	Fidelity International 7.125% 13/2/2024	9,157	0.70
£5,600,000	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058	6,571	0.50
£3,000,000	Finance for Residence Social Housing 'A2' 8.569% 5/10/2058	2,982	0.23
£800,000	Gatwick Funding 3.125% 28/9/2041	813	0.06
£1,000,000	Gatwick Funding 5.75% 23/1/2037	1,372	0.11
£1,200,000	Gatwick Funding 6.5% 2/3/2043	1,854	0.14
£2,898,000	GB Social Housing 5.193% 12/2/2038	3,552	0.27
£3,045,000	GE Capital 5.375% 18/12/2040	3,630	0.28
£2,014,000	GE Capital 6.25% 5/5/2038	2,624	0.20
£2,350,000	GE Capital UK Funding FRN 5/3/2038	1,927	0.15
£5,500,000	General Electric 5% variable perpetual	3,994	0.31
£6,923,000	General Electric Capital 4.875% 18/9/2037	7,214	0.55
£6,640,000	Genfinance II 6.064% 21/12/2039	9,370	0.72
£1,227,700	GLH Hotels 7.875% 20/6/2022	1,340	0.10
£4,000,000	Global Switch 2.25% 31/5/2027	3,564	0.27
£2,040,000	Go Ahead 2.5% 6/7/2024	1,992	0.15
£5,307,000	Goldman Sachs Group 3.125% 25/7/2029	5,401	0.41
£9,079,000	Great Rolling Stock 6.875% 27/7/2035	8,554	0.66
£3,090,000	Greene King Finance 3.593% 15/3/2035	3,117	0.24
£2,500,000	Greene King Finance FRN 15/12/2033	1,842	0.14
£3,742,000	Grosvenor UK Finance 6.5% 29/9/2026	4,768	0.37
£1,200,000	Guinness Trust 7.5% 30/11/2037	1,489	0.11
£1,481,000	Gwynt y Môr OFTO 2.778% 17/2/2034	1,320	0.10
£4,577,902	Harbour Funding 5.28% 31/3/2034	5,873	0.45
£4,025,000	Hastoe Capital 5.6% 27/3/2042	5,584	0.43
£1,150,000	Haven Funding 8.125% 30/9/2037	1,671	0.13
£2,050,000	Heathrow Finance 3.875% 1/3/2027	1,975	0.15
£3,000,000	Heathrow Funding 2.75% 9/8/2051	2,871	0.22
£2,890,000	Heathrow Funding 4.75% 1/3/2024	3,024	0.23
£2,500,000	Heathrow Funding 5.875% 13/5/2041	3,681	0.28
£1,967,000	Heathrow Funding 6.45% 10/12/2031	2,797	0.21
£2,550,000	Heinz H J Finance 6.25% 18/2/2030	3,080	0.24
£1,600,000	Hemingway Properties 10.375% 31/7/2023	1,854	0.14
£3,500,000	Home Group 0% 11/5/2019	3,498	0.27
£2,930,000	Home Group 3.125% 27/3/2043	2,855	0.22
£5,020,000	Housing Association Funding 8.25% 7/6/2027	2,336	0.18
£5,750,540	Housing Finance Corporation 8.625% 13/11/2023	7,285	0.56
£3,700,000	HSBC 4.75% 24/3/2046	4,436	0.34
£14,729,000	HSBC 5.375% 22/8/2033	18,208	1.40
£766,000	HSBC 5.844% variable perpetual	985	0.08
£2,836,000	HSBC 5.862% variable perpetual	2,924	0.22
£4,101,000	HSBC 5.875% variable perpetual	4,282	0.33
£4,250,000	Imperial Tobacco Finance 4.875% 7/6/2032	4,836	0.37
£13,872,000	Income Contingent Student Loan 2 FRN 24/7/2058	13,758	1.06
£5,460,000	Income Contingent Student Loan 2.50% 24/7/2056	4,735	0.36
£8,624,000	Income Contingent Student Loan 2.50% 24/7/2058	7,802	0.60
£9,550,000	Income Contingent Student Loan FRN 24/7/2056	7,344	0.56
£1,340,000	Incommunities Treasury 3.25% 21/3/2049	1,383	0.11
£4,700,000	Innogy Finance 4.75% 31/1/2034	5,673	0.44
£3,800,000	Innogy Finance 6.125% 6/7/2039	5,466	0.42

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 94.42% (31/10/18 – 95.34%) – continued			
£4,580,000	InterContinental Hotels 2.125% 24/8/2026	4,392	0.34
£5,003,000	Intermediate Capital Group 5% 24/3/2023	5,237	0.40
£3,125,000	Intu (SGS) Finance 3.875% 17/3/2028	3,129	0.24
£2,500,000	Intu (SGS) Finance 4.625% 17/3/2028	2,549	0.20
£5,300,000	Intu Debenture 5.562% 31/12/2027	4,682	0.36
£4,800,000	Intu Metrocentre Finance 4.125% 6/12/2028	4,853	0.37
£100,000	Intu SGS Finance 4.25% 17/9/2035	99	0.01
£9,501,000	Investec Bank 4.25% variable 24/7/2028	9,512	0.73
£2,517,000	John Lewis 4.25% 18/12/2034	2,289	0.18
£1,017,000	John Lewis 6.125% 21/1/2025	1,132	0.09
£4,715,000	JRP 9% 26/10/2026	5,471	0.42
£4,600,000	Juturna Euro Loan Conduit 5.0636% 10/8/2033	4,750	0.36
£1,050,000	Koninklijke KPN 5.75% 17/9/2029	1,214	0.09
£2,845,000	Land Securities 2.75% 22/9/2059	2,847	0.22
£1,113,000	Land Securities 5.391% 31/3/2027	1,323	0.10
£3,800,000	Leeds Building Society 3.75% variable 25/4/2029	3,709	0.28
£6,710,000	Leeds Building Society FRN 15/4/2023	6,737	0.52
£4,920,000	Legal & General 5.125% variable 14/11/2048	5,289	0.41
£6,541,000	Legal & General 5.375% variable 27/10/2045	7,166	0.55
£950,000	Legal & General 5.5% variable 27/6/2064	1,041	0.08
£1,834,000	Lend Lease Europe 6.125% 12/10/2021	1,990	0.15
£5,872,000	Liverpool Victoria Friendly Society 6.5% variable 22/5/2043	6,403	0.49
£11,200,000	Lloyds Banking Group 6% 8/2/2029	15,176	1.16
£6,500,000	Lloyds Banking Group 7.5% Step 22/3/2032	5,768	0.44
£1,493,000	Lloyds Banking Group 9.625% 6/4/2023	1,905	0.15
£2,287,000	London & Quadrant Housing Trust 3.125% 28/2/2053	2,230	0.17
£3,000,000	London & Quadrant 4.625% 5/12/2033	3,614	0.28
£2,250,000	London Merchant Securities 6.5% 16/3/2026	2,823	0.22
£1,061,000	London Power Networks 2.625% 1/3/2029	1,079	0.08
£10,250,000	Longstone Finance 4.791% 19/4/2036	6,767	0.52
£1,300,000	Lunar Funding 5.494% 29/7/2020	1,352	0.10
£4,000,000	Marstons Issuer FRN 15/10/2031	2,353	0.18
£4,365,000	Meadowhall Finance 4.986% 12/1/2032	3,800	0.29
£4,012,000	Mercantile Investment Trust 6.125% 25/2/2030	5,162	0.40
£1,844,000	MIELI London 4.82% 12/8/2027	1,927	0.15
£7,250,000	Mitchells & Butlers (A4) FRN 15/12/2028	5,707	0.44
£5,782,000	Mitchells & Butlers (A1N) FRN 15/12/2030	3,378	0.26
£1,000,000	Mitchells & Butlers (A3N) FRN 15/12/2030	444	0.03
£2,000,000	Mitchells & Butlers 5.574% 15/12/2030	944	0.07
£4,300,000	Mitchells & Butlers FRN 15/12/2033	3,452	0.26
£2,389,000	Mondelez International 3.875% 6/3/2045	2,529	0.19
£1,323,961	Monks Investment Trust 6.375% 1/3/2023	1,493	0.11
£6,320,000	Morhomes 3.4% 19/2/2038	6,338	0.49
£4,000,000	Muenchener Rueckversicherung 3.25% variable 26/5/2049	3,798	0.29
£4,500,000	Myriad Capital 4.75% 20/12/2043	5,734	0.44
£1,400,000	National Exhibition Center 7.5625% 30/9/2027	1,900	0.15
£908,000	Nationwide BLDG Society 6.875% variable perpetual	914	0.07
£2,170,000	Natwest Markets 5.625% variable perpetual	2,165	0.17
£3,961,000	New York Life Global Funding 1.625% 15/12/2023	3,969	0.30
£2,923,000	NGG Finance 5.625% variable 18/6/2073	3,159	0.24
£3,816,000	Nordea Bank 6.625% variable perpetual	2,987	0.23
£4,310,000	Northumbrian Water Finance 2.375% 5/10/2027	4,307	0.33

Royal London Corporate Bond Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 94.42% (31/10/18 – 95.34%) – continued			
£1,689,000	Notting Hill Genesis 2.875% 31/1/2029	1,702	0.13
£1,970,000	Notting Hill Housing Trust 3.25% 12/10/2048	1,927	0.15
£8,159,000	Octagon Healthcare 5.333% 31/12/2035	8,448	0.65
£1,200,000	OneSavings Bank 6.591% variable perpetual	1,122	0.09
£3,769,000	Orbit Capital 3.375% 14/6/2048	3,908	0.30
£1,400,000	Paragon Treasury 3.625% 21/1/2047	1,499	0.11
£2,500,000	Peabody Capital 4.625% 12/12/2053	3,264	0.25
£2,948,773	Peel Land & Property Investments 8.375% Step 30/4/2040	4,189	0.32
£1,170,000	Peel South East 10% 30/4/2026	1,637	0.13
£1,920,000	Penarian Housing Finance 3.212% 7/6/2052	1,896	0.15
£3,855,000	Pension Insurance 5.625% 20/12/2030	3,834	0.29
£2,350,000	Pension Insurance 8% 23/11/2026	2,754	0.21
£5,763,000	Peterborough Progress Health 5.581% 2/10/2042	5,620	0.43
£1,045,000	PGH Capital 6.625% 18/12/2025	1,137	0.09
£5,400,000	Places for People Homes 3.625% 22/11/2028	5,503	0.42
£8,507,000	Places for People Homes 5.09% 31/7/2043	9,687	0.74
£1,768,000	Places for People Homes 6.625% 30/9/2038	1,938	0.15
£3,173,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	3,670	0.28
£3,000,000	Premier Transport 5.2022% 31/3/2030	2,037	0.16
£5,711,000	Premiertel 6.175% 8/5/2032	6,004	0.46
£4,630,000	Principality Building Society 2.375% 23/11/2023	4,574	0.35
£4,477,000	Provident Financial 7% 4/6/2023	4,557	0.35
£8,399,000	Prudential 5% variable 20/7/2055	9,192	0.70
£6,250,000	Prudential 5.625% variable 20/10/2051	6,664	0.51
£7,550,000	Prudential PLC 5.7% variable 19/12/2063	9,093	0.70
£7,128,000	Prudential 6.25% variable 20/10/2068	7,899	0.61
£1,686,000	QBE Insurance Group 6.115% variable 24/5/2042	1,825	0.14
£1,460,000	Quadrant Housing 7.93% Step 10/2/2033	1,951	0.15
£3,137,000	Rabobank Nederland 4.625% 23/5/2029	3,551	0.27
£8,500,000	RMPA Services 5.337% 30/9/2038	8,197	0.63
£3,464,000	RSA Insurance 5.125% variable 10/10/2045	3,764	0.29
£2,056,000	RSL Finance 6.625% 31/3/2038	2,544	0.20
£3,900,000	Santander 10.0625% perpetual	6,211	0.48
£4,645,000	Santander 5.25% 16/2/2029	5,988	0.46
£3,000,000	Santander 5.75% 2/3/2026	3,793	0.29
£2,410,000	Saudi Arabian Oil 4.375% 16/4/2049	1,797	0.14
£3,700,000	Saxon Weald Capital 5.375% 6/6/2042	4,821	0.37
£3,000,000	Scottish Mortgage Investment Trust 6.875% 31/1/2023	3,387	0.26
£7,420,000	Scottish Mutual Assurance 7.25% variable perpetual	7,698	0.59
£1,200,000	Scottish Power 6.5% Step 31/5/2041	1,755	0.13
£3,703,000	Scottish Widows 5.5% 16/6/2023	4,088	0.31
£5,868,000	Scottish Widows 7% 16/6/2043	7,609	0.58
£4,762,478	Shaftesbury Carnaby 2.487% 30/9/2031	4,530	0.35
£4,650,000	Shaftesbury Chinatown 2.348% 30/9/2027	4,518	0.35
£3,350,000	Sheffield City 6.25% 31/3/2024	2,067	0.16
£6,902,000	Society of Lloyds variable 4.875% 7/2/2047	7,438	0.57
£1,197,000	South East Water 5.5834% 29/3/2029	1,495	0.11
£950,000	South Eastern Power Networks 5.625% 30/9/2030	1,233	0.09
£3,000,000	South Eastern Power Networks 6.375% 12/11/2031	4,203	0.32
£1,289,000	South West Water 5.875% 16/7/2040	1,845	0.14
£1,500,000	Southern Electric Power Distribution 5.5% 7/6/32	1,943	0.15

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 94.42% (31/10/18 – 95.34%) – continued			
£2,369,000	Southern Gas Network 3.1% 15/9/2036	2,458	0.19
£2,628,000	Southern Housing Group 3.50% 19/10/2047	2,791	0.21
£3,100,000	Spirit Issuer 5.472% 28/12/2034	3,224	0.25
£2,000,000	Spirit Issuer FRN 28/12/2031	1,919	0.15
£4,683,000	Spirit Issuer FRN 28/3/2025	2,099	0.16
£4,000,000	SRLEV 9% variable 15/4/2041	3,911	0.30
£3,350,000	SSE 3.625% variable 16/9/2077	3,363	0.26
£2,283,000	St James Oncology Financing 2.804% 31/3/2037	2,161	0.17
£3,058,000	Stagecoach 4% 29/9/2025	3,152	0.24
£1,328,000	Standard Chartered 5.125% 6/6/2034	1,508	0.12
£2,572,000	Standard Chartered 5.375% variable perpetual	2,631	0.20
£5,149,000	Standard Life 5.5% variable 4/12/2042	5,699	0.44
£3,500,000	Standard Life Aberdeen 4.25% variable 30/6/2048	2,510	0.19
£5,270,000	Stirling Water Seafield 5.822% 26/9/2026	2,859	0.22
£4,248,000	Summit Finance 6.484% 31/3/2028	2,595	0.20
£4,846,000	Sunderland 6.38% 31/3/2042	6,602	0.51
£1,774,000	Swan Housing Capital 3.625% 5/3/2048	1,844	0.14
£1,600,000	Swiss Reinsurance Finance Luxembourg 5% Variable 2/4/2049	1,261	0.10
£2,100,000	Swiss Reinsurance Finance Luxembourg 2.534% variable 30/4/2050	1,841	0.14
£3,750,000	Swiss Reinsurance 6.3024% variable perpetual	3,760	0.29
£4,090,000	Telefonica Europe 8.25% 15/9/2030	4,230	0.32
£5,090,000	Telereal Secured Finance 4.01% 10/12/2033	4,137	0.32
£4,765,000	Telereal Securitisation 3.507% variable 10/9/2031	4,374	0.34
£4,500,000	Telereal Securitisation 4.0902% variable 10/12/2033	4,663	0.36
£655,000	Telereal Securitisation 5.4252% 10/12/2031	702	0.05
£2,679,000	Telereal Securitisation 5.5534% 10/12/2031	2,460	0.19
£1,626,000	Telereal Securitisation 5.563% 10/12/2031	778	0.06
£2,361,000	Telereal Securitisation 5.9478% 10/12/2031	2,209	0.17
£2,615,000	Telereal Securitisation FRN (B6) 10/12/2033	2,120	0.16
£5,000,000	Telereal Securitisation FRN 10/12/2033	2,760	0.21
£4,800,000	Telereal Securitisation FRN 10/9/2031	4,427	0.34
£1,100,000	Tesco Property 5.6611% 13/10/2041	1,298	0.10
£1,600,000	Thames Water 2.625% 24/1/2032	1,551	0.12
£1,552,000	Thames Water 5.75% 13/9/2030	1,693	0.13
£4,018,000	Thames Water 5.875% 15/7/2022	4,101	0.31
£5,330,000	Thames Water 7.738% 9/4/2058	9,958	0.76
£4,014,000	THFC Funding 5.2% 11/10/2043	5,431	0.42
£1,152,800	THFC Social Housing Finance 8.75% 18/12/2021	1,335	0.10
£7,188,000	THPA Finance 7.127% 15/3/2024	3,580	0.27
£2,750,000	Time Warner Cable 5.75% 2/6/2031	3,266	0.25
£2,800,000	Total 3.369% variable perpetual	2,629	0.20
£2,788,000	Town Centre 5.375% 20/11/2031	2,930	0.22
£8,000,000	Trafford Centre Finance FRN 28/7/2035	7,125	0.55
£5,280,000	TSB Bank FRN 15/2/2024	5,326	0.41
£5,250,000	TSB Banking Group 5.75% variable 6/5/2026	5,371	0.41
£3,000,000	UBS Group Funding Switzerland 7% variable perpetual	2,386	0.18
£3,900,000	Unifund 5.32% 7/12/2047	5,136	0.39
£1,600,000	Unique Pub Finance 6.542% 30/3/2021	528	0.04
£1,616,000	Unique Pub Finance 5.659% 30/6/2027	1,284	0.10
£4,231,000	University of Oxford 2.544% 8/12/2117	4,134	0.32
£8,157,000	UPP Bond Issuer 4.9023% 28/2/2040	9,176	0.70
£5,833,000	Virgin Money 3.375% variable 24/4/2026	5,860	0.45
£3,300,000	Virgin Money 8.75% variable perpetual	3,546	0.27
£1,950,000	Vodafone 3.375% 8/8/2049	1,773	0.14

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 94.42% (31/10/18 – 95.34%) – continued			
£5,976,000	Vodafone 4.875% variable 3/10/2078	5,911	0.45
£3,537,000	Wellcome Trust 2.517% 7/2/2118	3,410	0.26
£2,890,000	Wells Fargo 2.5% 02/5/2029	2,872	0.22
£1,600,000	Welltower 4.5% 1/12/2034	1,823	0.14
£2,000,000	Welltower 4.8% 20/11/2028	2,305	0.18
£3,000,000	Western Power Distribution 5.75% 16/4/2032	3,981	0.31
£1,350,000	Western Power Distribution 5.75% Step 10/12/2040	1,920	0.15
£1,900,000	Western Power Distribution 5.875% 25/3/2027	2,366	0.18
£5,100,000	Westfield America Management 2.625% 30/3/2029	5,088	0.39
£1,400,000	Westpac Banking Corporation 5% variable perpetual	984	0.08
£6,159,000	White City Property 5.1202% 17/4/2035	6,763	0.52
£2,035,000	William Hill 4.75% 01/05/2026	2,060	0.16
£640,000	WM Treasury 2 3.25% 20/10/2048	660	0.05
£3,000,000	Worcestershire Hospital 5.87% 31/12/2030	2,352	0.18
£6,264,000	Yorkshire Building Society 3.375% variable 13/9/2028	6,055	0.46
£1,000,000	Yorkshire Housing Financial 4.125% 31/10/2044	1,165	0.09
£3,875,000	Yorkshire Water 3.75% services variable 22/3/2046	3,995	0.31
£2,000,000	Yorkshire Water 4.965% 13/6/2033	2,357	0.18
£1,330,000	Yorkshire Water Finance 2.75% 18/4/2041	1,323	0.10
£4,500,000	Zurich Finance 6.625% variable perpetual	4,999	0.38
Total Corporate Bonds		1,231,112	94.42
Corporate Preference Bonds – 0.09% (31/10/18 – 0.10%)			
£750,000	Santander UK Preference 10.375% perpetual	1,200	0.09
Total Corporate Preference Bonds		1,200	0.09
Government Bonds – 0.31% (31/10/18 – 0.32%)			
£1,980,000	Government of Italy 6% 4/8/2028	2,272	0.18
£1,700,000	United Mexican States 5.625% 19/3/2114	1,743	0.13
Total Government Bonds		4,015	0.31
Index Linked Bonds – 0.63% (31/10/18 – 0.69%)			
£2,750,000	Coventry & Rugby 3.246% IL 30/6/2040	3,982	0.31
£3,000,000	Road Management Services 3.642% IL 31/3/2028	2,929	0.22
£650,000	Scottish Power 3.494% IL 13/10/2024	1,349	0.10
Total Index Linked Bonds		8,260	0.63

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Forward Currency Contracts – 0.00% (31/10/18 – (0.05)%)			
	Buy £39,464,631 & Sell \$51,900,000 [†]	(183)	(0.01)
	Buy £17,453,589 & Sell €20,150,000 [†]	82	0.01
Total Forward Currency Contracts		(101)	–
Futures – 0.02% (31/10/18 – (0.05)%)			
	(300) CBT US 10 Year Note Future June 2019	(11)	–
	(215) ICF ICE June 2019	307	0.02
Total Futures		296	0.02
Total value of investments[^]		1,284,907	98.54
Net other assets		19,007	1.46
Total net assets		1,303,914	100.00

[†] Unlisted

[^] Including investment liabilities

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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	904,711	69.36	913,670	75.45
Investments of below investment grade	109,446	8.41	105,307	8.70
Unrated bonds	269,355	20.66	187,093	15.45
Total bonds	1,283,512	98.43	1,206,070	99.60
Forward currency contract – assets	82	0.01	–	–
Futures – assets	307	0.02	–	–
Investments as shown in the balance sheet	1,283,901	98.46	1,206,070	99.60
Forward currency contract – liabilities	(183)	(0.01)	(565)	(0.05)
Futures – liabilities	(11)	–	(568)	(0.05)
Total value of investments	1,283,707	98.45	1,204,937	99.50

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
UK Treasury 1.625% 22/10/2028	31,002
Income Contingent Student Loan 2 FRN 24/7/2058	13,546
Lloyds Banking Group 6% 8/2/2029	10,696
Kreditanstalt fuer Wiederaufbau 1.375% 9/12/2024	9,971
Legal & General 5.125% variable 14/11/2048	8,095
Income Contingent Student Loan 2.50% 24/7/2058	7,605
Leeds Building Society FRN 15/4/2023	6,710
Prudential 5.625% variable 20/10/2051	6,488
Morhomes 3.4% 19/2/2038	6,254
BPCE 2.125% 16/12/2022	5,568
Subtotal	105,935
Total cost of purchases, including the above, for the period	380,982

Significant Sales

	Proceeds £'000
UK Treasury 1.625% 22/10/2028	30,937
Kreditanstalt fuer Wiederaufbau 1.375% 9/12/2024	10,051
Clydesdale Bank 4.625% 8/6/2026	9,451
Prudential 6.125% 19/12/2031	6,582
Lloyds Banking Group 5.125% 7/3/2025	6,480
ENW Finance 5.875% 21/6/2021	6,207
CYBG 4% variable 25/9/2026	6,150
Barclays Bank 3.25% 17/1/2033	6,125
Southern Water Services Finance 4.5% variable 31/3/2038	5,986
Royal Bank of Scotland 7.281% variable perpetual	5,750
Subtotal	93,719
Total proceeds from sales, including the above, for the period	329,088

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		28,060		(10,278)
Revenue	24,840		21,110	
Expenses	(3,086)		(3,019)	
Interest payable and similar charges	(14)		(3)	
Net revenue before taxation	21,740		18,088	
Taxation	(3)		–	
Net revenue after taxation		21,737		18,088
Total return before distributions		49,797		7,810
Distributions		(24,823)		(21,107)
Change in net assets/(liabilities) attributable to shareholders from investment activities		24,974		(13,297)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		1,210,997		1,155,947
Amounts receivable on creation of shares	175,628		123,841	
Amounts payable on cancellation of shares	(119,233)		(114,265)	
		56,395		9,576
Change in net assets/(liabilities) attributable to shareholders from investment activities		24,974		(13,297)
Unclaimed distributions		3		1
Retained distributions on accumulation shares		11,545		9,191
Closing net assets attributable to shareholders		1,303,914		1,161,418

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	1,285,101	1,207,225
Current assets:		
Debtors	21,756	18,697
Cash and bank balances	11,778	1,895
Total assets	1,318,635	1,227,817
LIABILITIES		
Investment liabilities	194	1,133
Creditors:		
Bank overdraft	97	2,753
Other creditors	7,754	6,702
Distribution payable	6,676	6,232
Total liabilities	14,721	16,820
Net assets attributable to shareholders	1,303,914	1,210,997

DISTRIBUTION TABLES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

FIRST INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 31 January 2019

	Net income	Equalisation	Distribution paid 31/03/19	Distribution paid 31/03/18
Class A Income				
Group 1	0.9534	—	0.9534	0.9189
Group 2	0.5053	0.4481	0.9534	0.9189
Class M Accumulation				
Group 1	1.3454	—	1.3454	1.2426
Group 2	0.6922	0.6532	1.3454	1.2426
Class M Income				
Group 1	1.1630	—	1.1630	1.1148
Group 2	0.6486	0.5144	1.1630	1.1148
Class R Accumulation*				
Group 1	0.9934	—	0.9934	n/a
Group 2	0.9934	0.0000	0.9934	n/a
Class Y Accumulation				
Group 1	1.0581	—	1.0581	0.9755
Group 2	0.1770	0.8811	1.0581	0.9755
Class Y Income				
Group 1	0.9881	—	0.9881	0.9455
Group 2	0.4851	0.5030	0.9881	0.9455
Class Z Income				
Group 1	1.0068	—	1.0068	0.9635
Group 2	0.2769	0.7299	1.0068	0.9635

* Class R Accumulation launched on 6 September 2018.

DISTRIBUTION TABLES (CONTINUED)
FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

SECOND INTERIM

Group 1: Shares purchased prior to 1 February 2019

Group 2: Shares purchased between 1 February 2019 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class A Income				
Group 1	0.9185	—	0.9185	0.8748
Group 2	0.4059	0.5126	0.9185	0.8748
Class M Accumulation				
Group 1	1.3115	—	1.3115	1.1954
Group 2	0.6296	0.6819	1.3115	1.1954
Class M Income				
Group 1	1.1226	—	1.1226	1.0627
Group 2	0.4948	0.6278	1.1226	1.0627
Class R Accumulation*				
Group 1	0.9692	—	0.9692	n/a
Group 2	0.4468	0.5224	0.9692	n/a
Class S Accumulation**				
Group 1	0.2160	—	0.2160	n/a
Group 2	0.2160	0.0000	0.2160	n/a
Class Y Accumulation				
Group 1	1.0319	—	1.0319	0.9388
Group 2	0.4433	0.5886	1.0319	0.9388
Class Y Income				
Group 1	0.9542	—	0.9542	0.9017
Group 2	0.4251	0.5291	0.9542	0.9017
Class Z Income				
Group 1	0.9723	—	0.9723	0.9189
Group 2	0.3932	0.5791	0.9723	0.9189

* Class R Accumulation launched on 6 September 2018.

** Class S Accumulation launched on 9 April 2019.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Index Linked Fund, Class A Income	2.71	7.32	27.58	48.21
Royal London Index Linked Fund, Class M Accumulation	2.78	7.52	28.19	49.29
Royal London Index Linked Fund, Class M Income	2.79	7.52	28.15	49.28
Royal London Index Linked Fund, Class R Accumulation	2.87	–	–	–

Class R Accumulation launched on 20 September 2018.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund underperformed over the review period compared to the FTSE Actuaries UK Index-Linked All Stocks index, which returned 3.50%. Some of this underperformance results from timing differences between fund pricing at midday and end of day market indices.

Portfolio and Market Commentary

Nominal gilt yields fell over the review period, with the benchmark 10-year gilt falling from 1.44% at the end of October 2018 to 1.19% by April's close. A slowdown in global economic activity and the more dovish attitude of central banks, combined with Brexit-related uncertainty in the UK, increased demand for government bonds.

CPI inflation fell over the period from 2.4% in October (reported in November) to 1.9% in March (reported in April). The Bank of England's (BoE) base rate remained at 0.75% throughout the period, having last been raised in early August 2018. Despite huge political uncertainty, we still believe a deal will be reached on Brexit. If this proves correct, we would expect 10-year bonds to underperform as expectations recede of inflation driven by a sharp fall in sterling. This should lead to a flatter curve and pressure on the 10-year sector.

A key event for active investment in the period was the 'index extension' on 22 March when the 2024 index linked bond fell below five years and therefore dropped out of the index. This is a technical event that passive index linked funds have to match by selling the 2024 and buy longer dated bonds to match the increase in duration of the benchmark (c. 0.7 years). This can cause volatility and extreme valuation moves.

As active managers, we are not obliged to hold certain bonds and actively chose to refrain from buying longer dated index link bonds at all-time low yields. We decided to cover the benchmark duration rise by buying a combination of gilts, short dated index linked bonds and US TIPS (picking up 291bps of additional yield before hedging costs) and allowed the Fund to move to a shorter duration position relative to the benchmark. Following the extension, long dated index linked bonds fell sharply, whereas our alternative basket outperformed. This is a key example of the opportunities that active bond managers can exploit compared to passive 'tracker' funds.

The UK government issuance remit announced after the Spring Statement left a large gap in index linked issuance with the first scheduled auction not until 23 May 2019. This was due to the imminent statement on RPI reform following a recommendation from a House of Lords committee, endorsed by the Treasury Select Committee. However, the Debt Management Office (DMO) unexpectedly announced a mini tender in mid-April.

We ended the period with a flat position in 10 years; and underweight 30 years offset by an overweight in 50 year bonds. We bought 'ultras' because of the low projected supply and we're short 30 years ahead of the syndication in early May that was announced in the Budget. The next long syndication will likely be in July and only a 25 year issue. The Fund will be biased to benefit from flatter curves.

At the end of the period, the Fund had minimal cross-market positions versus the UK.

Investment Outlook

We expect real yields to continue to rise, led by shorter-dated maturities. With the government's proposed Brexit deal still failing to pass, we believe that uncertainty will continue to constrain business investment. Against this background, we expect interest rates to remain at low levels. We will continue to trade tactically to take advantage of intra-day volatility, which remains high.

A noticeable trend over the past year has shown UK ultra-long dated bonds falling out of favour, and we expect this to continue as pension fund demand appears to be shifting towards the 30-year sector. After the sharp selloff in April, we purchased ultra-long dated bonds, but would envisage selling these into any significant rally.

We believe global inflation-linked bonds offer better value than UK equivalents, and will be looking for both strategic and tactical opportunities for cross-market trades versus the UK in 2019, which we expect to arise from central bank comments, political events and supply activity.

We believe that UK breakeven rates are still pricing excessive future rises in inflation and we expect them to fall, particularly in shorter-dated maturities. The Fund remains short inflation through its holding of conventional gilts.

Paul Rayner and Craig Inches
Fund Managers
30 April 2019
Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLES

Class A Income

Change in net assets per share	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Opening net asset value per share	268.51	259.67	264.55	214.59
Return before operating charges*	10.22	10.28	(3.27)	51.63
Operating charges	(0.64)	(1.23)	(1.21)	(1.00)
Return after operating charges*	9.58	9.05	(4.48)	50.63
Distributions on income shares	–	(0.21)	(0.40)	(0.67)
Closing net asset value per share	278.09	268.51	259.67	264.55

* after direct transaction costs of: – – – –

Performance

Return after charges	3.57%	3.49%	(1.69)%	23.59%
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Other information

Closing net asset value (£'000)	18,558	143,051	147,101	154,736
Closing number of shares	6,673,310	53,275,344	56,649,303	58,490,960
Operating charges	0.47%	0.47%	0.46%	0.45%
Direct transaction costs	–	–	–	–

Prices

Highest share price	290.50	271.00	278.60	274.30
Lowest share price	258.70	252.60	247.60	209.90

Class M Accumulation

Change in net assets per share	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Opening net asset value per share	153.59	148.18	150.51	121.58
Return before operating charges*	5.86	5.89	(1.86)	29.57
Operating charges	(0.25)	(0.48)	(0.47)	(0.50)
Return after operating charges*	5.61	5.41	(2.33)	29.07
Distributions on accumulation shares	–	(0.35)	(0.45)	(0.68)
Retained distributions on accumulation shares	–	0.35	0.45	0.54
Closing net asset value per share	159.20	153.59	148.18	150.51

* after direct transaction costs of: – – – –

Performance

Return after charges	3.65%	3.65%	(1.55)%	23.91%
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Other information

Closing net asset value (£'000)	82,105	72,434	43,118	46,519
Closing number of shares	51,575,223	47,161,173	29,098,044	30,906,665
Operating charges	0.33%	0.32%	0.31%	0.30%
Direct transaction costs	–	–	–	–

Prices

Highest share price	166.30	154.90	158.60	155.90
Lowest share price	148.00	144.20	140.90	118.90

COMPARATIVE TABLES (CONTINUED)

Class M Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	268.46	259.61	264.49	214.52
Return before operating charges*	10.23	10.30	(3.27)	51.57
Operating charges	(0.44)	(0.84)	(0.82)	(0.64)
Return after operating charges*	9.79	9.46	(4.09)	50.93
Distributions on income shares	–	(0.61)	(0.79)	(0.96)
Closing net asset value per share	278.25	268.46	259.61	264.49

* after direct transaction costs of: – – – –

Performance

Return after charges	3.65%	3.64%	(1.55)%	23.74%
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Other information

Closing net asset value (£'000)	64,916	220,595	206,444	215,179
Closing number of shares	23,330,419	82,170,283	79,520,910	81,355,541
Operating charges	0.32%	0.32%	0.31%	0.30%
Direct transaction costs	–	–	–	–

Prices

Highest share price	290.70	271.00	278.70	274.40
Lowest share price	258.70	252.60	247.60	209.80

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	103.84	100.00
Return before operating charges*	3.97	3.85
Operating charges	(0.04)	(0.01)
Return after operating charges*	3.93	3.84
Distributions on accumulation shares	–	(0.05)
Retained distributions on accumulation shares	–	0.05
Closing net asset value per share	107.77	103.84

* after direct transaction costs of: – –

Performance

Return after charges	3.78%	3.84%
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Other information

Closing net asset value (£'000)	266,025	5
Closing number of shares	246,854,311	5,000
Operating charges	0.08%	0.07%
Direct transaction costs	–	–

Prices

Highest share price	112.60	104.40
Lowest share price	100.10	99.79

** Class R Accumulation launched on 20 September 2018.

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Index-Linked Bonds – 96.78% (31/10/18 – 99.71%)			
AUD140,000	Government of Australia 0.75% IL 21/11/2027	81	0.02
CAD10,000	Government of Canada 1.25% IL 1/12/2047	7	–
€10,000	Government of France 0.1% IL 1/3/2028	10	–
€9,000	Government of France 0.1% IL 25/7/2047	9	–
£9,977,850	UK Treasury 0.125% IL 22/11/2019	11,593	2.69
£6,674,429	UK Treasury 0.125% IL 22/3/2024	8,818	2.04
£13,334,000	UK Treasury 0.125% IL 22/3/2026	17,246	4.00
£5,001,000	UK Treasury 0.125% IL 10/8/2028	6,300	1.46
£2,259,000	UK Treasury 0.125% IL 22/3/2029	3,368	0.78
£7,000	UK Treasury 0.125% IL 22/11/2036	11	–
£3,738,000	UK Treasury 0.125% IL 10/8/2041	5,881	1.36
£4,503,488	UK Treasury 0.125% IL 22/3/2044	8,469	1.96
£10,361,128	UK Treasury 0.125% IL 22/3/2046	18,870	4.37
£3,844,000	UK Treasury 0.125% IL 10/8/2048	6,837	1.58
£3,197,000	UK Treasury 0.125% IL 22/11/2056	6,765	1.57
£7,695,978	UK Treasury 0.125% IL 22/3/2058	17,138	3.97
£2,790,696	UK Treasury 0.125% IL 22/11/2065	7,006	1.62
£11,149,743	UK Treasury 0.125% IL 22/3/2068	30,787	7.13
£12,137,494	UK Treasury 0.25% IL 22/3/2052	26,871	6.23
£3,031,790	UK Treasury 0.375% IL 22/3/2062	8,413	1.95
£4,968,000	UK Treasury 0.5% IL 22/3/2050	12,737	2.95
£7,137,000	UK Treasury 0.625% IL 22/3/2040	15,392	3.57
£4,821,000	UK Treasury 0.625% IL 22/11/2042	11,186	2.59
£4,304,732	UK Treasury 0.75% IL 22/3/2034	7,779	1.80
£8,263,175	UK Treasury 0.75% IL 22/11/2047	21,909	5.08
£16,000,000	UK Treasury 1.125% IL 22/11/2037	37,921	8.79
£2,340,000	UK Treasury 1.25% IL 22/11/2027	4,552	1.05
£10,077,000	UK Treasury 1.25% IL 22/11/2032	20,052	4.65
£9,033,180	UK Treasury 1.25% IL 22/11/2055	33,604	7.79
£11,180,534	UK Treasury 1.875% IL 22/11/2022	17,998	4.17
£5,530,000	UK Treasury 2% IL 26/1/2035	15,406	3.57
£4,910,000	UK Treasury 2.5% IL 16/4/2020	17,495	4.05
£1,712,000	UK Treasury 2.5% IL 17/7/2024	6,208	1.44
£2,950,000	UK Treasury 4.125% IL 22/7/2030	10,907	2.53
\$130,000	US Treasury 0.375% IL 15/1/2027	103	0.02
Total Government Index-Linked Bonds		417,729	96.78
Forward Currency Contracts – (0.01)% (31/10/18 – (0.01)%)			
	Buy €60,917,000 & Sell £52,513,205 [†]	(92)	(0.02)
	Buy £52,549,619 & Sell €60,898,000 [†]	145	0.03
	Buy £17,150,914 & Sell \$22,648,916 [†]	(194)	(0.04)
	Buy \$22,481,656 & Sell £17,130,087 [†]	87	0.02
Total Forward Currency Contracts		(54)	(0.01)
Total value of investments[^]		417,675	96.77
Net other assets		13,929	3.23
Total net assets		431,604	100.00

[†] Unlisted

[^] Including investment liabilities

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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	417,729	96.78	434,809	99.71
Total bonds	417,729	96.78	434,809	99.71
Forward currency contracts – assets	232	0.05	253	0.05
Investments as shown in the balance sheet	417,961	96.83	435,062	99.76
Forward currency contracts – liabilities	(286)	(0.06)	(281)	(0.06)
Total value of investments	417,675	96.77	434,781	99.70

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
UK Treasury 0.125% IL 22/3/2026	111,063
UK Treasury 0.125% IL 10/8/2028	94,690
UK Treasury 0.125% IL 22/3/2068	79,319
UK Treasury 0.125% IL 22/11/2019	64,909
UK Treasury 0.125% IL 22/3/2029	60,229
UK Treasury 0.125% IL 22/3/2024	57,595
UK Treasury 1.875% IL 22/11/2022	47,560
UK Treasury 1.25% IL 22/11/2027	43,295
UK Treasury 1.25% IL 22/11/2032	40,765
UK Treasury 0.75% IL 22/3/2034	39,549
Subtotal	638,974
Total cost of purchases, including the above, for the period	1,122,305

Significant Sales

	Proceeds £'000
UK Treasury 0.125% IL 22/3/2026	114,760
UK Treasury 0.125% IL 10/8/2028	95,747
UK Treasury 0.125% IL 22/3/2068	78,114
UK Treasury 0.125% IL 22/11/2019	68,364
UK Treasury 0.125% IL 22/3/2029	62,063
UK Treasury 0.125% IL 22/3/2024	60,450
UK Treasury 1.875% IL 22/11/2022	54,279
UK Treasury 0.125% IL 10/8/2041	48,548
UK Treasury 0.75% IL 22/3/2034	47,097
UK Treasury 0.125% IL 10/8/2048	45,449
Subtotal	674,871
Total proceeds from sales, including the above, for the period	1,153,991

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains		17,859		578
Revenue	(1,952)		1,830	
Expenses	(613)		(714)	
Interest payable and similar charges	–		(1)	
Net (expense)/revenue before taxation	(2,565)		1,115	
Taxation	–		–	
Net (expense)/revenue after taxation		(2,565)		1,115
Total return before distributions		15,294		1,693
Distributions		(24)		(337)
Change in net assets attributable to shareholders from investment activities		15,270		1,356

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		436,085		396,663
Amounts receivable on creation of shares	32,238		18,942	
Amounts payable on cancellation of shares	(51,998)		(34,755)	
		(19,760)		(15,813)
Dilution levy charged		9		–
Change in net assets attributable to shareholders from investment activities		15,270		1,356
Retained distribution on accumulation shares		–		58
Closing net assets attributable to shareholders		431,604		382,264

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	417,961	435,062
Current assets:		
Debtors	4,983	8,664
Cash and bank balances	26,360	10,077
Total assets	449,304	453,803
LIABILITIES		
Investment liabilities	286	281
Creditors:		
Other creditors	17,414	17,117
Distribution payable	–	320
Total liabilities	17,700	17,718
Net assets attributable to shareholders	431,604	436,085

DISTRIBUTION TABLE

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class A Income				
Group 1	–	–	–	0.0979
Group 2	–	–	–	0.0979
Class M Accumulation				
Group 1	–	–	–	0.1677
Group 2	–	–	–	0.1677
Class M Income				
Group 1	–	–	–	0.2933
Group 2	–	–	–	0.2933
Class R Accumulation*				
Group 1	–	–	–	n/a
Group 2	–	–	–	n/a

* Class R Accumulation launched on 20 September 2018.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London UK Government Bond Fund, Class A Income	2.45	2.63	8.11	20.74
Royal London UK Government Bond Fund, Class M Accumulation	2.65	3.00	9.28	22.99
Royal London UK Government Bond Fund, Class M Income	2.57	2.98	9.28	22.97
Royal London UK Government Bond Fund, Class R Accumulation	2.85	–	–	–
Royal London UK Government Bond Fund, Class S Accumulation	–	–	–	–
Royal London UK Government Bond Fund, Class S Income	–	–	–	–
Royal London UK Government Bond Fund, Class Z Income	2.71	3.14	9.74	23.78

Class R Accumulation launched on 4 October 2018 and Class S Accumulation and Class S Income launched on 16 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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund moderately underperformed the wider UK gilt market, after deduction of management fees, as shown by the FTSE Actuaries UK Gilts All Stocks index. This difference partly reflects timing differences between fund pricing at midday and end of day market indices. The Fund's short duration positioning was a key drag on performance as UK government bond yields declined over the period, although this was partially offset by the Fund's flattening bias and tactical trading.

Portfolio and Market Commentary

The yield on benchmark 10-year gilts declined 25 bps to 1.19% during the review period. This reflected ongoing chaos at Westminster, with politicians unable to find a majority for any Brexit outcome, together with global events, with global government bond yields dropping as economic data disappointed already downgraded expectations. Longer-dated gilts fared better than shorter maturities over the timeframe.

The Fund maintained a short duration stance throughout the review period, reflecting our view that gilt yields were too low. The Fund ended April around -0.4 years short relative to the comparator index, having started November around -0.3 years short. Since gilt yields dropped, the short duration stance was negative for performance. This was, however, partially offset by tactical trading as we took advantage of market volatility.

The Fund's curve positioning provided some protection against the fall in yields due to its flattening bias. Given how close short dated yields were to Bank of England (BoE) base rates, they appeared to have limited capacity to fall further, absent significant deterioration in the global economic outlook or a very negative Brexit outcome. As a result, the Fund's duration short was focused in gilts with maturities under five years, which rallied relatively little, and overweight in 30-year and 50-year maturity gilts, which rallied more.

Trading in overseas markets was positive for performance, as the Fund tactically traded supply events in Europe. The Fund held no UK inflation exposure throughout the period, believing that implied inflation as depicted by the level of breakevens had diverged from underlying inflation within the economy, and that the House of Lords inquiry into the way the retail price index is calculated could have a materially negative outcome for index linked bonds. The Fund's modest exposure to highly rated sterling corporate bonds had a positive impact on returns, given their higher yields and credit spreads tightening across the sterling investment grade market.

Investment Outlook

The path ahead for the UK remains highly Brexit dependent and so assessing the outlook for the UK economy is difficult. Both 'no deal' and 'no Brexit' remain plausible outcomes. Nevertheless, even in our tentative central case of some form of UK-EU deal, which should lead to previously held back investment being released, the prospects for a significant economic boost have faded. With surveys signalling stagnation, we expect that UK growth will be both bumpy and mediocre in 2019 and the BoE will proceed with fewer and later rate rises.

At the end of the period, the Fund was positioned for higher yields across the curve, with a preference to be underweight 5-year and 10-year maturities, as well as ultra-long bonds such as the 40-year area, and overweight 25-year and 30-year bonds. We expect UK government bond yields to underperform their global peers as the BoE moves interest rates away from emergency levels. The Fund held a small overseas exposure on a relative value basis. The portfolio has allocations to longer-dated, high quality corporate bonds, which we expect to outperform gilts in a low-yielding environment. We continue to tactically trade index linked gilts to take advantage of mispricing opportunities, though held no inflation positions at the end of the period.

Craig Inches
Fund Manager
30 April 2019
Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLES

Class A Income

Change in net assets per share	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Opening net asset value per share	86.18	88.22	90.58	85.49
Return before operating charges*	2.66	1.08	0.72	8.27
Operating charges	(0.35)	(0.72)	(0.75)	(0.72)
Return after operating charges*	2.31	0.36	(0.03)	7.55
Distributions on income shares	(1.12)	(2.40)	(2.33)	(2.46)
Closing net asset value per share	87.37	86.18	88.22	90.58

* after direct transaction costs of: – – – –

Performance

Return after charges	2.68%	0.41%	(0.03)%	8.84%
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Other information

Closing net asset value (£'000)	59,880	527,055	240,421	261,708
Closing number of shares	68,539,521	611,608,605	272,540,059	288,930,130
Operating charges	0.80%	0.82%	0.84%	0.79%
Direct transaction costs	–	–	–	–

Prices

Highest share price	90.12	90.07	92.86	97.26
Lowest share price	84.96	85.27	88.41	84.54

Class M Accumulation

Change in net assets per share	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Opening net asset value per share	116.82	115.91	115.55	106.27
Return before operating charges*	3.60	1.43	0.90	10.38
Operating charges	(0.25)	(0.52)	(0.54)	(0.48)
Return after operating charges*	3.35	0.91	0.36	9.90
Distributions on accumulation shares	(1.52)	(3.19)	(3.00)	(3.09)
Retained distributions on accumulation shares	1.52	3.19	3.00	2.47
Closing net asset value per share	120.17	116.82	115.91	115.55

* after direct transaction costs of: – – – –

Performance

Return after charges	2.87%	0.79%	0.31%	9.32%
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Other information

Closing net asset value (£'000)	191,503	170,590	170,881	132,514
Closing number of shares	159,356,813	146,032,395	147,427,397	114,678,951
Operating charges	0.43%	0.45%	0.47%	0.43%
Direct transaction costs	–	–	–	–

Prices

Highest share price	122.40	118.80	119.20	122.70
Lowest share price	115.20	113.80	112.80	105.10

COMPARATIVE TABLES (CONTINUED)

Class M Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	102.65	104.68	107.09	100.70
Return before operating charges*	3.16	1.30	0.85	9.75
Operating charges	(0.22)	(0.47)	(0.50)	(0.45)
Return after operating charges*	2.94	0.83	0.35	9.30
Distributions on income shares	(1.34)	(2.86)	(2.76)	(2.91)
Closing net asset value per share	104.25	102.65	104.68	107.09

* after direct transaction costs of: – – – –

Performance

Return after charges	2.86%	0.79%	0.33%	9.24%
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Other information

Closing net asset value (£'000)	27,831	40,768	53,329	74,886
Closing number of shares	26,696,523	39,717,126	50,943,138	69,930,292
Operating charges	0.43%	0.45%	0.47%	0.43%
Direct transaction costs	–	–	–	–

Prices

Highest share price	107.50	106.90	110.00	114.90
Lowest share price	101.20	101.50	104.60	99.58

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	101.56	100.00
Return before operating charges*	3.16	1.57
Operating charges	(0.03)	(0.01)
Return after operating charges*	3.13	1.56
Distributions on accumulation shares	(1.33)	(0.20)
Retained distributions on accumulation shares	1.33	0.20
Closing net asset value per share	104.69	101.56

* after direct transaction costs of: – –

Performance

Return after charges	3.08%	1.56%
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Other information

Closing net asset value (£'000)	464,235	5
Closing number of shares	443,425,216	5,000
Operating charges	0.06%	0.07%
Direct transaction costs	–	–

Prices

Highest share price	106.60	101.80
Lowest share price	100.20	99.06

** Class R Accumulation launched on 4 October 2018.

COMPARATIVE TABLES (CONTINUED)

Class S Accumulation

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.31
Operating charges	–
Return after operating charges*	0.31
Distributions on accumulation shares	(0.09)
Retained distributions on accumulation shares	0.09
Closing net asset value per share	100.31
* after direct transaction costs of:	–
Performance	
Return after charges	0.31%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.06%
Direct transaction costs	–
Prices	
Highest share price	100.50
Lowest share price	99.78

** Class S Accumulation launched on 16 April 2019.

Class S Income

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.32
Operating charges	–
Return after operating charges*	0.32
Distributions on income shares	(0.09)
Closing net asset value per share	100.23
* after direct transaction costs of:	–
Performance	
Return after charges	0.32%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.06%
Direct transaction costs	–
Prices	
Highest share price	100.50
Lowest share price	99.78

** Class S Income launched on 16 April 2019.

Royal London UK Government Bond Fund

COMPARATIVE TABLES (CONTINUED)

Class Z Income

Change in net assets per share	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Opening net asset value per share	89.89	91.55	93.53	87.84
Return before operating charges*	2.78	1.13	0.74	8.51
Operating charges	(0.14)	(0.29)	(0.31)	(0.28)
Return after operating charges*	2.64	0.84	0.43	8.23
Distributions on income shares	(1.17)	(2.50)	(2.41)	(2.54)
Closing net asset value per share	91.36	89.89	91.55	93.53

* after direct transaction costs of:

Performance

Return after charges	2.94%	0.92%	0.46%	9.37%
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Other information

Closing net asset value (£'000)	108,708	103,708	113,739	99,635
Closing number of shares	118,989,308	115,373,495	124,230,667	106,522,091
Operating charges	0.30%	0.32%	0.34%	0.30%
Direct transaction costs	—	—	—	—

Prices

Highest share price	94.20	93.55	96.11	100.40
Lowest share price	88.66	88.92	91.35	86.87

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 2.77% (31/10/18 – 2.38%)			
£1,400,000	Affordable Housing Finance 2.893% 11/8/2043	1,622	0.19
£11,877,000	PRS Finance 1.75% 24/11/2026	12,039	1.41
£2,653,000	PRS Finance 2% 23/1/2029	2,700	0.32
£3,786,000	University of Oxford 2.544% 8/12/2117	3,699	0.43
£3,694,000	Wellcome Trust Limited 2.517% 7/2/2118	3,562	0.42
Total Corporate Bonds		23,622	2.77

Government Bonds – 90.32% (31/10/18 – 97.56%)			
£5,015,000	Government of Jersey 3.75% 9/6/2054	6,451	0.76
£786,000	Merseylink 3.842% 31/12/2043	1,010	0.12
£4,200,000	States of Guernsey 3.375% 12/12/2046	4,844	0.57
£33,057,000	Treasury 0.75% 22/7/2023	32,910	3.86
£77,371,000	Treasury 1.5% 22/7/2047	74,084	8.69
£55,974,000	Treasury 1.625% 22/10/2028	58,177	6.83
£147,190,000	Treasury 1.75% 22/7/2019	147,455	17.30
£48,437,000	Treasury 1.75% 7/9/2037	49,391	5.80
£1,587,000	Treasury 1.75% 22/1/2049	1,610	0.19
£6,337,487	Treasury 1.75% 22/7/2057	6,605	0.78
£20,900,000	Treasury 2% 7/9/2025	22,265	2.61
£43,777,000	Treasury 2.25% 7/9/2023	46,384	5.44
£16,028,000	Treasury 2.5% 22/7/2065	20,844	2.45
£12,751,851	Treasury 3.25% 22/1/2044	16,736	1.96
£5,700,000	Treasury 3.5% 22/7/2068	9,429	1.11
£15,367,000	Treasury 3.75% 7/9/2019	15,520	1.82
£300	Treasury 3.75% 7/9/2020*	–	–
£4,419,800	Treasury 3.75% 22/7/2052	6,814	0.80
£3,790,140	Treasury 4% 22/1/2060	6,519	0.76
£400	Treasury 4.25% 7/12/2027*	–	–
£15,760,358	Treasury 4.25% 7/6/2032	21,155	2.48
£17,895,000	Treasury 4.25% 7/3/2036	25,047	2.94
£600	Treasury 4.25% 7/9/2039	1	–
£14,939,000	Treasury 4.25% 7/12/2040	21,980	2.58
£2,061,907	Treasury 4.25% 7/12/2046	3,221	0.38
£11,882,000	Treasury 4.25% 7/12/2049	19,214	2.25
£15,874,276	Treasury 4.25% 7/12/2055	27,420	3.22
£4,149,000	Treasury 4.5% 7/9/2034	5,856	0.69
£29,223,374	Treasury 4.5% 7/12/2042	45,334	5.32
£40,022,000	Treasury 4.75% 7/3/2020	41,354	4.85
£13,482,929	Treasury 4.75% 7/12/2030	18,517	2.17
£400	Treasury 4.75% 7/12/2038	1	–
£10,992,000	Treasury 5% 7/3/2025	13,535	1.59
Total Government Bonds		769,683	90.32

Government Index-Linked Bonds – 2.93% (31/10/18 – 0.00%)			
¥1,207,100,000	Government of Japan 0.1% IL 10/03/2028	8,687	1.02
\$20,148,000	US Treasury 0.125% IL 15/7/2024	16,280	1.91
Total Government Index-Linked Bonds		24,967	2.93

Supranational Bonds – 3.05% (31/10/18 – 0.00%)			
£7,650,000	KFW 1.375% 15/12/2025	7,678	0.90
£8,348,000	KFW 5.75% 7/6/2032	12,375	1.45
£4,256,000	KFW 6% 7/12/2028	5,959	0.70
Total Supranational Bonds		26,012	3.05

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Forward Currency Contracts – (0.01)% (31/10/18 – 0.00%)			
	Buy £7,198,632 & Sell €8,409,300†	(38)	–
	Buy £11,718,770 & Sell JPY1,718,227,600†	(125)	(0.01)
	Buy £13,362,222 & Sell NOK152,086,000†	(123)	(0.01)
	Buy £16,044,197 & Sell \$21,050,628†	(77)	(0.01)
	Buy €8,406,142 & Sell £7,277,929†	(44)	(0.01)
	Buy JPY457,978,751 & Sell £3,139,077†	18	–
	Buy NOK151,656,815 & Sell £13,201,796†	245	0.03
Total Forward Currency Contracts		(144)	(0.01)

Total value of investments[^]	844,140	99.06
Net other assets	8,027	0.94
Total net assets	852,167	100.00

* Value less than £500

† Unlisted

[^] Including investment liabilities

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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	844,284	99.07	841,628	99.94
Total bonds	844,284	99.07	841,628	99.94
Forward currency contracts – assets	263	0.03	–	–
Investments as shown on the balance sheet	844,547	99.10	841,628	99.94
Forward currency contracts – liabilities	(407)	(0.04)	–	–
Total value of investments	844,140	99.06	841,628	99.94

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
Treasury 1.75% 22/7/2019	191,951
Treasury 1.625% 22/10/2028	159,485
Treasury 1.5% 22/7/2047	86,100
Treasury 2.25% 7/9/2023	46,344
Treasury 1.75% 7/9/2037	43,567
Treasury 4.5% 7/3/2019	37,992
Treasury 4.25% 7/9/2039	33,266
Treasury 4.25% 7/6/2032	33,108
Treasury 0.75% 22/7/2023	32,880
Treasury 4.25% 7/3/2036	25,056
Subtotal	689,749
Total cost of purchases, including the above, for the period	1,052,559

Significant Sales

	Proceeds £'000
Treasury 1.75% 22/7/2019	164,951
Treasury 1.625% 22/10/2028	117,553
Treasury 4.5% 7/3/2019	112,595
Treasury 3.5% 22/1/2045	55,704
Treasury 4.25% 7/9/2039	47,054
Treasury 4% 7/3/2022	46,430
Treasury 2% 7/9/2025	43,910
Treasury 5% 7/3/2025	37,543
Treasury 1.5% 22/7/2026	35,766
Treasury 4.75% 7/12/2030	31,504
Subtotal	693,010
Total proceeds from sales, including the above, for the period	1,063,420

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains		19,072		5,706
Revenue	5,623		4,639	
Expenses	(1,916)		(2,210)	
Interest payable and similar charges	(4)		(2)	
Net revenue before taxation	3,703		2,427	
Taxation	–		–	
Net revenue after taxation		3,703		2,427
Total return before distributions		22,775		8,133
Distributions		(10,693)		(9,830)
Change in net assets/(liabilities) attributable to shareholders from investment activities		12,082		(1,697)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		842,126		578,370
Amounts receivable on creation of shares	63,873		301,203	
Amounts payable on cancellation of shares	(74,231)		(47,701)	
		(10,358)		253,502
Dilution levy charged		10		–
Change in net assets attributable to shareholders from investment activities		12,082		(1,697)
Retained distributions on accumulation shares		8,307		2,409
Closing net assets attributable to shareholders		852,167		832,584

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	844,547	841,628
Current assets:		
Debtors	19,506	10,714
Cash and bank balances	1,147	1,175
Total assets	865,200	853,517
LIABILITIES		
Investment liabilities	407	–
Creditors:		
Other creditors	10,106	2,015
Distribution payable	2,520	9,376
Total liabilities	13,033	11,391
Net assets attributable to shareholders	852,167	842,126

DISTRIBUTION TABLE

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class A Income				
Group 1	1.1212	–	1.1212	1.2009
Group 2	0.6011	0.5201	1.1212	1.2009
Class M Accumulation				
Group 1	1.5235	–	1.5235	1.5802
Group 2	0.8052	0.7183	1.5235	1.5802
Class M Income				
Group 1	1.3387	–	1.3387	1.4272
Group 2	0.6537	0.6850	1.3387	1.4272
Class R Accumulation*				
Group 1	1.3258	–	1.3258	n/a
Group 2	0.4001	0.9257	1.3258	n/a
Class S Accumulation**				
Group 1	0.0858	–	0.0858	n/a
Group 2	0.0858	0.0000	0.0858	n/a
Class S Income**				
Group 1	0.0858	–	0.0858	n/a
Group 2	0.0858	0.0000	0.0858	n/a
Class Z Income				
Group 1	1.1717	–	1.1717	1.2475
Group 2	0.4377	0.7340	1.1717	1.2475

* Class R Accumulation launched on 4 October 2018.

** Class S Accumulation and Class S Income launched on 16 April 2019.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Cash Plus Fund, Class M Income	0.38	0.67	1.50	2.52
Royal London Cash Plus Fund, Class R Accumulation	0.51	–	–	–
Royal London Cash Plus Fund, Class S Income	–	–	–	–
Royal London Cash Plus Fund, Class X Income	0.46	0.84	–	–
Royal London Cash Plus Fund, Class Y Accumulation	0.44	0.80	1.86	–
Royal London Cash Plus Fund, Class Y Income	0.44	0.80	1.86	–
Royal London Cash Plus Fund, Class Z Accumulation	0.51	0.93	2.23	3.67
Royal London Cash Plus Fund, Class Z Income	0.51	0.93	2.23	3.67

Class R Accumulation launched on 6 September 2018, Class S Income launched on 9 April 2019, Class X Income launched on 12 October 2016 and Classes Y Accumulation and Income launched on 12 June 2014.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund outperformed its benchmark over the period, helped by increased yield available on selected high quality covered and corporate bonds.

Portfolio and Market Commentary

Early in the period, monthly GDP figures and other economic indicators signalled a sharp slowdown from the 0.6% quarterly pace of growth in the third quarter of 2018. The economy remained broadly characterised by weak productivity and a strong labour market, with business investment still curbed by uncertainty about the outcome of Brexit. Headline consumer price inflation was subdued, slowing to 2.3% (annual rate) in November from 2.4% at the close of the third quarter. The slower pace of GDP growth was confirmed as we moved into 2019, with 2018 GDP growth of 1.4%, compared to 1.8% in 2017. The Bank of England (BoE) left its key interest rate unchanged at 0.75%, but took a more dovish stance, leading the market to take a more cautious view on future rate rises. Cash market rates did not end the period at significantly different levels, with 7-day LIBID starting the period at 0.59% and ending it at 0.58%. Short-dated corporate bonds (ICE BofA Merrill Lynch 1-5 Year Sterling Non-Gilt Index) returned 1.51%, helped by tighter spreads. Short-dated gilt yields edged higher, returning 0.58% (FTSE Actuaries 0-5-year Gilt Index).

For the review period, high rated covered bonds offered an attractive yield pick-up, given the security they provide. These were a small drag on performance in the later months of 2018 as credit spreads widened, but this was more than offset by the rally seen in the first few months of 2019. Consequently, the allocation to covered bonds, which provided additional yield, contributed positively to performance.

We took advantage of changing conditions in covered bonds to add to exposure. In September last year, Lloyds issued the first covered bond linked to the BoE sterling overnight index average (SONIA), rather than Libor. This quarter saw several other new issues linked to SONIA, a number of which were paying attractive premia to SONIA. We added a number of SONIA-linked new issues, including Nationwide, TSB, Skipton and Virgin Money. We also added ANZ – the first overseas issuer of SONIA-linked covereds. Some of these trades were funded by reducing exposure to fixed rate covered bonds, the switch into floating rate being sensible in a low rate environment. We also reduced exposure to shorter dated floating rate covered bonds, as we felt longer dated equivalents offered better value.

Investment Outlook

The path ahead for the UK remains highly Brexit dependent and so assessing the outlook for the UK economy is difficult. Both 'no deal' and 'no Brexit' remain plausible outcomes. Nevertheless, even in our tentative central case of some form of UK-EU deal, which should lead to previously held back investment being released, the prospects for a significant economic boost have faded. With surveys signalling stagnation in March, we expect that UK growth will be both bumpy and mediocre in 2019 and the BoE will proceed with fewer and later rate rises.

The portfolio retains an allocation to short-dated corporate bonds. However this is likely to reduce over time as covered issuance yields look favourable over corporates on a risk adjusted basis. This will enable us to take advantage of increasing covered positions as new issues come to market over 2019. Exposure to CDs will be focused in medium and longer dated areas as and when longer dates offer value i.e. if rates look attractive in the context of our expected interest rate path. Currently due to Brexit we feel that in some cases the longer end of the curve is not offering yields to match the level of risk.

As cash managers, our primary aim is the preservation of capital value while providing a return in line with money market rates. We will continue to review cash market rates, while managing portfolios for security and liquidity.

Craig Inches and Tony Cole

Fund Managers

30 April 2019

Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLES

Class M Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	101.77	101.84	101.76	101.70
Return before operating charges*	0.53	0.72	0.66	0.93
Operating charges	(0.14)	(0.28)	(0.28)	(0.28)
Return after operating charges*	0.39	0.44	0.38	0.65
Distributions on income shares	(0.38)	(0.51)	(0.30)	(0.59)
Closing net asset value per share	101.78	101.77	101.84	101.76

* after direct transaction costs of: – – – –

Performance

Return after charges	0.38%	0.43%	0.37%	0.64%
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Other information

Closing net asset value (£'000)	32,131	39,144	43,503	33,323
Closing number of shares	31,569,492	38,461,840	42,718,344	32,747,550
Operating charges	0.27%	0.27%	0.27%	0.28%
Direct transaction costs	–	–	–	–

Prices

Highest share price	102.00	102.00	102.00	101.90
Lowest share price	101.70	101.80	101.80	101.70

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	100.08	100.00
Return before operating charges*	0.52	0.08
Operating charges	(0.01)	–
Return after operating charges*	0.51	0.08
Distributions on accumulation shares	(0.50)	(0.14)
Retained distributions on accumulation shares	0.50	0.14
Closing net asset value per share	100.59	100.08

* after direct transaction costs of: – –

Performance

Return after charges	0.51%	0.08%
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Other information

Closing net asset value (£'000)	3,366,696	5
Closing number of shares	3,347,023,404	5,000
Operating charges	0.02%	0.02%
Direct transaction costs	–	–

Prices

Highest share price	100.60	100.10
Lowest share price	100.10	100.00

** Class R Accumulation launched on 6 September 2018.

COMPARATIVE TABLES (CONTINUED)

Class S Income

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.05
Operating charges	–
Return after operating charges*	0.05
Distributions on income shares	(0.06)
Closing net asset value per share	99.99
* after direct transaction costs of:	–
Performance	
Return after charges	0.05%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.02%
Direct transaction costs	–
Prices	
Highest share price	100.10
Lowest share price	100.00

** Class S Income launched on 9 April 2019.

Class X Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16** (p)
Change in net assets per share				
Opening net asset value per share	99.97	100.03	99.95	100.00
Return before operating charges*	0.52	0.71	0.65	(0.01)
Operating charges	(0.05)	(0.12)	(0.15)	(0.01)
Return after operating charges*	0.47	0.59	0.50	(0.02)
Distributions on income shares	(0.46)	(0.65)	(0.42)	(0.03)
Closing net asset value per share	99.98	99.97	100.03	99.95
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.47%	0.59%	0.50%	(0.02)%
Other information				
Closing net asset value (£'000)	460,490	328,898	97,271	9,632
Closing number of shares	460,594,557	328,994,357	97,240,680	9,636,577
Operating charges	0.11%	0.11%	0.15%	0.15%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	100.30	100.20	100.20	100.00
Lowest share price	99.86	100.00	99.99	100.00

** Class X Income launched on 12 October 2016. Currently operating with a reduced AMC fee.

COMPARATIVE TABLES (CONTINUED)

Class Y Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	102.50	101.92	101.44	100.81
Return before operating charges*	0.53	0.73	0.65	0.93
Operating charges	(0.08)	(0.15)	(0.15)	(0.15)
Return after operating charges*	0.45	0.58	0.50	0.78
Distributions on accumulation shares	(0.45)	(0.64)	(0.42)	(0.72)
Retained distributions on accumulation shares	0.45	0.64	0.40	0.57
Closing net asset value per share	102.95	102.50	101.92	101.44
* after direct transaction costs of:	—	—	—	—
Performance				
Return after charges	0.44%	0.57%	0.49%	0.77%
Other information				
Closing net asset value (£'000)	778,842	932,775	593,988	411,262
Closing number of shares	756,496,161	910,034,246	582,788,992	405,418,915
Operating charges	0.15%	0.15%	0.15%	0.15%
Direct transaction costs	—	—	—	—
Prices				
Highest share price	103.00	102.50	102.00	101.50
Lowest share price	102.50	101.90	101.50	100.80

Class Y Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	100.07	100.13	100.05	100.00
Return before operating charges*	0.51	0.72	0.65	0.90
Operating charges	(0.07)	(0.15)	(0.15)	(0.14)
Return after operating charges*	0.44	0.57	0.50	0.76
Distributions on income shares	(0.44)	(0.63)	(0.42)	(0.71)
Closing net asset value per share	100.07	100.07	100.13	100.05
* after direct transaction costs of:	—	—	—	—
Performance				
Return after charges	0.44%	0.57%	0.50%	0.76%
Other information				
Closing net asset value (£'000)	754,522	726,123	208,915	168,132
Closing number of shares	753,961,670	725,629,649	208,646,779	168,048,160
Operating charges	0.15%	0.15%	0.15%	0.15%
Direct transaction costs	—	—	—	—
Prices				
Highest share price	100.30	100.30	100.30	100.20
Lowest share price	99.95	100.10	100.10	100.00

COMPARATIVE TABLES (CONTINUED)

Class Z Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	105.87	105.14	104.53	103.78
Return before operating charges*	0.55	0.76	0.66	0.95
Operating charges	(0.01)	(0.03)	(0.02)	(0.03)
Return after operating charges*	0.54	0.73	0.64	0.92
Distributions on accumulation shares	(0.53)	(0.79)	(0.57)	(0.87)
Retained distributions on accumulation shares	0.53	0.79	0.54	0.70
Closing net asset value per share	106.41	105.87	105.14	104.53
* after direct transaction costs of:	—	—	—	—
Performance				
Return after charges	0.51%	0.69%	0.61%	0.89%
Other information				
Closing net asset value (£'000)	221,167	3,503,096	3,185,060	2,139,009
Closing number of shares	207,846,961	3,308,798,813	3,029,219,719	2,046,403,683
Operating charges	0.02%	0.02%	0.02%	0.03%
Direct transaction costs	—	—	—	—
Prices				
Highest share price	106.50	105.90	105.20	104.60
Lowest share price	105.90	105.20	104.60	103.80

Class Z Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	100.71	100.77	100.69	100.64
Return before operating charges*	0.51	0.72	0.65	0.92
Operating charges	(0.01)	(0.02)	(0.02)	(0.03)
Return after operating charges*	0.50	0.70	0.63	0.89
Distributions on income shares	(0.50)	(0.76)	(0.55)	(0.84)
Closing net asset value per share	100.71	100.71	100.77	100.69
* after direct transaction costs of:	—	—	—	—
Performance				
Return after charges	0.50%	0.69%	0.63%	0.88%
Other information				
Closing net asset value (£'000)	28,257	37,546	40,734	34,325
Closing number of shares	28,056,361	37,282,019	40,423,740	34,090,004
Operating charges	0.02%	0.02%	0.02%	0.03%
Direct transaction costs	—	—	—	—
Prices				
Highest share price	101.00	101.00	101.00	100.90
Lowest share price	100.60	100.70	100.70	100.70

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Certificates of Deposit – 47.81% (31/10/18 – 53.39%)			
£75,000,000	Australia & New Zealand Banking 0% 2/8/2019	74,828	1.33
£93,000,000	Bank of Tokyo Mitsubishi 0.92% 10/10/2019	92,967	1.65
£33,000,000	Barclays 1.06% 1/11/2019	33,004	0.58
£50,000,000	Barclays 1.12% 18/2/2020	50,009	0.89
£35,000,000	BNP Paribas 1.01% 5/9/2019	35,007	0.62
£75,000,000	BNP Paribas 1.25% 3/2/2020	75,093	1.33
£18,000,000	BNP Paribas 1.27% 16/1/2020	18,025	0.32
£75,000,000	China Construction Bank 0% 3/9/2019	74,757	1.32
£65,000,000	CIBC 0.90% 28/6/2019	65,007	1.15
£15,000,000	Citi Bank 0.83% 4/6/2019	15,000	0.27
£50,000,000	Commonwealth Bank of Australia 1.02% 6/8/2019	50,015	0.89
£12,500,000	Co-operative Rabobank 1% 25/7/2019	12,503	0.22
£100,000,000	Co-operative Rabobank 1% 23/4/2020	99,859	1.77
£3,000,000	Co-operative Rabobank 1.13% 30/1/2020	3,001	0.05
£8,000,000	Credit Agricole 0.81% 3/6/2019	8,000	0.14
£80,000,000	Credit Agricole 1.02% 17/4/2020	79,908	1.42
£2,500,000	Credit Agricole 1.03% 18/9/2019	2,501	0.04
£35,000,000	Credit Industrial et Commercial 1.01% 25/6/2019	35,010	0.62
£12,000,000	Credit Industrial et Commercial 1.02% 15/4/2020	11,986	0.21
£40,000,000	Credit Suisse 1.03% 24/4/2020	39,955	0.71
£40,000,000	Credit Suisse 1.12% 14/10/2019	40,020	0.71
£30,000,000	Danske Bank 0.86% 12/7/2019	30,000	0.53
£30,000,000	DNB 0.90% 28/6/2019	30,003	0.53
£10,000,000	DNB 0.98% 27/9/2019	10,000	0.18
£2,000,000	DNB 1% 27/9/2019	2,000	0.03
£50,000,000	DNB 1.01% 30/9/2019	50,004	0.89
£5,000,000	DZ Bank 0.83% 15/7/2019	5,000	0.09
£10,000,000	Goldman Sachs 1.02% 6/4/2020	9,990	0.18
£7,000,000	HSBC 1.04% 25/3/2020	6,995	0.12
£4,000,000	Bank of China 0% 7/5/2019	4,000	0.07
£50,000,000	Industrial & Commercial bank of China 0% 8/11/2019	49,729	0.88
£100,000,000	ING Bank 0% 21/11/2019	99,418	1.76
£25,000,000	Landesbank Hessen 1% 18/7/2019	25,007	0.44
£50,000,000	Landesbank Hessen 1% 29/8/2019	50,010	0.89
£45,000,000	Landesbank Hessen 1.04% 23/9/2019	45,011	0.80
£27,000,000	Lloyds Bank 1.20% 5/3/2020	27,021	0.48
£55,000,000	Macquarie 0% 28/10/2019	54,721	0.97
£75,000,000	National Australia Bank 1.03% 30/10/2019	74,998	1.33
£15,000,000	National Bank of Abu Dhabi 1.08% 7/6/2019	15,004	0.27
£50,000,000	National Bank of Abu Dhabi 1.08% 16/8/2019	50,023	0.89
£38,000,000	National Bank of Abu Dhabi 1.15% 17/2/2020	38,016	0.67
£50,000,000	National Bank of Canada 0.91% 1/7/2019	50,006	0.89
£50,000,000	Nationwide Building Society 1% 8/7/2019	50,014	0.89
£33,500,000	Natixis Securities 0% 10/5/2019	33,495	0.59
£13,000,000	Natixis Securities 0.87% 1/8/2019	12,999	0.23
£70,000,000	Natixis Securities 1.13% 11/3/2020	70,010	1.24
£75,000,000	Natwest Bank 1.15% 25/2/2020	75,029	1.33
£50,000,000	Nordea Bank 0.97% 5/8/2019	50,009	0.89
£13,500,000	OP Corporate Bank 0% 5/7/2019	13,480	0.24
£90,000,000	Qatar National Bank 0% 27/8/2019	89,727	1.59
£50,000,000	Royal Bank of Scotland 1% 7/5/2019	50,004	0.89
£31,000,000	Royal Bank of Scotland 1.03% 17/9/2019	31,006	0.55
£20,000,000	Royal Bank of Scotland 1.06% 3/5/2019	20,001	0.35

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Certificates of Deposit – 47.81% (31/10/18 – 53.39%) – continued			
£65,000,000	Skandinaviska Enskilda Banken 1% 23/5/2019	65,011	1.15
£60,000,000	Skandinaviska Enskilda Banken 1.03% 25/3/2020	59,950	1.06
£6,900,000	Societe Generale 0.98% 31/7/2019	6,901	0.12
£10,000,000	Societe Generale 1.07% 9/8/2019	10,004	0.18
£50,000,000	Societe Generale 1.08% 2/9/2019	50,022	0.89
£50,000,000	Societe Generale 1.08% 2/10/2019	50,018	0.89
£25,000,000	Standard Chartered Bank 1% 5/6/2019	25,005	0.44
£1,900,000	Svenska 1% 5/5/2020	1,900	0.03
£2,000,000	Toronto Dominion Bank 0.86% 25/6/2019	2,000	0.03
£5,600,000	Toronto Dominion Bank 0.96% 15/7/2019	5,601	0.10
£25,000,000	UBS 0.93% 5/7/2019	25,004	0.44
£25,000,000	UBS 1% 17/7/2019	25,007	0.44
£10,000,000	UBS 1.02% 29/7/2019	10,003	0.18
£50,000,000	UBS 1.06% 17/10/2019	50,010	0.89
£40,000,000	United Overseas Bank 1% 12/8/2019	40,010	0.71
£25,000,000	UOB Kay Hian 1.01% 9/7/2019	25,008	0.44
£20,000,000	Wells Fargo Bank International 1.02% 16/5/2019	20,003	0.35
£10,000,000	Wells Fargo Bank International 1.08% 8/7/2019	10,004	0.18
£27,000,000	Wells Fargo Bank International 1.08% 30/7/2019	27,013	0.48
£35,000,000	Wells Fargo Bank International 1.15% 29/8/2019	35,024	0.62
£15,000,000	Westpac 1.03% 19/11/2019	15,000	0.27
Total Certificates of Deposit		2,697,683	47.81
Corporate Bonds – 49.81% (31/10/18 – 46.38%)			
£3,000,000	ASB Finance FRN 22/5/2020	3,007	0.05
£27,500,000	Australia And New Zealand Banking FRN 22/3/2021	27,471	0.49
£13,400,000	Australia And New Zealand Banking FRN 17/12/2021	13,432	0.24
£29,850,000	Australia And New Zealand Banking FRN 24/1/2022	29,921	0.53
£10,000,000	Bank of Montreal 1.375% 29/12/2021	10,012	0.18
£25,000,000	Bank of Montreal FRN 20/6/2019	25,002	0.44
£48,890,000	Bank of Montreal FRN 20/7/2020	48,928	0.87
£64,550,000	Bank of Montreal FRN 16/4/2023	64,280	1.14
£20,000,000	Bank of Nova Scotia FRN 14/6/2019	20,002	0.35
£83,000,000	Bank of Nova Scotia FRN 30/9/2021	83,178	1.47
£56,000,000	Bank of Nova Scotia FRN 10/1/2023	55,672	0.99
£98,650,000	Barclays Bank FRN 9/1/2023	98,088	1.74
£12,000,000	BNZ International Funding FRN 12/1/2020	12,021	0.21
£10,000,000	Canadian Imperial Bank 1.125% 30/6/2022	9,914	0.18
£27,000,000	Canadian Imperial Bank FRN 8/11/2019	27,003	0.48
£95,000,000	Canadian Imperial Bank FRN 10/1/2022	95,272	1.69
£37,000,000	Commonwealth Bank of Australia FRN 23/9/2021	37,019	0.66
£20,000,000	Co-operative Rabobank FRN 16/1/2020	20,001	0.35
£10,990,000	Coventry Building Society FRN 17/3/2020	11,005	0.20
£39,680,000	Coventry Building Society FRN 13/11/2023	39,831	0.71
£33,500,000	Deutsche Hypothekenbank FRN 22/3/2021	33,483	0.59
£10,000,000	Deutsche Pfandbriefbank 1% 4/12/2020	9,957	0.18
£40,100,000	Deutsche Pfandbriefbank 1.5% 16/12/2021	40,195	0.71
£14,900,000	Deutsche Pfandbriefbank FRN 13/1/2020	14,934	0.26
£9,000,000	DNB Boligkreditt FRN 17/2/2020	9,009	0.16
£20,000,000	Export Development Canada FRN 13/10/2022	19,994	0.35
£100,000,000	HSBC Bank FRN 9/3/2020	99,967	1.77

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 49.81% (31/10/18 – 46.38%) – continued			
£43,700,000	Landesbank Baden-Wuerttemberg FRN 18/5/2021	43,694	0.77
£50,340,000	Leeds Building Society FRN 15/4/2023	50,541	0.90
£38,980,000	Lloyds Banking Group FRN 13/9/2021	39,007	0.69
£50,000,000	Lloyds Banking Group FRN 27/3/2023	49,775	0.88
£34,200,000	National Australia Bank FRN 17/7/2020	34,256	0.61
£25,000,000	National Australia Bank FRN 24/4/2021	24,987	0.44
£65,000,000	National Bank of Canada FRN 27/9/2021	65,114	1.15
£50,000,000	National Westminster Bank FRN 22/3/2023	50,200	0.89
£67,038,000	Nationwide Building Society FRN 10/1/2024	67,708	1.20
£31,000,000	Nordea Eiendomskreditt FRN 18/6/2023	30,805	0.55
£37,000,000	Oversea Chinese Banking Corporation FRN 14/3/2023	36,725	0.65
£50,000,000	Royal Bank of Canada FRN 8/6/2021	50,026	0.89
£51,050,000	Royal Bank of Canada FRN 14/9/2021	51,092	0.91
£71,197,000	Royal Bank of Canada FRN 8/12/2022	70,788	1.25
£122,598,000	Royal Bank of Scotland FRN 15/5/2020	122,744	2.18
£83,977,000	Santander UK FRN 5/5/2020	84,074	1.49
£44,670,000	Santander UK FRN 20/9/2021	44,677	0.79
£95,000,000	Santander UK FRN 16/11/2022	94,482	1.67
£25,040,000	Skipton Building Society FRN 2/5/2023	24,933	0.44
£64,710,000	Skipton Building Society FRN 22/2/2024	64,827	1.15
£112,704,000	Sparebank 1 Boligkreditt FRN 14/11/2022	112,243	1.99
£91,120,000	Stadshypotek FRN 11/1/2023	90,295	1.60
£10,000,000	Swedbank 1.25% 29/12/2021	9,867	0.18
£30,000,000	Swedbank FRN 14/6/2021	29,923	0.53
£58,300,000	Swedish Covered Bond FRN 18/1/2022	58,225	1.03
£92,920,000	Toronto Dominion Bank FRN 7/6/2021	92,920	1.65
£51,500,000	Toronto Dominion Bank FRN 30/1/2023	51,180	0.91
£20,000,000	Toyota Motor Finance Netherlands FRN 30/9/2019	19,999	0.35
£20,662,000	TSB Bank FRN 7/12/2022	20,513	0.36
£75,000,000	TSB Bank FRN 15/2/2024	75,653	1.34
£33,490,000	United Overseas Bank FRN 28/2/2023	33,110	0.59
£63,470,000	Virgin Money FRN 22/3/2024	63,707	1.13
£52,000,000	Westpac Banking Corporation FRN 18/1/2023	51,626	0.92
£41,690,000	Yorkshire Building Society FRN 19/11/2023	41,838	0.74
Total Corporate Bonds		2,810,152	49.81
Government Bonds – 1.84% (31/10/18 – 1.49%)			
£25,000,000	UK Treasury 0% 17/6/2019	24,966	0.44
£78,484,130	UK Treasury 1.75% 22/7/2019	78,625	1.40
Total Government Bonds		103,591	1.84
Supranational Bonds – 0.00% (31/10/18 – 0.16%)			
Total value of investments		5,611,426	99.46
Net other assets		30,684	0.54
Total net assets		5,642,110	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 PORTFOLIO INVESTMENTS

AS AT 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	2,518,649	44.64	2,161,904	38.81
Unrated bonds	395,094	7.01	512,350	9.22
Total bonds	2,913,743	51.65	2,674,254	48.03
Certificates of deposit	2,697,683	47.81	2,972,535	53.39
Total value of investments	5,611,426	99.46	5,646,789	101.42

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
UK Treasury 1.75% 22/7/2019	114,506
UK Treasury 4.50% 7/3/2019	100,286
Co-operative Rabobank 1% 23/4/2020	100,000
ING Bank 0% 21/11/2019	99,140
Bank of Tokyo Mitsubishi 0.92% 10/10/2019	93,000
Qatar National Bank 0% 25/4/2019	89,720
Qatar National Bank 0% 27/8/2019	89,689
Credit Agricole 1.02% 17/4/2020	80,000
TSB Bank FRN 15/2/2024	75,074
Bank of Tokyo Mitsubishi 0.98% 10/4/2019	75,000
Subtotal	916,415
Total cost of purchases, including the above, for the period	2,720,808

Significant Sales

	Proceeds £'000
UK Treasury 4.50% 7/3/2019	100,004
Standard Chartered 0.95% 25/4/2019	100,000
Qatar National Bank 0% 25/4/2019	89,720
UK Treasury 1.75% 22/7/2019	85,818
Qatar National Bank 0% 15/1/2019	79,791
Lloyds Banking Group FRN 10/1/2021	76,916
Credit Industrial et Commercial 0.75% 7/11/2018	75,000
ING Bank 0.74% 24/1/2019	75,000
KBC 0.91% 25/4/2019	75,000
Bank of Tokyo Mitsubishi 0.98% 10/4/2019	75,000
Subtotal	832,249
Total proceeds from sales, including the above, for the period	2,755,958

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		291		(2,767)
Revenue	27,535		16,698	
Expenses	(1,828)		(1,416)	
Interest payable and similar charges	–		(24)	
Net revenue before taxation	25,707		15,258	
Taxation	–		–	
Net revenue after taxation		25,707		15,258
Total return before distributions		25,998		12,491
Distributions		(25,703)		(15,258)
Change in net assets/(liabilities) attributable to shareholders from investment activities		295		(2,767)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		5,567,587		4,615,217
Amounts receivable on creation of shares	2,548,779		1,244,469	
Amounts payable on cancellation of shares	(2,495,277)		(1,036,993)	
		53,502		207,476
Dilution levy charged		42		20
Change in net assets/(liabilities) attributable to shareholders from investment activities		295		(2,767)
Retained distribution on accumulation shares		20,684		12,802
Closing net assets attributable to shareholders		5,642,110		4,832,748

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	5,611,426	5,646,789
Current assets:		
Debtors	14,898	13,947
Cash and bank balances	76,689	1,254
Total assets	5,703,013	5,661,990
LIABILITIES		
Creditors:		
Other creditors	58,026	92,240
Distribution payable	2,877	2,163
Total liabilities	60,903	94,403
Net assets attributable to shareholders	5,642,110	5,567,587

DISTRIBUTION TABLES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

FIRST INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 31 January 2019

	Net income	Equalisation	Distribution paid 31/03/19	Distribution paid 31/03/18
Class M Income				
Group 1	0.1859	–	0.1859	0.0929
Group 2	0.0909	0.0950	0.1859	0.0929
Class R Accumulation*				
Group 1	0.2466	–	0.2466	n/a
Group 2	0.1016	0.1450	0.2466	n/a
Class X Income				
Group 1	0.2248	–	0.2248	0.1230
Group 2	0.0992	0.1256	0.2248	0.1230
Class Y Accumulation				
Group 1	0.2202	–	0.2202	0.1254
Group 2	0.1016	0.1186	0.2202	0.1254
Class Y Income				
Group 1	0.2149	–	0.2149	0.1233
Group 2	0.1100	0.1049	0.2149	0.1233
Class Z Accumulation				
Group 1	0.2607	–	0.2607	0.1625
Group 2	0.1269	0.1338	0.2607	0.1625
Class Z Income				
Group 1	0.2477	–	0.2477	0.1555
Group 2	0.0837	0.1640	0.2477	0.1555

* Class R Accumulation launched on 6 September 2018.

DISTRIBUTION TABLES (CONTINUED)
FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

SECOND INTERIM

Group 1: Shares purchased prior to 1 February 2019

Group 2: Shares purchased between 1 February 2019 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class M Income				
Group 1	0.1940	—	0.1940	0.1136
Group 2	0.1078	0.0862	0.1940	0.1136
Class R Accumulation*				
Group 1	0.2534	—	0.2534	n/a
Group 2	0.1377	0.1157	0.2534	n/a
Class S Income**				
Group 1	0.0638	—	0.0638	n/a
Group 2	0.0638	—	0.0638	n/a
Class X Income				
Group 1	0.2318	—	0.2318	0.1462
Group 2	0.0524	0.1794	0.2318	0.1462
Class Y Accumulation				
Group 1	0.2280	—	0.2280	0.1452
Group 2	0.1684	0.0596	0.2280	0.1452
Class Y Income				
Group 1	0.2223	—	0.2223	0.1424
Group 2	0.1338	0.0885	0.2223	0.1424
Class Z Accumulation				
Group 1	0.2682	—	0.2682	0.1819
Group 2	0.2301	0.0381	0.2682	0.1819
Class Z Income				
Group 1	0.2541	—	0.2541	0.1739
Group 2	0.2024	0.0517	0.2541	0.1739

* Class R Accumulation launched on 6 September 2018.

** Class S Income launched on 9 April 2019.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London International Government Bond Fund, Class M Income	3.82	2.92	2.12	11.09
Royal London International Government Bond Fund, Class R Accumulation	4.03	—	—	—
Royal London International Government Bond Fund, Class S Income	—	—	—	—

Class R Accumulation launched on 20 September 2018 and Class S Income launched on 16 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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund moderately underperformed the global government bond market during the period under review, as represented by the JP Morgan Global GBI Hedged Sterling Index. Some of this difference was due to timing differences between fund pricing at midday and end of day market indices. The key drag on performance was the Fund's short duration positioning, though this was partially offset by tactically trading market volatility and supply events in Europe.

Portfolio and Market Commentary

Global government bond yields moved broadly lower over the six-month review period, reflecting a continued deterioration in global economic data and a consequent pause in interest rate hikes from central banks. The Federal Reserve reduced its expected 2019 rate hikes from two to zero, while the European Central Bank (ECB) moved its rate hike guidance from the summer to the end of the year and surprised markets by announcing an earlier than expected rollover of its bank lending programme.

Activity in the Fund was biased towards relative-value tactical positioning, focusing on cross-market, yield curve and duration positioning. We continued to take both tactical and strategic positions in the portfolio, where appropriate to the Fund's risk and return objectives.

The Fund maintained a short duration stance throughout the review period, reflecting our view that the majority of developed market government bonds were expensive. Strategically, the short duration position was negative for performance, since global government bond yields declined. This effect was, however, partially offset by tactical trading as we took advantage of market volatility.

With inflation assets reaching very low levels, after breakevens sold off to a greater extent than that implied by the move in inflation expectations, we exploited the misalignment of prices and fundamentals by buying US (five year and 10 year) and France (30 year) breakevens. We also tactically traded a number of European supply events, which were large and well-received, with the bonds performing strongly after issuance, generating positive returns for the Fund.

Investment Outlook

Global GDP growth looks set to slow in 2019, but with more weakness in the first half of 2019 than we had expected. The outlook for the second half of 2019 appears brighter, given responses from policy makers and improvements in financial conditions, though trade relations and Brexit continue to pose threats. A continuation of stimulus from China and a pause in central bank interest rate hikes should support growth in the year. We consider the majority of developed market government bonds to be expensive, and expect global government bond yields to rise gradually from current levels.

Paul Rayner and Gareth Hill
Fund Managers
30 April 2019
Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLE

Class M Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	105.86	109.19	111.64	108.08
Return before operating charges*	4.49	(1.29)	(0.71)	5.58
Operating charges	(0.27)	(0.53)	(0.54)	(0.56)
Return after operating charges*	4.22	(1.82)	(1.25)	5.02
Distributions on income shares	(0.82)	(1.51)	(1.20)	(1.46)
Closing net asset value per share	109.26	105.86	109.19	111.64

* after direct transaction costs of: – – – –

Performance

Return after charges	3.99%	(1.67)%	(1.12)%	4.64%
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Other information

Closing net asset value (£'000)	18,265	365,996	384,576	222,238
Closing number of shares	16,717,160	345,737,900	352,211,622	199,075,784
Operating charges	0.49%	0.49%	0.49%	0.51%
Direct transaction costs	–	–	–	–

Prices

Highest share price	110.50	109.70	111.80	114.70
Lowest share price	105.60	106.10	108.40	107.10

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	99.61	100.00
Return before operating charges*	4.23	(0.39)
Operating charges	(0.03)	–
Return after operating charges*	4.20	(0.39)
Distributions on accumulation shares	(0.77)	(0.18)
Retained distributions on accumulation shares	0.77	0.18
Closing net asset value per share	103.81	99.61

* after direct transaction costs of: – –

Performance

Return after charges	4.22%	(0.39)%
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Other information

Closing net asset value (£'000)	366,392	5
Closing number of shares	352,945,457	5,000
Operating charges	0.05%	0.04%
Direct transaction costs	–	–

Prices

Highest share price	104.20	100.00
Lowest share price	99.41	99.00

** Class R Accumulation launched on 20 September 2018.

COMPARATIVE TABLE (CONTINUED)

Class S Income

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.41
Operating charges	–
Return after operating charges*	0.41
Distributions on income shares	(0.07)
Closing net asset value per share	100.34

* after direct transaction costs of: –

Performance

Return after charges	0.41%
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Other information

Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.05%
Direct transaction costs	–

Prices

Highest share price	100.40
Lowest share price	99.82

** Class S Income launched on 16 April 2019.

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.

Royal London International Government Bond Fund

PORTFOLIO STATEMENT

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Bonds – 91.49% (31/10/18 – 96.76%)			
€84,000	Federal Republic of Germany 1.5% 15/5/2024	79	0.02
€3,692,000	Federal Republic of Germany 1.75% 4/7/2022	3,409	0.89
€1,293,000	Federal Republic of Germany 2.5% 4/7/2044	1,609	0.42
€1,511,000	Federal Republic of Germany 2.5% 15/8/2046	1,910	0.50
€1,566,000	Federal Republic of Germany 3.25% 4/7/2021	1,459	0.38
€1,177,000	Federal Republic of Germany 3.25% 4/7/2042	1,614	0.42
€6	Federal Republic of Germany 4% 4/1/2037	–	–
€1,200,000	Federal Republic of Germany 4.75% 4/7/2034	1,720	0.45
AUD\$1,096,000	Government of Australia 3% 21/3/2047	658	0.17
€1,479,000	Government of Belgium 1.7% 22/6/2050	1,330	0.35
€1,129,000	Government of Belgium 4.25% 28/3/2041	1,534	0.40
€1,008,000	Government of Belgium 5.5% 28/3/2028	1,263	0.33
C\$2,632,000	Government of Canada 2.75% 1/12/2048	1,752	0.46
€1,458,000	Government of France 1.5% 25/5/2050	1,281	0.33
€559,000	Government of France 1.75% 25/11/2024	533	0.14
€1,180,000	Government of France 1.75% 25/6/2039	1,145	0.30
€3,360,000	Government of France 2.75% 25/10/2027	3,526	0.92
€2,487,000	Government of France 3.5% 25/4/2026	2,670	0.69
€2,991,000	Government of France 4% 25/10/2038	3,962	1.03
€1,196,269	Government of France 4.5% 25/4/2041	1,721	0.45
€1,513,000	Government of France 5.75% 25/10/2032	2,168	0.56
€801,000	Government of France 6% 25/10/2025	961	0.25
¥1,778,750,000	Government of Japan 0.1% 20/9/2019	12,263	3.19
¥1,602,400,000	Government of Japan 0.8% 20/12/2022	11,427	2.97
¥557,050,000	Government of Japan 0.8% 20/3/2046	4,120	1.07
¥1,141,050,000	Government of Japan 1% 20/9/2020	7,986	2.08
¥1,601,050,000	Government of Japan 1.2% 20/9/2035	12,739	3.31
¥988,100,000	Government of Japan 1.8% 20/9/2030	8,178	2.13
¥845,000,000	Government of Japan 1.8% 20/12/2032	7,143	1.86
¥302,950,000	Government of Japan 1.8% 20/3/2043	2,721	0.71
¥476,900,000	Government of Japan 2% 20/9/2040	4,354	1.13
¥450,150,000	Government of Japan 2.2% 20/3/2028	3,737	0.97
¥425,600,000	Government of Japan 2.2% 20/3/2031	3,681	0.96
¥652,400,000	Government of Japan 2.2% 20/9/2039	6,088	1.58
€1,956,000	Government of Netherlands 2.25% 15/7/2022	1,832	0.48
€1,814,006	Government of Netherlands 3.75% 15/1/2042	2,595	0.67
€3,780,000	Kingdom of Spain 1.45% 30/4/2029	3,386	0.88
€1,628,000	Kingdom of Spain 1.6% 30/4/2025	1,508	0.39
€2,162,000	Kingdom of Spain 1.85% 30/7/2035	1,916	0.50
€820,000	Kingdom of Spain 2.7% 31/10/2048	787	0.20
€1,411,000	Kingdom of Spain 2.9% 31/10/2046	1,416	0.37
€385,000	Kingdom of Spain 3.45% 30/7/2066	418	0.11
€917,000	Kingdom of Spain 4.7% 30/7/2041	1,190	0.31
€2,938,000	Kingdom of Spain 5.4% 31/1/2023	3,048	0.79
€979,000	Kingdom of Spain 5.75% 30/7/2032	1,297	0.34
SEK3,265,000	Kingdom of Sweden 1% 12/11/2026	283	0.07
SEK14,415,000	Kingdom of Sweden 3.5% 1/6/2022	1,305	0.34
€11,201,000	Republic of Italy 1.35% 15/4/2022	9,727	2.53
€2,144,000	Republic of Italy 1.85% 15/5/2024	1,865	0.48
€980,000	Republic of Italy 3.25% 1/9/2046	833	0.22
€1,286,000	Republic of Italy 3.5% 1/3/2030	1,196	0.31
€1,938,000	Republic of Italy 4% 1/2/2037	1,876	0.49

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Bonds – 91.49% (31/10/18 – 96.76%) – continued			
€1,244,000	Republic of Italy 4.75% 1/9/2044	1,310	0.34
€1,432,000	Republic of Italy 5% 1/9/2040	1,537	0.40
£30,041,480	UK Treasury 1.75% 22/7/2019	30,096	7.82
\$8,478,400	US Treasury 1.25% 31/10/2019	6,465	1.68
\$19,937,000	US Treasury 2% 15/11/2021	15,202	3.95
\$19,762,500	US Treasury 2% 15/2/2022	15,063	3.92
\$20,640,500	US Treasury 2% 30/11/2022	15,693	4.08
\$17,478,900	US Treasury 2.25% 15/11/2024	13,355	3.47
\$905,800	US Treasury 2.25% 15/11/2025	689	0.18
\$27,428,400	US Treasury 2.5% 15/8/2023	21,234	5.52
\$5,219,900	US Treasury 2.5% 15/5/2024	4,043	1.05
\$25,633,000	US Treasury 2.625% 15/11/2020	19,749	5.13
\$9,143,200	US Treasury 2.75% 15/2/2024	7,160	1.86
\$12,238,000	US Treasury 2.75% 15/2/2028	9,587	2.49
\$2,862,200	US Treasury 3.125% 15/11/2041	2,290	0.60
\$6,215,300	US Treasury 3.125% 15/8/2044	4,943	1.28
\$8,015,700	US Treasury 3.375% 15/5/2044	6,654	1.73
\$4,066,700	US Treasury 3.625% 15/8/2043	3,511	0.91
\$3,115,000	US Treasury 3.625% 15/2/2044	2,691	0.70
\$12,103,300	US Treasury 4.375% 15/5/2041	11,625	3.02
\$1,867,100	US Treasury 4.5% 15/2/2036	1,786	0.46
Total Government Bonds		351,902	91.49
Government Index-Linked Bonds – 8.17% (31/10/18 – 2.07%)			
€3,362,000	Federal Republic of Germany 0.5% IL 15/4/2030	3,569	0.93
€1,828,000	Government of France 0.1% IL 25/7/2047	1,743	0.45
¥1,044,900,000	Government of Japan 0.1% IL 10/3/2026	7,529	1.96
\$23,007,000	US Treasury 0.125% IL 15/7/2024	18,590	4.83
Total Government Index-Linked Bonds		31,431	8.17
Forward Currency Contracts – (1.42)% (31/10/18 – 0.56%)			
	Buy £4,387,372 & Sell AUD8,205,000 [†]	(38)	(0.01)
	Buy £1,743,497 & Sell CAD3,062,000 [†]	(1)	–
	Buy £78,481,510 & Sell €91,536,239 [†]	(289)	(0.07)
	Buy £87,337,006 & Sell JPY12,839,787,761 [†]	(1,172)	(0.30)
	Buy £2,725,406 & Sell NOK31,020,000 [†]	(25)	(0.01)
	Buy £179,605,802 & Sell \$239,691,231 [†]	(3,958)	(1.03)
	Buy £3,140,599 & Sell SEK38,516,209 [†]	30	0.01
	Buy AUD6,859,235 & Sell JPY542,844,000 [†]	(42)	(0.01)
	Buy €1,117,000 & Sell £960,225 [†]	1	–
	Buy NOK31,150,196 & Sell £2,711,639 [†]	50	0.01
	Buy SEK18,183,000 & Sell £1,490,562 [†]	(22)	(0.01)
	Buy \$2,518,009 & Sell £1,914,200 [†]	14	–
Total Forward Currency Contracts		(5,452)	(1.42)
Total value of investments[^]		377,881	98.24
Net other assets		6,781	1.76
Total net assets		384,662	100.00

[†] Unlisted

[^] Including investment liabilities

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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	383,333	99.66	361,709	98.83
Total bonds	383,333	99.66	361,709	98.83
Forward currency contracts – assets	95	0.02	3,142	0.86
Investments as shown in the balance sheet	383,428	99.68	364,851	99.69
Forward currency contracts – liabilities	(5,547)	(1.44)	(1,083)	(0.30)
Total value of investments	377,881	98.24	363,768	99.39

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
UK Treasury 1.75% 22/7/2019	29,461
US Treasury 0.125% IL 15/7/2024	18,515
US Treasury 2.25% 15/11/2024	17,689
US Treasury 2.5% 15/8/2023	14,851
US Treasury 2% 30/11/2022	10,913
Republic of Italy 1.35% 15/4/2022	9,852
US Treasury 1.25% 31/10/2019	8,777
US Treasury 4.375% 15/5/2041	7,163
Republic of Italy 5.5% 1/9/2022	6,395
Government of France 1.75% 25/5/2023	6,065
Subtotal	129,681
Total cost of purchases, including the above, for the period	246,521

Significant Sales

	Proceeds £'000
Republic of Italy 5.5% 1/9/2022	13,849
US Treasury 4.375% 15/5/2041	12,014
US Treasury 1% 30/6/2019	11,412
Government of Japan 1% 20/9/2020	11,073
US Treasury 2.25% 15/11/2024	10,442
US Treasury 2.5% 15/5/2024	10,349
UK Treasury 1.75% 22/7/2019	9,513
US Treasury 1.25% 31/10/2019	8,575
Government of Canada 1.5% 1/6/2023	8,568
US Treasury 2% 30/11/2022	7,731
Subtotal	103,526
Total proceeds from sales, including the above, for the period	230,087

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		11,409		(4,202)
Revenue	2,676		2,413	
Expenses	(555)		(957)	
Interest payable and similar charges	(3)		(4)	
Net revenue before taxation	2,118		1,452	
Taxation	–		–	
Net revenue after taxation		2,118		1,452
Total return/(deficit) before distributions		13,527		(2,750)
Distributions		(2,672)		(2,409)
Change in net assets/(liabilities) attributable to shareholders from investment activities		10,855		(5,159)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		366,001		384,576
Amounts receivable on creation of shares	53,652		25,645	
Amounts payable on cancellation of shares	(48,607)		(36,750)	
		5,045		(11,105)
Dilution levy charged		27		–
Change in net assets/ (liabilities) attributable to shareholders from investment activities		10,855		(5,159)
Retained distributions on accumulation shares		2,734		–
Closing net assets attributable to shareholders		384,662		368,312

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	383,428	364,851
Current assets:		
Debtors	2,381	2,595
Cash and bank balances	4,572	2,758
Total assets	390,381	370,204
LIABILITIES		
Investment liabilities	5,547	1,083
Creditors:		
Other creditors	34	186
Distribution payable	138	2,934
Total liabilities	5,719	4,203
Net assets attributable to shareholders	384,662	366,001

DISTRIBUTION TABLE

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class M Income				
Group 1	0.8227	–	0.8227	0.6602
Group 2	0.5251	0.2976	0.8227	0.6602
Class R Accumulation*				
Group 1	0.7746	–	0.7746	n/a
Group 2	0.1618	0.6128	0.7746	n/a
Class S Income**				
Group 1	0.0652	–	0.0652	n/a
Group 2	0.0652	0.0000	0.0652	n/a

* Class R Accumulation launched on 20 September 2018.

** Class S Income launched on 16 April 2019.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London European Corporate Bond Fund, Class R Accumulation	0.10	–	–	–
Royal London European Corporate Bond Fund, Class Z Income	-0.01	0.78	18.58	19.59

Class R Accumulation launched on 20 September 2018.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance overview

The Fund underperformed the broad euro investment grade credit market during the 6-month period under review, after deduction of management fees, using the BofA Merrill Lynch Euro Corporate and Pfandbrief Index as a guide. The difference in performance partly reflects timing differences between fund pricing at midday and end of day market indices.

Portfolio and Market Commentary

The end of 2018 saw the eurozone looking close to stagnation, with economic data confirming that Italy entered a recession in the final quarter of 2018 while Germany narrowly avoided one. As 2019 began several key data points (such as the composite PMI, consumer confidence and headline inflation) showed signs of stabilisation; but at weaker levels. The weakened economic backdrop encouraged the European Central Bank (ECB) to not only postpone its interest rate hike guidance from "through the summer" to "through the end of 2019", but also to surprise markets with an earlier than expected announcement that it would rollover its bank lending programme.

The average euro investment grade credit spread (the extra yield available on a corporate bond over a gilt of equivalent maturity) narrowed by 18 basis points (bps) to 1.06%. Spreads widened by 24 bps to 1.48% in the first two months of the review period. Investors had been concerned about the pace of the Federal Reserve's interest rate hikes and worried about a trade war between the US and China. The widening trajectory sharply reversed after the turn of the year when central banks postponed their planned interest rate hikes and US-China trade talks showed signs of progress.

The yield on benchmark 10-year German bunds dropped 37 bps to 0.01% over the review period, having entered negative territory in March. German government debt performed in line with France, while underperforming several global peers, such as the US and Italy, where yields on equivalent issues declined even more significantly.

The most significant change to the Fund's sector positioning over the review period was a reduction of the Fund's overweight position in banks and financial services to become underweight. This reflected a selloff of senior financials, with the preference for subordinated financials being maintained. Elsewhere, the Fund modestly added to the supranational, telecommunications and utility sectors.

The Fund's overweight allocations to insurance and subordinated financials detracted from returns in the final months of 2018, as they were among the worst performing sectors. This sharply reversed in 2019, when they became two of the strongest performing sectors, positively contributing to the Fund's performance. A mirror reversal was seen with the Fund's underweight allocations to consumer sectors and BBB rated debt. They added to Fund performance on weakness at the end of 2018 before detracting in 2019 as they performed better.

The banking and consumer sectors were considerable sources of trading activity over the review period, with supranational issues being used as a means of parking cash. Notable purchases included senior debt of banking groups ING, Wells Fargo and BFCM. We bought an attractive AAA rated bond of Microsoft, a Lower Tier 2 new issue of Danske Bank and a short-dated Tier 2 contingent convertible bond of Credit Suisse. The Fund's sales were heavily concentrated on senior banks (such as Credit Agricole, J.P. Morgan Chase and HSBC France) as the Fund sought to reduce exposure ahead of 2019 supply.

Investment Outlook

We expect eurozone GDP growth of around 1% in 2019, following a disappointing start to the year. The outlook for the second half of the year appears brighter given that EU election will be over, trading prospects may be improved by Chinese stimulus and there could be some clarification on Brexit. We expect that the ECB will not raise rates until early 2020 and will not engage in asset sales over our two year forecast period. Brexit, US auto tariffs, global growth concerns and politics remain key threats to our outlook.

We tactically positioned the Fund's duration longer than the BofA Merrill Lynch Euro Corporate and Pfandbrief Index to exploit the more dovish policy stances of central banks. While we still expect government bond yields to rise gradually over the longer term, we expect them to remain low for longer. The Fund will continue to maintain a preference for subordinated financial bonds as we expect these to outperform the broader credit market in a rising yield environment. The Fund remains underweight consumer sectors because current valuations do not compensate for credit and M&A risk. Similarly, the Fund maintains an underweight position in BBB rated securities, as we believe that current spread levels do not sufficiently compensate for credit risk.

Rachid Semaoune

Fund Manager

30 April 2019

Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLES

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	99.91	100.00
Return before operating charges*	0.22	(0.08)
Operating charges	(0.04)	(0.01)
Return after operating charges*	0.18	(0.09)
Distributions on accumulation shares	(1.17)	(0.25)
Retained distributions on accumulation shares	1.17	0.25
Closing net asset value per share	100.09	99.91
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.18%	(0.09)%
Other information		
Closing net asset value (£'000)	92,629	5
Closing number of shares	92,546,060	5,000
Operating charges	0.08%	0.09%
Direct transaction costs	–	–
Prices		
Highest share price	102.00	101.20
Lowest share price	98.18	98.42

** Class R Accumulation launched on 20 September 2018.

Class Z Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	120.27	122.77	125.55	98.30
Return before operating charges*	0.27	0.73	0.53	31.33
Operating charges	(0.24)	(0.50)	(0.50)	(0.43)
Return after operating charges*	0.03	0.23	0.03	30.90
Distributions on income shares	(1.41)	(2.73)	(2.81)	(3.65)
Closing net asset value per share	118.89	120.27	122.77	125.55
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.02%	0.19%	0.02%	31.44%
Other information				
Closing net asset value (£'000)	990	99,236	111,207	115,915
Closing number of shares	832,243	82,510,533	90,579,277	92,324,876
Operating charges	0.40%	0.41%	0.41%	0.39%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	122.70	125.90	131.10	128.90
Lowest share price	118.10	119.70	115.40	96.34

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.

Royal London European Corporate Bond Fund

PORTFOLIO STATEMENT

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 84.84% (31/10/18 – 91.38%)			
€200,000	AbbVie 1.375% 17/5/2024	180	0.19
€200,000	AbbVie 2.125% 17/11/2028	185	0.20
€500,000	ABN Amro Bank 0.25% 3/12/2021	433	0.46
€300,000	ABN Amro Bank 0.875% 15/1/2024	265	0.28
€300,000	ABN Amro Bank 1.125% 23/4/2039	258	0.28
€600,000	Achmea 6% variable 4/4/2043	590	0.63
€100,000	Aeroports de Paris 1% 13/12/2027	88	0.09
€600,000	Aeroports de Paris 1.5% 24/7/2023	546	0.58
€200,000	Akelius Residential Property 3.375% 23/9/2020	180	0.19
€900,000	Allianz Finance 5.625% variable 17/10/2042	902	0.96
€1,400,000	Allianz Finance 5.75% 8/7/2041	1,339	1.43
€1,200,000	Alpha Trains Finance 2.064% 30/6/2030	1,070	1.14
€200,000	Altria Group 1.7% 15/6/2025	176	0.19
€200,000	America Movil 6.375% variable 6/9/2073	203	0.22
€230,000	American International Group 1.875% 21/6/2027	203	0.22
€400,000	Anheuser-Busch InBev 1.125% 1/7/2027	347	0.37
€220,000	Anheuser-Busch InBev 3.25% 24/1/2033	226	0.24
€330,000	Annington Funding 1.65% 12/7/2024	287	0.31
€200,000	APRR 1.25% 6/1/2027	181	0.19
€400,000	APRR 1.625% 13/1/2032	362	0.39
€300,000	APRR 1.875% 6/1/2031	280	0.30
€100,000	Aroundtown 1.625% 31/1/2028	84	0.09
€160,000	ASR Nederland 3.375% variable 2/5/2049	138	0.15
€370,000	AT&T 3.15% 4/9/2036	349	0.37
€380,000	Australia Pacific Airport 1.75% 15/10/2024	346	0.37
€250,000	Avinor 1.25% 9/2/2027	224	0.24
€500,000	Aviva 6.125% variable 5/7/2043	503	0.54
€500,000	AXA 3.25% variable 28/5/2049	453	0.48
€500,000	AXA 5.125% variable 4/7/2043	499	0.53
€300,000	AXA 5.25% variable 16/4/2040	270	0.29
€240,000	Bank of America 0.736% variable 7/2/2022	209	0.22
€300,000	Bank of America 0.75% 26/7/2023	262	0.28
€200,000	Bank of America 2.5% 27/7/2020	177	0.19
€300,000	Bank of Nova Scotia 0.5% 30/4/2024	259	0.28
€700,000	Banque Federative Credit Mutuel 0.75% 17/7/2025	609	0.65
€500,000	Banque Federative Credit Mutuel 0.75% 15/6/2023	438	0.47
€400,000	Barclays Bank 1.875% 23/3/2021	355	0.38
€200,000	Bayer Capital Corporation 2.125% 15/12/2029	178	0.19
€350,000	Bayerische Landesbank 0.75% 19/1/2028	310	0.33
€400,000	Berkshire Hathaway 0.25% 17/1/2021	346	0.37
€400,000	Berkshire Hathaway 1.3% 15/3/2024	362	0.39
€180,000	Berlin 0.375% 21/2/2025	157	0.17
€400,000	BG Energy Capital 2.25% 21/11/2029	390	0.42
€350,000	BMW Finance 0.375% 10/7/2023	302	0.32
€400,000	BMW Finance 0.625% 6/10/2023	348	0.37
€400,000	BNP Paribas 1.5% 25/5/2028	366	0.39
€300,000	BNP Paribas 2.125% variable 23/1/2027	275	0.29
€580,000	BP Capital Markets 1.573% 16/2/2027	531	0.57
€1,200,000	BP Capital Markets 2.213% 25/9/2026	1,150	1.23
€300,000	BPCE 1% 1/4/2025	260	0.28
€200,000	BPCE 1.375% 23/3/2026	177	0.19
€900,000	BPCE 12.5% variable perpetual	810	0.87
€300,000	Brussels Airport 1% 3/5/2024	265	0.28
€1,000,000	Brussels Airport 3.25% 1/7/2020	892	0.95
€380,000	Channel Link Enterprises Finance 1.761% variable 30/6/2050	326	0.35
€300,000	Cheung Kong Infrastructure Finance 1% 12/12/2024	258	0.28
€300,000	Cie de Financement Foncier 0.2% 16/9/2022	261	0.28

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 84.84% (31/10/18 – 91.38%) – continued			
€300,000	CK Hutchison Finance 0.875% 3/10/2024	261	0.28
€400,000	CK Hutchison Finance 1.25% 13/4/2025	352	0.38
€300,000	Cloverie 6.625% variable 1/9/2042	308	0.33
€1,000,000	Cloverie 7.5% variable 24/7/2039	874	0.93
€900,000	CNP Assurances 6% variable 14/9/2040	834	0.89
€1,000,000	CNP Assurances 6.875% variable 30/9/2041	988	1.06
€200,000	Coentreprise de Transport d'Electric 0.875% 29/9/2024	176	0.19
€300,000	Coentreprise de Transport d'Electric 2.125% 29/7/2032	275	0.29
€300,000	ColgatePalmolive 0.5% 6/3/2026	260	0.28
€300,000	ColgatePalmolive 1.375% 6/3/2034	261	0.28
€100,000	Compagnie Finance 0.75% 9/9/2028	85	0.09
€1,000,000	Credit Agricole 2.375% 20/5/2024	946	1.01
€750,000	Credit Agricole 7.875% variable perpetual	668	0.71
€100,000	Credit Agricole Assurances 2.625% variable 29/1/2048	83	0.09
€300,000	Credit Agricole Home Loan 0.875% 6/5/2034	255	0.27
€300,000	Credit Mutuel Arkea 3.375% 11/3/2031	269	0.29
€300,000	Credit Suisse 1% 7/6/2023	266	0.28
€830,000	Credit Suisse 1.375% 31/1/2022	740	0.79
€400,000	Credit Suisse 5.75% variable 18/9/2025	368	0.39
€300,000	Daimler 1.5% 3/7/2029	267	0.29
€300,000	Daimler 2.125% 3/7/2037	274	0.29
€400,000	Danske Bank 2.5% variable 21/6/2029	350	0.37
€400,000	Deutsche Bahn Finance 0.625% 26/9/2028	346	0.37
€300,000	Deutsche Bahn Finance 1% 17/12/2027	270	0.29
€550,000	Deutsche Bahn Finance 1.125% 18/12/2028	492	0.53
€550,000	Deutsche Bahn Finance 3% 8/3/2024	537	0.57
€400,000	Deutsche Hypothekenbank 0.125% 23/11/2023	346	0.37
€400,000	Deutsche Kreditbank 1.625% 18/6/2024	372	0.40
€300,000	Deutsche Pfandbriefbank 0.75% 7/2/2023	260	0.28
€150,000	Deutsche Pfandbriefbank 2.735% 29/5/2028	151	0.16
€300,000	Deutsche Telekom 0.875% 25/3/2026	260	0.28
€200,000	Deutsche Telekom International Finance 1.375% 30/1/2027	178	0.19
€400,000	DIAGEO Finance 0.125% 12/10/2023	343	0.37
€153,000	Digital Euro Finco LLC 2.5% 16/1/2026	140	0.15
€100,000	Electricite de France 4.5% 12/11/2040	119	0.13
€300,000	Electricite de France 5.375% variable perpetual	288	0.31
€850,000	Elenia Finance 2.875% 17/12/2020	764	0.82
€400,000	Elia System Operator 2.75% variable perpetual	354	0.38
€400,000	Elisa 0.875% 17/3/2024	348	0.37
€200,000	Enagas 0.75% 27/10/2026	173	0.18
€300,000	Enexis Holding 1.5% 20/10/2023	272	0.29
€400,000	Engie 1.375% 28/2/2029	364	0.39
€100,000	Engie 1.875% 19/9/2033	94	0.10
€200,000	Engie 2% 28/9/2037	187	0.20
€100,000	Entega 6.125% 23/4/2041	134	0.14
€450,000	Equinor 1.625% 9/11/2036	410	0.44
€650,000	Equinor 2.875% 10/9/2025	648	0.69
€160,000	ERG 1.875% 11/4/2025	139	0.15
€200,000	ESB Finance 1.875% 14/6/2031	181	0.19
€300,000	ESB Finance 2.125% 5/11/2033	278	0.30
€400,000	Euroclear Bank 0.25% 7/9/2022	346	0.37
€600,000	Eurogrid 1.5% 18/4/2028	534	0.57
€300,000	Euronext 1% 18/4/2025	263	0.28
€100,000	Fastighets Balder 1.875% 14/3/2025	88	0.09
€150,000	Fidelity International 2.5% 4/11/2026	133	0.14
€300,000	GE Capital Euro Funding 2.25% 20/7/2020	265	0.28
€400,000	Gecina 1.375% 26/1/2028	353	0.38
€520,000	General Electric 1.25% 26/5/2023	457	0.49

Royal London European Corporate Bond Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 84.84% (31/10/18 – 91.38%) – continued			
€200,000	General Electric 1.5% 17/5/2029	167	0.18
€300,000	General Electric 2.125% 17/5/2037	235	0.25
€400,000	Global Switch Holdings 1.5% 31/1/2024	349	0.37
€380,000	Goldman Sachs 1.625% 27/7/2026	338	0.36
€500,000	Goldman Sachs 2% 1/11/2028	450	0.48
€900,000	Granvia 4.781% 30/9/2039	870	0.93
€1,000,000	Groupama 7.875% variable 27/10/2039	892	0.95
€500,000	Hannover Finance 5.75% variable 14/9/2040	461	0.49
€450,000	Heathrow Funding 1.5% 11/2/2032	396	0.42
€330,000	Hemso Fastighets 1.75% 19/6/2029	286	0.31
€200,000	HSBC 3.125% 7/6/2028	198	0.21
€770,000	HSBC 4% 15/1/2021	708	0.76
€600,000	Infracore 2.625% 29/10/2029	582	0.62
€400,000	ING Bank 0.000001% 8/4/2022	344	0.37
€300,000	ING Groep 2.5% 15/11/2030	286	0.31
€200,000	Innogy Finance 1.5% 31/7/2029	177	0.19
€200,000	Innogy Finance 5.75% 14/2/2033	256	0.27
€300,000	International Business Machines 1.75% 31/1/2031	270	0.29
€400,000	Investor 1.5% 12/9/2030	360	0.38
€800,000	Investor 4.5% 12/5/2023	805	0.86
€300,000	Johnson Controls International 0% 4/12/2020	258	0.28
€400,000	JP Morgan Chase 1.09% variable 11/3/2027	348	0.37
€400,000	KBC Bank 0.75% 24/10/2027	353	0.38
€400,000	KBC Groep 2.375% variable 25/11/2024	347	0.37
€200,000	Klepierre 1.625% 13/12/2032	176	0.19
€300,000	Knorr-Bremse 0.5% 8/12/2021	261	0.28
€420,000	Landesbank Baden Wuerttemberg 0.875% 15/9/2025	377	0.40
€400,000	Landsbankinn 1.375% 14/3/2022	347	0.37
€400,000	Lunar Funding 1.125% 12/10/2026	355	0.38
€200,000	Marsh and McLennan 1.349% 21/9/2026	175	0.19
€133,000	Medtronic Global Holdings 1.125% 7/3/2027	118	0.13
€111,000	Medtronic Global Holdings 1.625% 7/3/2031	100	0.11
€163,000	Medtronic Global Holdings 2.25% 7/3/2039	153	0.16
€650,000	Met Life 0.875% 20/1/2022	571	0.61
€430,000	Microsoft Corporation 3.125% 6/12/2028	455	0.49
€222,000	Muenchener Hypothekenbank 1% 18/4/2039	189	0.20
€300,000	Muenchener Hypothekenbank 2.5% 4/7/2028	306	0.33
€1,000,000	National Australia Bank 2% variable 12/11/2024	866	0.93
€400,000	Nationale Nederlanden Bank 0.625% 11/9/2055	350	0.37
€200,000	Nationale Nederlanden Levensverzek variable 29/08/42	217	0.23
€705,000	Natwest Market 5.375% 30/9/2019	620	0.66
€300,000	NIBC Bank 2% 9/4/2024	261	0.28
€600,000	Nordea Bank 0.875% 26/6/2023	522	0.56
€650,000	NV Luchthaven Schiphol 2% 5/10/2026	615	0.66
€400,000	Orange 1.375% 20/3/2028	356	0.38
€300,000	Orange 1.375% 16/1/2030	264	0.28
€125,000	Prologis International Funding II 1.75% 15/3/2028	112	0.12
€800,000	Rabobank Nederland 4.125% 14/1/2020	709	0.76
€900,000	Rabobank Nederland 4.75% 6/6/2022	888	0.95
€400,000	RCI Banque FRN 12/1/2023	339	0.36
€500,000	Redexis Gas Finance 2.75% 8/4/2021	446	0.48
€100,000	Resa 1% 22/7/2026	87	0.09
€200,000	Reseau de Transport 1% 19/10/2026	177	0.19
€500,000	Reseau de Transport 2% 18/4/2036	471	0.50
€400,000	Rikshem 1.25% 28/6/2024	350	0.37
€100,000	Roadster Finance Design 1.625% 9/12/2024	84	0.09

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 84.84% (31/10/18 – 91.38%) – continued			
€200,000	Royal Bank of Canada 0.25% 2/5/2024	171	0.18
€100,000	Royal Schiphol Group 1.5% 5/11/2030	91	0.10
€200,000	Reseau de Transport 1.875% 23/10/2037	182	0.19
€100,000	Reseau de Transport 2.125% 27/9/2038	94	0.10
€400,000	Sanofi 0.875% 21/3/2029	349	0.37
€500,000	SAP 0.25% 10/3/2022	433	0.46
€300,000	Scentre Management 1.45% 28/3/2029	263	0.28
€200,000	SCOR SE 3.625% variable 27/5/2048	190	0.20
€200,000	SCOR 3% variable 8/6/2046	183	0.20
€200,000	SELP Finance 1.25% 25/10/2023	175	0.19
€400,000	Shell International Finance 0.75% 15/8/2028	348	0.37
€170,000	Sika Capital 0.875% 29/4/2027	148	0.16
€300,000	Societe des Autoroutes 1.125% 9/1/2026	269	0.29
€1,200,000	Societe Generale 9.375% variable perpetual	1,062	1.13
€250,000	SP Mortgage Bank 0.125% 24/10/2022	216	0.23
€100,000	Sparebank 0.75% 8/6/2021	87	0.09
€500,000	SR Boligkredit 0.375% 3/10/2024	436	0.47
€200,000	SRLEV 9% variable 15/4/2041	196	0.21
€450,000	SSE 1.75% 8/9/2023	409	0.44
€600,000	Statnett 1.25% 26/4/2030	529	0.56
€300,000	Stedin Holding 0.875% 24/10/2025	262	0.28
€1,000,000	Storebrand Livsforsikring 6.875% variable 4/4/2043	995	1.06
€400,000	Swiss Re Admin 1.375% 27/5/2023	357	0.38
€300,000	Swiss Re Finance Luxembourg 2.534% variable 30/4/2050	263	0.28
€300,000	Sydney Airport Finance 2.75% 23/4/2024	287	0.31
€400,000	Takeda Pharmaceutical 1.125% 21/11/2022	355	0.38
€300,000	TDF Infrastructure 2.5% 7/4/2026	268	0.29
€600,000	Telstra Corporation 1.375% 26/3/2029	529	0.56
€500,000	Total 3.875% variable perpetual	468	0.50
€400,000	Total Capital International 0.625% 4/10/2024	354	0.38
€400,000	UBS Group Funding 1.25% variable 17/4/2025	354	0.38
€300,000	UBS Group Funding 1.25% 1/9/2026	266	0.28
€300,000	UBS London 0.625% 23/1/2023	262	0.28
€300,000	Unibail-Rodamco 1.125% 15/9/2025	267	0.28
€400,000	Unibail Rodamco 1.75% 27/2/2034	354	0.38
€300,000	Unibail Rodamco 2.25% 14/5/2038	281	0.30
€400,000	UniCredit Bank 0.5% 4/5/2026	350	0.37
€500,000	Verizon Communications 2.625% 1/12/2031	494	0.53
€370,000	Verizon Communications 2.875% 15/1/2038	359	0.38
€400,000	Vier Gas Transport 1.5% 25/9/2028	364	0.39
€720,000	Vodafone 2.2% 25/8/2026	673	0.72
€300,000	Volkswagen Financial Services 2.25% 1/10/2027	266	0.28
€400,000	Volkswagen International Finance 1.875% 30/3/2027	348	0.37
€500,000	Volkswagen International Finance 3.25% 18/11/2030	467	0.50
€200,000	Volkswagen International Finance 4.625% variable perpetual	176	0.19
€300,000	Vonovia Finance 1.5% 22/3/2026	268	0.29
€500,000	Wells Fargo 0.5% 26/4/2024	429	0.46
€400,000	Wells Fargo 1.5% 12/9/2022	358	0.38
€620,000	Wells Fargo 2.125% 4/6/2024	576	0.61
Total Corporate Bonds		79,421	84.84

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Bonds – 3.11% (31/10/18 – 3.97%)			
€1,000,000	Bundesobligation 0% 13/10/2023	878	0.94
€1,650,000	Federal Republic of Germany 0.25% 15/8/2028	1,456	1.55
€350,000	Federal Republic of Germany 1.75% 15/2/2024	333	0.36
€260,000	Federal Republic of Germany 2% 15/8/2023	247	0.26
Total Government Bonds		2,914	3.11
Public Authorities – 0.75% (31/10/18 – 1.06%)			
€480,000	Bank Nederlandse Gemeenten 1% 12/1/2026	436	0.47
€300,000	Régie Autonome des Transports Parisiens 0.875% 25/5/2027	267	0.28
Total Public Authorities		703	0.75
Supranational Bonds – 4.74% (31/10/18 – 1.80%)			
€1,000,000	European Financial Stability Facility 0.4% 26/1/2026	879	0.94
€3,150,000	European Investment Bank 0.50% 15/11/2023	2,802	2.99
€750,000	European Investment Bank 2.75% 15/9/2025	758	0.81
Total Supranational Bonds		4,439	4.74
Forward Currency Contracts – 0.00% (31/10/18 – 0.01%)			
	Buy €727,043 & Sell £630,000†	(3)	–
Total Forward Currency Contracts		(3)	–
Total value of investments		87,474	93.44
Net other assets		6,145	6.56
Total net assets		93,619	100.00

† Unlisted

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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	71,331	76.18	85,237	85.87
Investments of below investment grade	2,356	2.52	3,809	3.84
Unrated	13,790	14.74	8,423	8.5
Total bonds	87,477	93.44	97,469	98.21
Forward currency contract – asset	–	–	9	0.01
Investments as shown in the balance sheet	87,477	93.44	97,478	98.22
Forward currency contract – liabilities	(3)	–	–	–
Total value of investments	87,474	93.44	97,478	98.22

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
European Investment Bank 0.50% 15/11/2023	2,457
Royal Bank of Scotland 5.25% perpetual	1,789
Bundesobligation 0% 13/10/2023	1,434
Federal Republic of Germany 0.25% 15/8/2028	1,130
European Financial Stability Facility 0.4% 26/1/2026	893
European Investment Bank 2.75% 15/9/2025	772
ING Bank 0.375% 26/11/2021	532
Telstra Corporation 1.375% 26/3/2029	512
Deutsche Bahn Finance 1.125% 18/12/2028	491
Federal Republic of Germany 1.25% 15/8/2048	486
Subtotal	10,496
Total cost of purchases, including the above, for the period	28,291

Significant Sales

	Proceeds £'000
Royal Bank of Scotland 5.25% perpetual	1,803
Federal Republic of Germany 0.25% 15/8/2028	1,434
European Investment Bank 0.875% 14/1/2028	915
Nordea Bank 4% 11/7/2019	875
Anheuser-Busch InBev 2% 17/3/2028	796
Credit Agricole 2.375% 27/11/2020	742
Deutsche Wohnen 1.375% 24/7/2020	643
Assicurazioni Generali 7.678% variable perpetual	621
JP Morgan 3.875% 23/9/2020	618
Enel Finance 6.625% VRN 15/9/2076	597
Subtotal	9,044
Total proceeds from sales, including the above, for the period	37,416

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital losses		(967)		(1,806)
Revenue	1,146		1,222	
Expenses	(66)		(217)	
Interest payable and similar charges	(11)		(15)	
Net revenue before taxation	1,069		990	
Taxation	–		–	
Net revenue after taxation		1,069		990
Total return/(deficit) before distributions		102		(816)
Distributions		(1,135)		(1,207)
Change in net liabilities attributable to shareholders from investment activities		(1,033)		(2,023)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		99,241		111,646
Amounts receivable on creation of shares	1,581		4,072	
Amounts payable on cancellation of shares	(7,250)		(7,442)	
		(5,669)		(3,370)
Change in net liabilities attributable to shareholders from investment activities		(1,033)		(2,023)
Retained distributions on accumulation shares		1,080		–
Closing net assets attributable to shareholders		93,619		106,253

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	87,477	97,478
Current assets:		
Debtors	1,694	1,023
Cash and bank balances	5,038	6,281
Total assets	94,209	104,782
LIABILITIES		
Investment liabilities	3	–
Creditors:		
Other creditors	575	4,402
Distribution payable	12	1,139
Total liabilities	590	5,541
Net assets attributable to shareholders	93,619	99,241

DISTRIBUTION TABLE

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class R Accumulation*				
Group 1	1.1674	—	1.1674	n/a
Group 2	0.6687	0.4987	1.1674	n/a
Class Z Income				
Group 1	1.4061	—	1.4061	1.3540
Group 2	0.6475	0.7586	1.4061	1.3540

* Class R Accumulation launched on 20 September 2018.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Duration Hedged Credit Fund, Class R Accumulation	1.40	–	–	–
Royal London Duration Hedged Credit Fund, Class S Accumulation	–	–	–	–
Royal London Duration Hedged Credit Fund, Class Z Accumulation	1.31	1.39	13.57	11.82

Class R Accumulation launched on 6 September 2018 and Class S Accumulation launched on 9 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: RLAM and Lipper, as at 30 April 2018. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund outperformed the UK credit market during the six-month period under review, when compared with the return from sterling 3-month LIBOR. Exposure to insurance and subordinated bank debt was helpful as was the position in lower rated investment grade bonds.

Portfolio and Market Commentary

Sterling investment grade credit outperformed UK government debt during the period under review, returning respectively 3.50% and 2.81%. The average yield spread (the extra yield available on a corporate bond over a gilt of equivalent maturity) narrowed by 21 basis points (bps) to 1.22%. After widening in the final months of 2018 over concerns that the US Federal Reserve was pursuing interest rate hikes too aggressively, credit spreads have narrowed since the turn of the year as central banks softened their policy stances, and trade talks between China and the US showed signs of progress.

The yield on benchmark 10 year gilts declined 25 bps to 1.19% during the review period. This primarily reflected risk aversion at a time of Brexit uncertainty. However, most global government bond yields fell over the period as global economic data continued to disappoint already downgraded expectations. The Fund has a prominent holding of financial (banks and insurance) issues, and a preference within this for subordinated debt. Initially detracting from returns, the Fund's allocation proved beneficial since subordinated insurance and banking have been among the strongest performing sectors since the start of 2019. Likewise, the Fund has significant holdings of bonds rated BBB and below, as well as unrated bonds, which also performed strongly. Interest rate swaps are employed to manage duration; during the period, longer dated swap spreads became more negative, resulting in a negative impact on performance.

In new issues activity, the Fund bought structured debt of Income Contingent Student Loans, the government's second securitisation of student loan debt, which raised about £1.9 billion for taxpayers following the initial issue in December 2017. It purchased bonds from the A1 (floating rate) and A2 (fixed rate) tranches, both of which were rated A by Standard & Poor's. The Fund also continued to implement its strategic view of adding to social housing, including long dated debt of Morhomes, Clarion Housing Group, Incommunities and Notting Hill Housing.

Otherwise, the Fund also took part in a number of issues by banks and insurance companies, including senior debt from BNP Paribas, Citigroup, RBS; a SONIA-related covered five-year bond of retail bank TSB; and other new issues by Nordic financial services group Nordea, Dutch insurer Aegon, Coventry Building Society and Skipton Building Society.

Investment Outlook

Global GDP growth looks set to slow in 2019, but with more weakness in the first half of 2019 than we had expected. The outlook for the second half remains clouded by trade tensions, Brexit uncertainty and increasing geopolitical tensions. On a more positive note, stimulus from China and a pause in central bank interest rate hikes should help support growth. We expect global government bond yields to rise gradually from current levels.

The Fund manages duration through the use of government bonds and interest rate swaps, with target duration of around zero years. We consider that current credit spreads are adequate compensation for default and other risks (e.g. liquidity and rating migration). We expect investment grade credit bonds will modestly outperform UK government securities over the next three years. At a sector level, the Fund favours subordinated financial debt and asset backed bonds while by credit rating, there is a bias towards BBB rated investment grade bonds. At the end of the period, the Fund had exposure of 9.5% to sub-investment grade debt and 21.3% to unrated debt.

Shalin Shah
Fund Manager
30 April 2019
Royal London Asset Management

The views expressed are the author's own and do not constitute investment advice and are not an indication of future fund performance.

Source: Royal London Asset Management, unless otherwise stated.

COMPARATIVE TABLES

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	99.48	100.00
Return before operating charges*	1.50	(0.51)
Operating charges	(0.05)	(0.01)
Return after operating charges*	1.45	(0.52)
Distributions on accumulation shares	(1.83)	(0.63)
Retained distributions on accumulation shares	1.83	0.63
Closing net asset value per share	100.93	99.48
* after direct transaction costs of:	–	–
Performance		
Return after charges	1.46%	(0.52)%
Other information		
Closing net asset value (£'000)	87,412	5
Closing number of shares	86,603,577	5,000
Operating charges	0.10%	0.05%
Direct transaction costs	–	–
Prices		
Highest share price	101.50	100.34
Lowest share price	98.29	99.87

** Class R Accumulation launched on 6 September 2018.

Class S Accumulation

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	(0.03)
Operating charges	(0.01)
Return after operating charges*	(0.04)
Distributions on accumulation shares	(0.76)
Retained distributions on accumulation shares	0.76
Closing net asset value per share	99.96
* after direct transaction costs of:	–
Performance	
Return after charges	(0.04)%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.08%
Direct transaction costs	–
Prices	
Highest share price	100.56
Lowest share price	99.98

** Class S Accumulation launched on 9 April 2019.

COMPARATIVE TABLES (CONTINUED)

Class Z Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	121.65	119.67	111.61	109.08
Return before operating charges*	1.81	2.65	8.90	3.93
Operating charges	(0.35)	(0.67)	(0.63)	(0.60)
Return after operating charges*	1.46	1.98	8.27	3.33
Distributions on accumulation shares	(1.93)	(3.65)	(3.76)	(3.99)
Retained distributions on accumulation shares	1.93	3.65	3.55	3.19
Closing net asset value per share	123.11	121.65	119.67	111.61
* after direct transaction costs of:	—	—	—	—
Performance				
Return after charges	1.20%	1.65%	7.41%	3.05%
Other information				
Closing net asset value (£'000)	88,872	212,656	183,248	171,728
Closing number of shares	72,189,202	174,809,950	153,127,831	153,866,865
Operating charges	0.58%	0.55%	0.54%	0.55%
Direct transaction costs	—	—	—	—
Prices				
Highest share price	123.90	122.80	120.10	112.40
Lowest share price	120.10	120.00	112.10	104.90

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 2.39% (31/10/18 – 2.64%)			
£538,000	BAMS Designated Activity Company FRN 17/5/2028	532	0.30
£417,000	Castell FRN 25/10/2044	156	0.09
£1,660,664	Finance for Residence Social Housing 'A1' 8.368% 4/10/2058*	1,949	1.11
£670,000	RMAC FRN 12/6/2046	592	0.34
£522,000	Taurus 2018 FRN 22/5/2028	517	0.29
£483,000	Towd Point Mortgage Funding FRN 20/2/2045	452	0.26
Total Commercial Mortgage Backed Securities		4,198	2.39

Corporate Bonds – 89.12% (31/10/18 – 87.60%)

£300,000	3i Group 5.75% 3/12/2032	374	0.21
£993,000	AA Bond 6.269% 2/7/2043	1,052	0.60
£600,000	Aggregate Micro Power Infrastructure 8% 17/10/2036*	594	0.34
£480,000	Akelius Residential Property 2.375% 15/8/2025	466	0.26
£674,000	Alpha Plus 5.75% 18/12/2019	678	0.38
£600,000	Anglian Water Osprey Financing 4% 8/3/2026	543	0.31
£300,000	Anglian Water Osprey Financing 5% 30/4/2023	300	0.17
£256,000	Annes Gate Property 5.661% 30/6/2031	330	0.19
£600,000	Annington Funding 3.184% 12/7/2029	604	0.34
£512,000	APT Pipelines 3.125% 18/7/2031	516	0.29
£320,000	Aroundtown 3.625% 10/4/2031	314	0.18
£1,900,000	Arsenal Securities FRN 1/9/2031	1,581	0.90
£250,000	Assicurazioni Generali 6.269% perpetual	262	0.15
£1,050,000	Assicurazioni Generali 6.416% variable perpetual	1,099	0.62
£180,000	Assura Financing 3% 19/7/2028	185	0.10
£207,000	Aviva 5.9021% variable perpetual	215	0.12
£250,000	Aviva 6.125% variable perpetual	270	0.15
£931,000	Aviva 6.875% variable 20/5/2058	1,198	0.68
£248,000	AXA 5.625% variable 16/1/2054	280	0.16
£513,000	AXA 6.6862% variable perpetual	600	0.34
£500,000	Bank of Scotland 7.754% variable perpetual	551	0.31
£987,385	Bankers Investment Trust 8% 31/10/2023	1,184	0.67
£430,000	Barclays Bank 3.25% 17/1/2033	409	0.23
£650,000	Barclays Bank 6.3688% variable perpetual	665	0.38
£300,000	Barclays Bank 7.25% variable perpetual	316	0.18
£675,000	Barclays Bank 9% perpetual	813	0.46
£650,000	BAT International Finance 4% 23/11/2055	654	0.37
£600,000	BBC Pacific Quay Finance 5.5653% 25/7/2034	663	0.38
£145,000	BL Superstore Finance 5.578% 4/10/2025	168	0.10
£398,500	Blackrock Smaller Companies 7.75% 31/7/2022	465	0.26
£459,000	Blend Funding 3.459% 21/9/2047	490	0.28
£577,850	British Empire Securities & General Trust 8.125% 2/7/2023	698	0.40
£1,800,000	British Land 5.264% BR 24/9/2035	2,317	1.31
£605,000	British Land 5.357% 31/3/2028	734	0.42
£201,000	BWP Issuer 2.868% 30/6/2036	198	0.11
£607,000	Cadent Finance 2.625% 22/9/2038	581	0.33
£500,000	Cadent Finance 2.75% 22/9/2046	476	0.27
£400,000	Canary Wharf Finance II 5.952% 22/1/2035	562	0.32
£477,000	Canary Wharf Finance II (A7) FRN 22/10/2037	409	0.23
£618,000	Canary Wharf Finance II (C2) FRN 22/10/2037	513	0.29
£500,000	Centrica 5.25% variable 10/4/2075	509	0.29
£875,000	Channel Link FRN 30/12/2050	592	0.34
£240,000	City Greenwich Lewisham 9.375% 11/10/2020	26	0.01

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 89.12% (31/10/18 – 87.60%) – continued			
£864,600	City of London Investment Trust 8.5% 31/1/2021	950	0.54
£293,000	City of London Investment Trust 10.25% 30/4/2020	316	0.18
£421,000	Clarion Funding 2.625% 18/1/2029	425	0.24
£1,170,000	Connect M77 GSO 5.404% 31/3/2034	960	0.54
£1,700,000	Co-operative Bank 4.75% 11/11/2021	1,803	1.02
£750,000	Co-operative Rabobank 6.91% variable perpetual	1,048	0.59
£100,000	Co-operative Wholesale Society 6.25% Step 8/7/2026	112	0.06
£500,000	Coventry Building Society 6.875% variable perpetual	511	0.29
£600,000	CPUK Finance 3.69% 28/8/2028	623	0.35
£202,000	CYBG 9.25% variable perpetual	214	0.12
£600,000	Daily Mail & General 6.375% 21/6/2027	681	0.39
£500,000	Delamare Finance 5.5457% 19/2/2029	485	0.28
£260,000	Delamare Finance 6.067% 19/2/2029	306	0.17
£321,000	Digital Stout 3.75% 17/10/2030	330	0.19
£300,000	E.ON International Finance 5.875% 30/10/2037	416	0.24
£1,500,000	Edinburgh Investment Trust 7.75% 30/9/2022	1,765	1.00
£800,000	Electricite de France 5.875% variable perpetual	827	0.47
£400,000	Electricite de France 6% 23/1/2114	602	0.34
£1,000,000	Electricite de France 6% variable perpetual	1,051	0.60
£167,000	Enel Finance 5.75% 22/6/2037	213	0.12
£930,000	Enel Finance 5.75% 14/9/2040	1,209	0.69
£803,000	Enterprise Inns 6.375% 26/9/2031	867	0.49
£1,520,000	Equity Release 5.7% 26/2/2031	1,473	0.84
£406,000	Equity Release 5.88% 26/5/2032	441	0.25
£1,000,000	Equity Release FRN 14/7/2045	915	0.52
£650,000	Eskmuir Group Finance 4.255% 12/12/2047	606	0.34
£340,000	Eversholt Funding 3.529% 7/8/2042	329	0.19
£250,000	Eversholt Funding 6.359% 2/12/2025	303	0.17
£500,000	Eversholt Funding 6.697% 22/2/2035	634	0.36
£800,000	Fidelity International 7.125% 13/2/2024	951	0.54
£331,893	Fintrust Debenture 9.25% 20/5/2023	416	0.24
£300,700	Fleming Merchant 4.25% perpetual	210	0.12
£137,000	GE Capital 6.25% 5/5/2038	178	0.10
£931,000	General Electric 4.875% 18/9/2037	970	0.55
£400,000	GLH Hotels 7.875% 20/6/2029	437	0.25
£804,000	Goldman Sachs Group 3.125% 25/7/2029	818	0.46
£500,000	Great Rolling Stock 6.5% 5/4/2031	535	0.30
£700,000	Great Rolling Stock 6.875% 27/7/2035	659	0.37
£310,000	Greene King Finance 3.593% 15/3/2035	313	0.18
£1,120,000	Greene King Finance FRN 15/12/2033	825	0.47
£1,492,973	Grosvenor UK Finance 6.5% 29/9/2026	1,903	1.08
£483,655	Guinness Northern Counties 9.125% 31/1/2025	660	0.37
£350,000	H J Heinz Finance 6.25% 18/2/2030	423	0.24
£469,800	Harbour Funding 5.28% 31/3/2034	603	0.34
£345,000	Hastoe Capital 5.6% 27/3/2042	479	0.27
£317,000	Heathrow Funding 5.875% 13/5/2041	467	0.26
£500,000	Heathrow Funding 6.45% 10/12/2031	711	0.40
£400,000	Home Group 3.125% 27/3/2043	390	0.22
£500,000	Home Group 8.75% 11/5/2037	783	0.44
£300,000	Housing and Care 3.288% 8/11/2049	310	0.18
£720,000	Housing Association Funding 8.25% 7/6/2027	335	0.19
£532,544	Housing Finance 8.625% 13/11/2023	675	0.38
£295,000	HSBC 5.375% 22/8/2033	365	0.21

Royal London Duration Hedged Credit Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 89.12% (31/10/18 – 87.60%) – continued			
£1,546,000	HSBC 5.862% variable perpetual	1,594	0.90
£442,000	HSBC 5.875% variable perpetual	462	0.26
£710,000	Income Contingent Student Loan 2.50% 24/7/2056	616	0.35
£1,460,000	Income Contingent Student Loan FRN 24/7/2056	1,123	0.64
£604,000	Income Contingent Student Loan 2.50% 24/7/2058	546	0.31
£1,387,000	Income Contingent Student Loan FRN 24/7/2058	1,376	0.78
£200,000	Incommunities Treasury 3.25% 21/3/2049	206	0.12
£400,000	Innogy Finance 6.125% 6/7/2039	575	0.33
£300,000	Intercontinental Hotels 2.125% 24/8/2026	288	0.16
£621,000	Intermediate Capital Group 6.25% 19/9/2020	653	0.37
£610,000	Intu (SGS) Finance 3.875% 17/3/2028	611	0.35
£750,000	Intu (SGS) Finance 4.625% 17/3/2028	765	0.43
£580,000	Intu Debenture 5.562% 31/12/2027	512	0.29
£750,000	Intu Metrocentre Finance 4.125% 6/12/2028	758	0.43
£979,000	Investec Bank 4.25% variable 24/7/2028	980	0.56
£400,000	John Lewis 4.25% 18/12/2034	364	0.21
£650,000	JRP Group 9% 26/10/2026	754	0.43
£481,000	Juturna Euro Loan Conduit 5.0636% 10/8/2033	497	0.28
£269,496	Keystone 6.5% 27/4/2023	311	0.18
£543,000	Keystone 6.5% 27/4/2023	631	0.36
£464,948	Keystone 7.75% 1/10/2020	499	0.28
£400,000	Land Securities Capital Markets 5.376% variable 30/9/2029	500	0.28
£1,744,000	Law Debenture 6.125% 12/10/2034	2,365	1.34
£480,000	Leeds Building Society 3.75% variable 25/4/2029	468	0.27
£141,000	Legal & General 5.125% variable 14/11/2048	152	0.09
£803,000	Legal & General 5.375% variable 27/10/2045	880	0.50
£350,000	Lendinvest Secured Income 5.375% 6/10/2023	351	0.20
£600,000	Liverpool Victoria Friendly Society 6.5% variable 22/5/2043	654	0.37
£600,000	Lloyds Banking Group 7.5% Step 22/3/2032*	532	0.30
£425,000	Lloyds Banking Group 7.625% variable perpetual	459	0.26
£424,000	London Merchant Securities 6.5% 16/3/2026	532	0.30
£90,000	Longstone Finance 4.774% 19/4/2036	103	0.06
£1,000,000	Marstons Issuer FRN 15/10/2031	588	0.33
£440,000	Martlet Homes 3% 9/5/2052	428	0.24
£930,000	Meadowhall Finance FRN 12/7/2037	666	0.38
£1,000,000	Mercantile Investment Trust 6.125% 25/2/2030	1,287	0.73
£323,000	MIELI London 4.82% 12/8/2027*	338	0.19
£1,738,000	Mitchells & Butler 5.574% 15/12/2030	820	0.46
£1,800,000	Mitchells & Butler FRN 15/12/2028	1,417	0.80
£1,583,000	Mitchells & Butlers (A1N) FRN 15/12/2030	925	0.52
£720,000	Morhomes 3.4% 19/2/2038	722	0.41
£1,000,000	National Westminster Bank FRN 22/3/2023	1,004	0.57
£200,000	Natwest Bank 11.5% perpetual	327	0.19
£520,000	NGG Finance 5.625% variable 18/6/2073	562	0.32
£395,000	Nordea Bank 6.625% variable perpetual	309	0.18
£250,000	Northern Gas Network 5.625% 23/3/2040	354	0.20
£366,000	Notting Hill Genesis 2.875% 31/1/2029	369	0.21
£290,000	Notting Hill Housing Trust 3.25% 12/10/2048	284	0.16
£830,000	Octagon Healthcare 5.333% 31/12/2035	859	0.49
£300,000	Orange 3.25% 15/1/2032	318	0.18
£570,000	Orange 5.75% variable perpetual	625	0.35
£641,000	Orbit Capital 3.375% 14/6/2048	665	0.38

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 89.12% (31/10/18 – 87.60%) – continued			
£402,066	Peel Land & Property Investments 8.375% Step 30/4/2040	571	0.32
£607,000	Pension Insurance 5.625% 20/12/2030	604	0.34
£300,000	Pension Insurance 8% 23/11/2026	352	0.20
£751,000	Peter borough Progressive Health 5.581% 2/10/2042	732	0.42
£1,238,000	Phoenix Life 7.25% variable perpetual	1,284	0.73
£808,000	Places for People Homes 5.09% 31/7/2043	920	0.52
£425,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	491	0.28
£400,000	Porterbrook Rail Finance 4.625% 4/4/2029	446	0.25
£360,000	Porterbrook Rail Finance 7.125% 20/10/2026	458	0.26
£900,000	Premier Transmission Finance 5.2022% 31/3/2030	611	0.35
£1,062,000	Premiertel 6.175% 8/5/2032	1,116	0.63
£520,000	Principality Building Society 2.375% 23/11/2023	514	0.29
£600,000	Provident Financial 7% 4/6/2023	611	0.35
£200,000	PRS Finance 2% 23/1/2029	204	0.12
£1,462,000	Prudential 5% variable 20/7/2055	1,600	0.91
£1,200,000	Prudential 5.7% variable 19/12/2063	1,445	0.82
£1,171,000	Prudential 6.25% variable 20/10/2068	1,298	0.74
£343,000	QBE Insurance Group 6.115% variable 24/5/2042	371	0.21
£400,000	Quadrant Housing 7.93% Step 10/2/2033	535	0.30
£420,000	Retail Charity Bonds 3.9% 23/11/2029	436	0.25
£350,000	Retail Charity Bonds 4.25% 6/7/2026	362	0.21
£1,316,000	RMPA Services 5.337% 30/9/2038	1,269	0.72
£380,000	Royal Bank of Scotland 3.125% variable 28/3/2027	383	0.22
£760,000	RSA Insurance 5.125% variable 10/10/2045	826	0.47
£350,000	Sanctuary 8.375% 1/9/2031	463	0.26
£300,000	Santander 10.0625% perpetual	478	0.27
£673,264	Scottish American Investment Trust 8% 10/4/2022	781	0.44
£543,045	Scottish Mortgage Investment Trust 6.875% 31/1/2023	613	0.35
£947,500	Scottish Mortgage Investment Trust 12% 30/6/2026	1,477	0.84
£225,743	Scottish Mortgage Investment Trust 14% 30/9/2020	261	0.15
£500,000	Scottish Power 6.5% Step 31/5/2041	731	0.41
£670,000	Scottish Widows 7% 16/6/2043	869	0.49
£1,023,250	Shaftesbury Carnaby 2.487% 30/9/2031	973	0.55
£550,000	Shaftesbury Chinatown 2.348% 30/9/2027	534	0.30
£1,450,000	Sheffield City 6.25% 31/3/2024	894	0.51
£1,060,000	Skipton Building Society FRN 22/2/2024	1,062	0.60
£1,326,000	Society of Lloyds 4.875% variable 7/2/2047	1,429	0.81
£200,000	Southern Electric Power Distribution 5.5% 7/6/2032	259	0.15
£438,000	Southern Housing Group 3.50% 19/10/2047	465	0.26
£403,000	Southern Gas Network 3.1% 15/9/2036	418	0.24
£205,000	Southern Water Services Finance 6.192% 31/3/2029	275	0.16
£1,200,000	Spirit Issuer 5.472% 28/12/2034	1,248	0.71
£975,000	Spirit Issuer FRN 28/3/2025	437	0.25
£150,000	Spirit Issuer FRN 28/12/2031	144	0.08
£550,000	SRLEV NV 9% variable 15/4/2041	538	0.31
£399,000	St James Oncology Financing 2.804% 31/3/2037	378	0.21
£500,000	Standard Life 5.5% variable 4/12/2042	553	0.31
£1,006,000	Stirling Water Seafield 5.822% 26/9/2026	546	0.31
£1,053,000	Summit Finance 6.484% 31/3/2028	643	0.36

Royal London Duration Hedged Credit Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 89.12% (31/10/18 – 87.60%) – continued			
£564,000	Sunderland 6.38% 31/3/2042	768	0.44
£475,000	Swan Housing Capital 3.625% 5/3/2048	494	0.28
£950,000	Swiss Reinsurance 6.3024% variable perpetual	952	0.54
£650,000	Telereal Securitisation 3.507% variable 10/9/2031	597	0.34
£159,000	Telereal Securitisation 5.563% 10/12/2031	76	0.04
£3,861,000	Telereal Securitisation (B6) FRN 10/12/2033	3,130	1.78
£1,000,000	Telereal Securitisation FRN 10/12/2033	552	0.31
£985,000	Temple Bar Investment Trust 5.5% 8/3/2021	1,037	0.59
£500,000	Tesco Property 5.6611% 13/10/2041	590	0.33
£946,000	Thames Water 7.738% 9/4/2058	1,767	1.00
£500,000	Thames Water Kemble Finance 5.875% 15/7/2022	510	0.29
£580,000	THFC Funding 5.2% 11/10/2043	785	0.45
£537,911	THFC Social Housing Finance 8.75% 18/12/2021	623	0.35
£690,000	THPA Finance 7.127% 15/3/2024	344	0.20
£500,000	Time Warner Cable 5.25% 15/7/2042	566	0.32
£498,000	Town Centre 5.375% 20/11/2031	523	0.30
£900,000	Trafford Centre Finance FRN 28/7/2035	801	0.45
£650,000	TSB Banking Group 5.75% variable 6/5/2026	665	0.38
£530,000	TSB Bank FRN 15/2/2024	535	0.30
£761,000	Unifund 5.32% 7/12/2047	1,002	0.57
£600,000	Unique Pub Finance 6.542% 30/3/2021	198	0.11
£970,000	University of Oxford 2.544% 8/12/2117	948	0.54
£520,000	Value and Income Trust 9.375% 30/11/2026	727	0.41
£410,332	Value and Income Trust 11% 31/3/2021	492	0.28
£595,000	Varsity Funding 8.7915% Step 24/7/2026	252	0.14
£200,000	Vattenfall 6.875% 15/4/2039	328	0.19
£710,000	Virgin Money 3.375% variable 24/4/2026	713	0.40
£300,000	Virgin Money 8.75% variable perpetual	322	0.18
£617,000	Vodafone 4.875% variable 3/10/2078	610	0.35
£589,000	Wellcome Trust 2.517% 7/2/2118	568	0.32
£330,000	Wells Fargo 2.5% 2/5/2029	328	0.19
£550,000	Welltower 4.5% 1/12/2034	627	0.36
£750,000	Western Power Distribution 5.75% 16/4/2032	995	0.56
£700,000	Western Power Distribution 5.75% Step 10/12/2040	1,057	0.60
£540,000	White City Property 5.1202% 17/4/2035	593	0.34
£265,000	William Hill 4.75% 1/5/2026	268	0.15
£1,015,000	Witan Investments 6.125% 15/12/2025	1,233	0.70
£900,000	Worcestershire Hospital 5.87% 31/12/2030	706	0.40
£842,000	Yorkshire Building Society 3.375% variable 13/9/2028	814	0.46
£240,000	Yorkshire Water Finance 2.75% 18/4/2041	239	0.14
£550,000	Zurich Finance 6.625% variable perpetual	611	0.35
Total Corporate Bonds		157,123	89.12

Government Bonds – 14.42% (31/10/18 – 13.76%)

£1,000,000	UK Treasury 1.75% 22/7/2019	1,002	0.57
£23,404,039	UK Treasury 2% 22/7/2020	23,749	13.47
£650,000	United Mexican States 5.625% 19/3/2114	666	0.38
Total Government Bonds		25,417	14.42

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Interest Rate Swaps – (7.70)% (31/10/18 – (7.70)%)			
£1,900,000	IRS 0.893% 10/8/2046	267	0.15
£14,000,000	IRS 0.98% 3/7/2022	64	0.04
£3,000,000	IRS 1.064% 8/9/2027	59	0.03
£5,500,000	IRS 1.182% 9/8/2027	53	0.03
£4,000,000	IRS 1.234% 27/3/2031	75	0.04
£7,000,000	IRS 1.241% 29/4/2026	11	0.01
£10,000,000	IRS 1.32% 19/3/2020	(303)	(0.17)
£7,000,000	IRS 1.323% 14/3/2026	(31)	(0.02)
£10,000,000	IRS 1.343% 27/3/2022	(73)	(0.04)
£3,000,000	IRS 1.374% 21/3/2025	(26)	(0.01)
£6,000,000	IRS 1.387% 30/10/2027	(36)	(0.02)
£1,000,000	IRS 1.401% 7/12/2067	14	0.01
£3,000,000	IRS 1.446% 28/12/2028	(31)	(0.02)
£1,000,000	IRS 1.463% 19/7/2068	(9)	(0.01)
£2,000,000	IRS 1.527% 23/11/2037	(18)	(0.01)
£5,000,000	IRS 1.534% 10/8/2028	(92)	(0.05)
£4,500,000	IRS 1.561% 7/3/2028	(93)	(0.05)
£4,000,000	IRS 1.585% 18/4/2033	(75)	(0.04)
£10,000,000	IRS 1.62% 4/3/2020	(471)	(0.27)
£2,000,000	IRS 1.638% 27/6/2048	(74)	(0.04)
£4,000,000	IRS 1.659% 13/3/2030	(118)	(0.07)
£12,000,000	IRS 2.08% 25/9/2019	(871)	(0.49)
£1,700,000	IRS 2.17% 12/2/2045	(476)	(0.27)
£3,100,000	IRS 2.54% 30/7/2023	(576)	(0.33)
£2,500,000	IRS 2.74% 4/11/2023	(516)	(0.29)
£13,000,000	IRS 3.05% 10/9/2023	(3,231)	(1.83)
£1,600,000	IRS 3.23% 9/4/2029	(609)	(0.35)
£1,400,000	IRS 3.39% 20/6/2034	(765)	(0.43)
£700,000	IRS 3.41% 23/8/2038	(567)	(0.32)
£900,000	IRS 3.46% 17/1/2034	(519)	(0.29)
£500,000	IRS 3.474349% 17/1/2044	(471)	(0.27)
£3,000,000	IRS 3.59% 10/9/2033	(1,880)	(1.07)
£850,000	IRS 3.61% 10/9/2043	(879)	(0.50)
£1,600,000	IRS 3.62% 10/9/2038	(1,315)	(0.75)
Total Interest Rate Swaps		(13,582)	(7.70)

Forward Currency Contracts – 0.00% (31/10/18 – 0.00%)

Buy £307,618 & Sell \$400,000 [†]	2	–
Buy £537,537 & Sell €620,000 [†]	3	–
Total Forward Currency Contracts	5	–

Total value of investments[^]	173,161	98.23
Net other assets	3,128	1.77
Total net assets	176,289	100.00

* Level 3 Investment

[^] Including investment liabilities

[†] Unlisted

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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	117,009	66.38	152,637	71.78
Investments of below investment grade	15,182	8.61	17,836	8.39
Unrated bonds	54,547	30.94	50,694	23.83
Total bonds	186,738	105.93	221,167	104.00
Interest rate swaps – assets	543	0.31	1,338	0.63
Forward currency contract – assets	5	–	–	–
Investments as shown in the balance sheet	187,286	106.24	222,505	104.63
Interest rate swaps – liabilities	(14,125)	(8.01)	(17,713)	(8.33)
Total value of investments	173,161	98.23	204,792	96.30

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
UK Treasury 2% 22/7/2020	26,339
Income Contingent Student Loan 2 FRN 24/7/2058	1,354
Skipton Building Society FRN 24/2/2024	1,060
National Westminster Bank FRN 22/3/2023	1,000
Fidelity International 7.125% 13/2/2024	937
Yorkshire Building Society 3.375% variable 13/9/2028	820
Scottish Power 6.5% Step 31/5/2041	718
Morhomes 3.4% 19/2/2038	712
BAT International Finance 4% 23/11/2055	648
Harbour Funding 5.28% 31/3/2034	610
Subtotal	34,198
Total cost of purchases, including the above, for the period	51,939

Significant Sales

	Proceeds £'000
UK Treasury 1.75% 22/7/2019	15,788
UK Treasury 2% 22/7/2020	14,279
South East Water 5.6577% 30/9/2019	1,403
London & Quadrant Housing Trust 3.125% 28/2/2053	1,261
First Hydro Finance 9% 31/7/2021	1,039
Clydesdale Bank 4.625% 8/6/2026	1,039
Rabobank Capital Funding Trust 5.556% variable perpetual	1,034
Delamare Finance 5.5457% 19/2/2029	1,025
Munich Reinsurance 6.625% variable 26/5/2042	1,024
Fidelity International 7.125% 13/2/2024	1,001
Subtotal	38,893
Total proceeds from sales, including the above, for the period	87,164

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital (losses)/gains		(1,232)		185
Revenue	3,357		3,198	
Expenses	(425)		(521)	
Interest payable and similar charges	(2)		(3)	
Net revenue before taxation	2,930		2,674	
Taxation	–		–	
Net revenue after taxation		2,930		2,674
Total return before distributions		1,698		2,859
Distributions		(2,944)		(2,674)
Change in net (liabilities)/assets attributable to shareholders from investment activities		(1,246)		185

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		212,661		183,248
Amounts receivable on creation of shares	15,278		17,245	
Amounts payable on cancellation of shares	(53,327)		(6,572)	
		(38,049)		10,673
Dilution levy charged		90		–
Change in net (liabilities)/assets attributable to shareholders from investment activities		(1,246)		185
Retained distribution on accumulation shares		2,833		2,693
Closing net assets attributable to shareholders		176,289		196,799

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	187,286	222,505
Current assets:		
Debtors	2,817	3,227
Cash and bank balances	1,083	4,762
Total assets	191,186	230,494
LIABILITIES		
Investment liabilities	14,125	17,713
Creditors:		
Other creditors	772	120
Total liabilities	14,897	17,833
Net assets attributable to shareholders	176,289	212,661

DISTRIBUTION TABLES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

FIRST INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 31 January 2019

	Net income	Equalisation	Distribution paid 31/03/19	Distribution paid 31/03/18
Class R Accumulation*				
Group 1	0.9457	—	0.9457	n/a
Group 2	0.9457	0.0000	0.9457	n/a
Class Z Accumulation				
Group 1	1.0027	—	1.0027	0.8751
Group 2	0.4933	0.5094	1.0027	0.8751

SECOND INTERIM

Group 1: Shares purchased prior to 1 February 2019

Group 2: Shares purchased between 1 February 2019 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class R Accumulation*				
Group 1	0.8819	—	0.8819	n/a
Group 2	0.7122	0.1697	0.8819	n/a
Class S Accumulation**				
Group 1	0.7578	—	0.7578	n/a
Group 2	0.7578	0.0000	0.7578	n/a
Class Z Accumulation				
Group 1	0.9229	—	0.9229	0.8133
Group 2	0.7536	0.1693	0.9229	0.8133

* Class R Accumulation launched on 6 September 2018.

** Class S Accumulation launched on 9 April 2019.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	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	2.29	–	–	–
Royal London Short Duration Credit Fund, Class M Income	2.18	2.78	11.83	18.67
Royal London Short Duration Credit Fund, Class R Accumulation	2.30	–	–	–
Royal London Short Duration Credit Fund, Class Z Accumulation	2.19	–	–	–
Royal London Short Duration Credit Fund, Class Z Income	2.08	2.79	11.94	18.92

Class M Accumulation launched on 3 July 2018, Class R Accumulation launched on 4 October 2018 and Class Z Accumulation launched on 3 July 2018.

Please note the Royal London Short Duration Credit Fund merged into Royal London Bond Funds II ICVC on 12 April 2019. The 6 month return is a combination of pre- and post-merger performance.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund outperformed the broad UK investment grade credit market during the 6-month period under review, using the ICE BofAML 1-5 Year Sterling Non-Gilt Index as a guide.

Portfolio and Market Commentary

Sterling investment grade credit outperformed UK government debt during the period under review, respectively returning 3.50% and 2.81%. The average yield spread (the extra yield available on a corporate bond over a gilt of equivalent maturity) narrowed by 21 basis points (bps) to 1.22%. After widening in the final months of 2018 over concerns that the Federal Reserve was pursuing interest rate hikes too aggressively, credit spreads have narrowed since the turn of the year as central banks softened their policy stances and trade talks between China and the US showed signs of progress.

The yield on benchmark 10-year gilts declined 25 bps to 1.19% during the review period, underperforming Germany and the US but outperforming Japan. This primarily reflected ongoing chaos at Westminster, with politicians unable to find a majority for any Brexit outcome. Global government bond yields broadly declined over the review period as global economic data continued to disappoint already downgraded expectations.

The Fund's significant underweight allocations to supranationals and consumer goods were key drivers of returns, given that they were among the weakest performing sectors over the review period. The Fund has a prominent holding of financial (banks and insurance) issues, and a preference within this for subordinated debt. Initially detracting from returns, the Fund's overweight allocation proved beneficial since subordinated insurance and banking have been among the strongest performing sectors since the start of 2019.

Sector positioning was relatively unchanged over the period. The most significant changes were the moderate overweight position in banks and financial services becoming slightly larger and the substantial overweight allocation to structured issues being further increased. Noteworthy purchases by the Fund included A1 (floating rate) and A2 (fixed rate) tranches of Income Contingent Student Loans 2; the government's second securitisation of student loan debt. We bought a cheap secured and structured issues of pub and restaurant operator Mitchells & Butlers and Norwegian automobile distributor Autolink, and added a five year AAA covered new issue of Nationwide.

The Fund took profits on its holding of German electric utility RWE AG following the announcement that its hybrid bond would be redeemed at the earliest cancellation date, sold tier 1 debt of insurance firm Swiss Reinsurance ahead of its call. The Fund's holdings of Southern Water Services Finance, Coventry Building Society and Bank of Scotland were sold after the company invited holders to tender their outstanding securities for repurchase at highly attractive terms.

Investment Outlook

Global GDP growth looks set to slow in 2019, but with more weakness in the first half of 2019 than we had expected. The outlook for the second half of 2019 appears brighter, given responses from policy makers and improvements in financial conditions, though trade relations and Brexit continue to pose threats. A continuation of stimulus from China and a pause in central bank interest rate hikes should support growth in the year. We expect global government bond yields to rise gradually from current levels.

The Fund's duration is broadly in line with that of the ICE BofAML 1-5 Year Sterling Non-Gilt Index. We expect global government bond yields to rise gradually from current levels. We consider that current credit spreads are adequate compensation for default and other risks (e.g. liquidity and rating migration). We expect investment grade credit bonds will modestly outperform UK government securities over the next three years. The Fund is overweight in subordinated debt and issues rated BBB and below, while maintaining underweight allocations to senior bonds and debt rated AA and above.

Paola Binns
Fund Manager
30 April 2019
Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLES

Class M Accumulation

	30/04/19** (p)	31/10/18*** (p)
Change in net assets per share		
Opening net asset value per share	100.15	100.00
Return before operating charges*	2.55	0.26
Operating charges	(0.14)	(0.11)
Return after operating charges*	2.41	0.15
Distributions on accumulation shares	(1.70)	(1.09)
Retained distributions on accumulation shares	1.70	1.09
Cancellation price	(102.56)	–
Closing net asset value per share	–	100.15
* after direct transaction costs of:	–	–
Performance		
Return after charges	2.41%	0.15%
Other information		
Closing net asset value (£'000)	–	424
Closing number of shares	–	423,201
Operating charges	–	0.33%
Direct transaction costs	–	–
Prices		
Highest share price	102.60	100.70
Lowest share price	100.00	100.00

*** Class M Accumulation launched on 3 July 2018.

Class M Income

	30/04/19** (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	99.92	102.43	101.10	99.67
Return before operating charges*	2.48	1.65	5.55	5.40
Operating charges	(0.14)	(0.34)	(0.36)	(0.32)
Return after operating charges*	2.34	1.31	5.19	5.08
Distributions on income shares	(1.70)	(3.82)	(3.86)	(3.65)
Cancellation price	(100.56)	–	–	–
Closing net asset value per share	–	99.92	102.43	101.10
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.34%	1.28%	5.13%	5.10%
Other information				
Closing net asset value (£'000)	–	319,289	119,244	18,572
Closing number of shares	–	319,552,685	116,414,994	18,369,872
Operating charges	–	0.33%	0.35%	0.32%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	102.30	103.80	104.80	103.60
Lowest share price	99.75	101.40	101.40	99.82

** From 12 April 2019 this Fund merged to Royal London Short Duration Credit Fund within the Royal London Bond Funds II ICVC.

COMPARATIVE TABLES (CONTINUED)

Class R Accumulation

	30/04/19** (p)	31/10/18*** (p)
Change in net assets per share		
Opening net asset value per share	99.76	100.00
Return before operating charges*	2.47	(0.23)
Operating charges	(0.03)	(0.01)
Return after operating charges*	2.44	(0.24)
Distributions on accumulation shares	(1.69)	(0.18)
Retained distributions on accumulation shares	1.69	0.18
Cancellation price	(102.20)	–
Closing net asset value per share	–	99.76
* after direct transaction costs of:	–	–
Performance		
Return after charges	2.45%	(0.24)%
Other information		
Closing net asset value (£'000)	–	5
Closing number of shares	–	5,000
Operating charges	–	0.08%
Direct transaction costs	–	–
Prices		
Highest share price	102.30	100.30
Lowest share price	99.70	99.83

** From 12 April 2019 this Fund merged to Royal London Short Duration Credit Fund within the Royal London Bond Funds II ICVC.

*** Class R Accumulation launched on 4 October 2018.

COMPARATIVE TABLES (CONTINUED)

Class Z Accumulation

	30/04/19** (p)	31/10/18*** (p)
Change in net assets per share		
Opening net asset value per share	100.12	100.00
Return before operating charges*	2.52	0.21
Operating charges	(0.12)	(0.09)
Return after operating charges*	2.40	0.12
Distributions on accumulation shares	(1.70)	(1.09)
Retained distributions on accumulation shares	1.70	1.09
Cancellation price	(102.52)	–
Closing net asset value per share	–	100.12
* after direct transaction costs of:	–	–
Performance		
Return after charges	2.40%	0.12%
Other information		
Closing net asset value (£'000)	–	20,519
Closing number of shares	–	20,494,771
Operating charges	–	0.28%
Direct transaction costs	–	–
Prices		
Highest share price	102.60	100.70
Lowest share price	100.00	100.00

** From 12 April 2019 this Fund merged to Royal London Short Duration Credit Fund within the Royal London Bond Funds II ICVC.

*** Class Z Accumulation launched on 3 July 2018.

COMPARATIVE TABLES (CONTINUED)

Class Z Income

	30/04/19** (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	100.24	102.70	101.32	99.84
Return before operating charges*	2.49	1.66	5.54	5.41
Operating charges	(0.12)	(0.29)	(0.30)	(0.27)
Return after operating charges*	2.37	1.37	5.24	5.14
Distributions on income shares	(1.70)	(3.83)	(3.86)	(3.66)
Cancellation price	(100.91)	–	–	–
Closing net asset value per share	–	100.24	102.70	101.32
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.36%	1.33%	5.17%	5.15%
Other information				
Closing net asset value (£'000)	–	339,725	182,030	164,997
Closing number of shares	–	338,899,427	177,252,000	162,846,303
Operating charges	–	0.28%	0.29%	0.27%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	102.70	104.00	105.10	103.80
Lowest share price	100.10	101.70	101.60	99.98

** From 12 April 2019 this Fund merged to Royal London Short Duration Credit Fund within the Royal London Bond Funds II ICVC.

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.

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
Income Contingent Student Loan 2 FRN 24/7/2058	9,030
NATS (En Route) 5.25% 31/3/2026	5,803
GE Capital UK Funding 4.125% 13/9/2023	4,775
Longstone Finance 4.791% 19/4/2036	4,142
Scottish Widows 5.5% 16/6/2023	4,134
Yorkshire Building Society 4.125% variable 20/11/2024	4,060
Rothschild Continuation Finance 9% perpetual	3,846
CYBG 7.875% variable 14/12/2028	3,740
Eversholt Funding 6.359% 2/12/2025	3,663
Nationwide Building Society FRN 10/1/2024	3,575
Subtotal	46,768
Total cost of purchases, including the above, for the period	211,193

Significant Sales

	Proceeds £'000
Delamare Finance 5.5457% 19/2/2029	11,077
Co-operative Bank 4.75% 11/11/2021	10,189
Equity Release 5.88% 26/5/2032	9,446
Income Contingent Student Loan 2 FRN 24/7/2058	9,130
Income Contingent Student Loan FRN 24/7/2056	8,697
NATS (En Route) 5.25% 31/3/2026	8,350
Longstone Finance 4.791% 19/4/2036	8,283
First Hydro Finance 9% 31/7/2021	7,996
Yorkshire Building Society 4.125% variable 20/11/2024	7,442
Ziton AS FRN 26/11/2019	7,404
Subtotal	88,014
Total proceeds from sales, including the above, for the period	895,153

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019* £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		6,051		(4,096)
Revenue	12,452		7,046	
Expenses	(952)		(534)	
Interest payable and similar charges	(6)		(5)	
Net revenue before taxation	11,494		6,507	
Taxation	(1)		–	
Net revenue after taxation		11,493		6,507
Total return before distributions		17,544		2,411
Distributions		(12,445)		(7,041)
Change in net assets/(liabilities) attributable to shareholders from investment activities		5,099		(4,630)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019* £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		679,962		301,274
Amounts receivable on creation of shares	136,954		161,636	
Amounts receivable on creation of shares	(47,072)		(32,460)	
Amounts payable on in-specie transfer of shares	(776,645)		–	
		(686,763)		129,176
Dilution levy charged		119		–
Change in net assets/(liabilities) attributable to shareholders from investment activities		5,099		(4,630)
Retained distribution on accumulation shares		1,583		–
Closing net assets attributable to shareholders		–		425,820

* From 12 April 2019 this Fund merged to Royal London Short Duration Credit Fund within the Royal London Bond Funds II ICVC.

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019* £'000	31 October 2018 £'000
ASSETS		
Investments	–	682,353
Current assets:		
Debtors	170	11,832
Cash and bank balances	11,319	1,043
Total assets	11,489	695,228
LIABILITIES		
Investment liabilities	–	386
Creditors:		
Other creditors	3	2,926
Distribution payable	11,486	11,954
Total liabilities	11,489	15,266
Net assets attributable to shareholders	–	679,962

* From 12 April 2019 this Fund merged to Royal London Short Duration Credit Fund within the Royal London Bond Funds II ICVC.

Royal London Short Duration Credit Fund

DISTRIBUTION TABLE

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 11 April 2019

	Net income	Equalisation	Distribution payable 15/05/19*	Distribution paid 30/06/18
Class M Accumulation**				
Group 1	1.700541	—	1.700541	n/a
Group 2	0.769247	0.931294	1.700541	n/a
Class M Income				
Group 1	1.695736	—	1.695736	2.0038
Group 2	0.879460	0.816276	1.695736	2.0038
Class R Accumulation***				
Group 1	1.694140	—	1.694140	n/a
Group 2	0.797952	0.896188	1.694140	n/a
Class Z Accumulation**				
Group 1	1.700084	—	1.700084	n/a
Group 2	0.834753	0.865331	1.700084	n/a
Class Z Income				
Group 1	1.701411	—	1.701411	2.0093
Group 2	0.876748	0.824663	1.701411	2.0093

* From 12 April 2019 this Fund merged to Royal London Short Duration Credit Fund within the Royal London Bond Funds II ICVC.

** Class M Accumulation and Class Z Accumulation launched on 3 July 2018.

*** Class R Accumulation launched on 4 October 2018.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Short Duration Gilts Fund, Class M Income	0.47	0.90	1.23	3.70
Royal London Short Duration Gilts Fund, Class R Accumulation	0.50	–	–	–
Royal London Short Duration Gilts Fund, Class S Income	–	–	–	–
Royal London Short Duration Gilts Fund, Class Z Income	0.47	0.90	1.33	3.99

Class R Accumulation launched on 4 October 2018 and Class S Income launched on 9 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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund moderately underperformed the broader short-dated UK gilt market during the review period, after deduction of management fees, as shown by the FTSE Actuaries UK Gilts up to 5 years index. The Fund's short duration positioning and curve steepening bias were key drags on performance, although this was partially offset by tactical trading around market volatility and overseas supply events.

Portfolio and Market Commentary

The yield on benchmark five-year gilts declined 12 basis points to 0.91% over the review period. This reflected ongoing chaos at Westminster, with politicians unable to find a majority for any Brexit outcome, together with global events, with global government bond yields dropping as economic data disappointed already downgraded expectations. Longer-dated gilts fared better than shorter maturities over the timeframe.

The Fund maintained a short duration stance throughout the review period, reflecting our view that gilt yields were too low. The Fund ended April around -0.3 years short relative to the comparator index, having started November around -0.2 years short. Since gilt yields dropped, the short duration stance was negative for performance. This was, however, partially offset by tactical trading as we took advantage of market volatility.

The Fund maintained a two year versus five year bias, expecting the short-dated curve to steepen based on our long term view that a Brexit deal would lead to higher interest rates in 2019, as the Bank of England (BoE) would be able to focus on economic fundamentals, which in turn would be negative for short-dated bonds. However, increased Brexit uncertainty supported yields on short dated gilts, and the position was negative for performance over the review period.

The Fund held very limited overseas exposure, preferring to run a lower risk profile in light of the level of Brexit uncertainty. The Fund held no UK inflation exposure, believing that breakevens did not reflect underlying inflation and that the House of Lords inquiry into the way the retail price index is calculated could have a materially negative outcome for index linked bonds. The Fund's modest exposure to highly rated sterling corporate bonds had a positive impact on returns, given their higher yields and credit spreads tightening across the sterling investment grade market.

Investment Outlook

The path ahead for the UK remains highly Brexit dependent and so assessing the outlook for the UK economy is difficult. Both 'no deal' and 'no Brexit' remain plausible outcomes. Nevertheless, even in our tentative central case of some form of UK-EU deal, which should lead to previously held back investment being released, the prospects for a significant economic boost have faded. With surveys signalling stagnation, we expect that UK growth will be both bumpy and mediocre in 2019 and the BoE will proceed with fewer and later rate rises.

At the end of the period, the Fund was positioned for higher yields and steeper curves at the very front end. We expect UK government bond yields to underperform their global peers as the BoE moves interest rates away from emergency levels. The Fund held a small overseas exposure on a relative value basis. The portfolio has allocations to high quality corporate bonds, which we expect to outperform gilts in a low-yielding environment. We continue to tactically trade index linked gilts to take advantage of mispricing opportunities, though held no inflation positions at the end of the period.

Craig Inches
Fund Manager
30 April 2019
Royal London Asset Management

The views expressed are the author's own and do not constitute investment advice and are not an indication of future fund performance.

Source: Royal London Asset Management, unless otherwise stated.

COMPARATIVE TABLES

Class M Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	100.20	100.59	101.15	100.35
Return before operating charges*	0.58	0.49	0.09	1.79
Operating charges	(0.13)	(0.28)	(0.29)	(0.28)
Return after operating charges*	0.45	0.21	(0.20)	1.51
Distributions on income shares	(0.43)	(0.60)	(0.36)	(0.71)
Closing net asset value per share	100.22	100.20	100.59	101.15

* after direct transaction costs of: – – – –

Performance

Return after charges	0.45%	0.21%	(0.20)%	1.50%
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Other information

Closing net asset value (£'000)	264,904	243,145	131,744	81,194
Closing number of shares	264,329,381	242,665,388	130,967,681	80,270,853
Operating charges	0.26%	0.28%	0.29%	0.27%
Direct transaction costs	–	–	–	–

Prices

Highest share price	100.90	100.80	101.60	102.00
Lowest share price	100.00	100.10	100.70	100.10

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	100.38	100.00
Return before operating charges*	0.57	0.39
Operating charges	(0.03)	(0.01)
Return after operating charges*	0.54	0.38
Distributions on accumulation shares	(0.43)	(0.06)
Retained distributions on accumulation shares	0.43	0.06
Closing net asset value per share	100.92	100.38

* after direct transaction costs of: – –

Performance

Return after charges	0.54%	0.38%
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Other information

Closing net asset value (£'000)	362,163	5
Closing number of shares	358,853,514	5,000
Operating charges	0.05%	0.08%
Direct transaction costs	–	–

Prices

Highest share price	101.10	100.50
Lowest share price	100.20	99.91

** Class R Accumulation launched on 4 October 2018.

COMPARATIVE TABLES (CONTINUED)

Class S Income

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	(0.04)
Operating charges	–
Return after operating charges*	(0.04)
Distributions on income shares	(0.05)
Closing net asset value per share	99.91

* after direct transaction costs of: –

Performance

Return after charges (0.04)%

Other information

Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.05%
Direct transaction costs	–

Prices

Highest share price	100.00
Lowest share price	99.87

** Class S Income launched on 9 April 2019.

Class Z Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	100.51	100.86	101.37	100.53
Return before operating charges*	0.57	0.48	0.09	1.78
Operating charges	(0.10)	(0.23)	(0.24)	(0.23)
Return after operating charges*	0.47	0.25	(0.15)	1.55
Distributions on income shares	(0.43)	(0.60)	(0.36)	(0.71)
Closing net asset value per share	100.55	100.51	100.86	101.37

* after direct transaction costs of: – – – –

Performance

Return after charges 0.47% 0.25% (0.15)% 1.54%

Other information

Closing net asset value (£'000)	227,805	248,146	203,083	73,565
Closing number of shares	226,556,841	246,892,983	201,356,281	72,572,392
Operating charges	0.21%	0.23%	0.24%	0.22%
Direct transaction costs	–	–	–	–

Prices

Highest share price	101.20	101.10	101.90	102.20
Lowest share price	100.40	100.40	100.90	100.30

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 0.15% (31/10/18 – 0.27%)			
£1,347,000	Brass No.7 FRN 16/10/2059	1,287	0.15
Total Commercial Mortgage Backed Securities		1,287	0.15
Corporate Bonds – 3.73% (31/10/18 – 3.94%)			
£500,000	ASB Finance 1% 7/9/2020	498	0.06
£2,000,000	Bank of Nova Scotia FRN 10/1/2023	1,988	0.23
£3,000,000	Barclays Bank FRN 9/1/2023	2,983	0.35
£2,000,000	Canadian Imperial Bank 1.125% 30/6/2022	1,983	0.23
£1,400,000	Deutsche Pfandbriefbank 1.5% 16/12/2021	1,403	0.17
£1,000,000	GE Capital UK Funding 5.875% 4/11/2020	1,061	0.12
£5,549,000	Income Contingent Student Loan 2 FRN 24/7/2058	5,504	0.64
£1,200,000	Landesbank Baden-Wuerttemberg FRN 18/5/2021	1,200	0.14
£2,010,000	Leeds Building Society FRN 15/4/2023	2,018	0.24
£890,000	Metropolitan Life Global Funding 1.125% 15/12/2021	882	0.10
£2,000,000	National Australia Bank 1.125% 10/11/2021	1,991	0.23
£310,000	Santander UK FRN 5/5/2020	310	0.04
£3,000,000	Sparebank 1 Boligkreditt 1.75% 18/12/2023	3,021	0.35
£2,000,000	Svenska Handelsbanken 1.625% 18/6/2022	2,007	0.24
£3,500,000	TSB Bank FRN 15/2/2024	3,530	0.41
£1,510,000	Virgin Money FRN 22/3/2024	1,516	0.18
Total Corporate Bonds		31,895	3.73
Government Bonds – 93.58% (31/10/18 – 95.40%)			
£3,500,000	Kreditanstalt fuer Wiederaufbau 1.375% 15/12/2025	3,513	0.41
£123,400,000	UK Treasury 0.5% 22/7/2022	122,261	14.30
£73,000,000	UK Treasury 1.5% 22/1/2021	73,903	8.65
£74,000,000	UK Treasury 1.75% 22/7/2019	74,133	8.67
£136,630,000	UK Treasury 2.25% 7/9/2023	144,766	16.93
£103,667,000	UK Treasury 3.75% 7/9/2019	104,702	12.25
£125,000,000	UK Treasury 3.75% 7/9/2020	129,982	15.21
£142,000,000	UK Treasury 4.75% 7/3/2020	146,727	17.16
Total Government Bonds		799,987	93.58
Government Index-Linked Bonds – 1.99% (31/10/18 – 0.00%)			
\$21,000,000	US Treasury 0.125% IL 15/7/2024	16,968	1.99
Total Government Index-Linked Bonds		16,968	1.99
Forward Currency Contracts – (0.01)% (31/10/18 – 0.00%)			
	Buy £16,001,808 & Sell \$20,990,025 [†]	(73)	(0.01)
Total Forward Currency Contracts		(73)	(0.01)
Total value of investments		850,064	99.44
Net other assets		4,813	0.56
Total net assets		854,877	100.00

[†] Unlisted

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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	831,366	97.25	486,621	99.05
Unrated bonds	18,771	2.20	2,749	0.56
Total bonds	850,137	99.45	489,370	99.61
Forward currency contracts – liabilities	(73)	(0.01)	–	–
Total value of investments	850,064	99.44	489,370	99.61

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
UK Treasury 3.75% 7/9/2020	129,447
UK Treasury 1.75% 22/7/2019	127,140
UK Treasury 0.5% 22/7/2022	125,441
UK Treasury 1.5% 22/1/2021	124,682
UK Treasury 2.25% 7/9/2023	120,038
UK Treasury 3.75% 7/9/2021	109,925
UK Treasury 4% 7/3/2022	105,724
UK Treasury 3.75% 7/9/2019	95,749
UK Treasury 4.75% 7/3/2020	63,368
UK Treasury 1% 22/4/2024	38,209
Subtotal	1,039,723
Total cost of purchases, including the above, for the period	1,108,969

Significant Sales

	Proceeds £'000
UK Treasury 4% 7/3/2022	205,837
UK Treasury 3.75% 7/9/2021	188,551
UK Treasury 1.75% 22/7/2019	103,626
UK Treasury 3.75% 7/9/2019	55,810
UK Treasury 1.5% 22/1/2021	50,698
UK Treasury 4.5% 7/3/2019	47,582
UK Treasury 1% 22/4/2024	38,258
UK Treasury 8% 7/6/2021	30,559
UK Treasury 2.25% 7/9/2023	10,472
UK Treasury 4.75% 7/3/2020	3,116
Subtotal	734,509
Total proceeds from sales, including the above, for the period	742,220

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		491		(1,056)
Revenue	2,582		842	
Expenses	(557)		(443)	
Net revenue before taxation	2,025		399	
Taxation	–		–	
Net revenue after taxation		2,025		399
Total return before distributions		2,516		(657)
Distributions		(2,582)		(842)
Change in net liabilities attributable to shareholders from investment activities		(66)		(1,499)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		491,296		334,827
Amounts receivable on creation of shares	408,368		91,823	
Amounts payable on cancellation of shares	(46,267)		(25,360)	
		362,101		66,463
Dilution levy charged		5		–
Change in net liabilities attributable to shareholders from investment activities		(66)		(1,499)
Retained distributions on accumulation shares		1,541		–
Closing net assets attributable to shareholders		854,877		399,791

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	850,137	489,370
Current assets:		
Debtors	27,436	5,916
Cash and bank balances	4,749	233
Total assets	882,322	495,519
LIABILITIES		
Investment liabilities	73	–
Creditors:		
Other creditors	25,265	2,383
Distribution payable	2,107	1,840
Total liabilities	27,445	4,223
Net assets attributable to shareholders	854,877	491,296

DISTRIBUTION TABLE

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class M Income				
Group 1	0.4286	—	0.4286	0.2273
Group 2	0.2294	0.1992	0.4286	0.2273
Class R Accumulation*				
Group 1	0.4294	—	0.4294	n/a
Group 2	0.0744	0.3550	0.4294	n/a
Class S Income**				
Group 1	0.0476	—	0.0476	n/a
Group 2	0.0476	—	0.0476	n/a
Class Z Income				
Group 1	0.4300	—	0.4300	0.2280
Group 2	0.1817	0.2483	0.4300	0.2280

* Class R Accumulation launched on 4 October 2018.

** Class S Income launched on 9 April 2019.

MANAGERS' INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Enhanced Cash Plus Fund, Class R Accumulation	1.00	–	–	–
Royal London Enhanced Cash Plus Fund, Class S Accumulation	–	–	–	–
Royal London Enhanced Cash Plus Fund, Class S Income	–	–	–	–
Royal London Enhanced Cash Plus Fund, Class Y Accumulation	0.92	1.31	3.16	–
Royal London Enhanced Cash Plus Fund, Class Y Income	0.92	1.31	3.21	–
Royal London Enhanced Cash Plus Fund, Class Z Accumulation	1.00	1.47	3.60	–
LIBID GBP 7 Day	0.28	0.51	0.92	–

Class R Accumulation launched on 6 September 2018, Class S Accumulation and Class S Income launched on 9 April 2019 and Class Y Accumulation, Class Y Income and Class Z Accumulation launched on 18 May 2015.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund outperformed its benchmark over the period largely due to the strong performance of credit in 2019.

Portfolio and Market Commentary

Early in the period, monthly GDP figures and other economic indicators signalled a sharp slowdown from the 0.6% quarterly pace of growth in the third quarter of 2018. The economy remained broadly characterised by weak productivity and a strong labour market, with business investment still curbed by uncertainty about the outcome of Brexit. Headline consumer price inflation was subdued, slowing to 2.3% (annual rate) in November from 2.4% at the close of the third quarter. The slower pace of GDP growth was confirmed as we moved into 2019, with 2018 GDP growth of 1.4%, compared to 1.8% in 2017. The Bank of England (BoE) left its key interest rate unchanged at 0.75%, but took a more dovish stance, leading the market to take a more cautious view on future rate rises. Cash market rates did not end the period at significantly different levels, with 7-day LIBID starting the period at 0.59% and ending it at 0.58%. Short-dated corporate bonds (ICE BofA Merrill Lynch 1-5 Year Sterling Non-Gilt Index) returned 1.51%, helped by tighter spreads. Short-dated gilt yields edged higher, returning 0.58% (FTSE Actuaries 0-5-year Gilt Index).

For the review period, high rated covered bonds and secured debt offered an attractive yield pick-up, given the security they provide. These were a small drag on performance in the later months of 2018 as credit spreads widened, but this was more than offset by the rally seen in the first few months of 2019. Consequently, the allocation to covered bonds and secured debt contributed positively to performance. Corporate bond exposure also helped, with tighter credit spreads aiding performance.

We took advantage of changing conditions in covered bonds to add to exposure. In September last year, Lloyds issued the first covered bond linked to the BoE sterling overnight index average (SONIA), rather than Libor. This quarter saw several other new issues linked to SONIA, a number of which were paying attractive premia to SONIA. We added a number of SONIA-linked new issues, including Nationwide, TSB, Skipton and Virgin Money. We also added ANZ – the first overseas issuer of SONIA-linked covereds. Some of these trades were funded by reducing exposure to fixed rate covered bonds, the switch into floating rate being sensible in a low rate environment. We also reduced exposure to shorter dated floating rate covered bonds, as we felt longer dated equivalents offered better value.

Although we continue to like covered bonds, adding diversified, unsecured credit to the portfolio plays a key role in enhancing returns. We maintained a meaningful exposure to fixed rate corporates, as well as structured bonds and mortgage-backed

securities. The most notable addition to the portfolio was Income Contingent Student Loans, the second issue of student loans, which came to market with both fixed and floating rate bonds available. We bought the A1 floating rate bonds, which were shorter maturity, offering 190bps over 12-month Libor, this being a premium to the earlier bonds, which issued at 135bps.

Investment Outlook

The path ahead for the UK remains highly Brexit dependent and so assessing the outlook for the UK economy is difficult. Both 'no deal' and 'no Brexit' remain plausible outcomes. Nevertheless, even in our tentative central case of some form of UK-EU deal, which should lead to previously held back investment being released, the prospects for a significant economic boost have faded. With surveys signalling stagnation in March, we expect that UK growth will be both bumpy and mediocre in 2019 and the BoE will proceed with fewer and later rate rises.

The portfolio comprises diversified holdings in short-dated corporate bonds from a variety of sectors, AAA rated securitisations, covered bonds and FRNs. CDs will continue to be reinvested in medium and longer dated CDs as and when longer dates offer value i.e. if rates look attractive in the context of our expected interest rate path. Currently due to Brexit we feel the longer end of the curve is not offering yields to match the level of risk. A significant proportion of the Fund is invested in instruments that are secured against specific assets and are strongly covenanted.

As cash managers, our primary aim is the preservation of capital value while providing a return in line with money market rates. We will continue to review cash market rates, while managing portfolios for security and liquidity.

Craig Inches and Richard Nelson
Fund Managers
30 April 2019
Royal London Asset Management

The views expressed are the authors' own and do not constitute investment advice and are not an indication of future fund performance.

Source: Royal London Asset Management, unless otherwise stated.

COMPARATIVE TABLES

Class R Accumulation

Change in net assets per share	30/04/19 (p)	31/10/18** (p)
Opening net asset value per share	100.05	100.00
Return before operating charges*	1.00	0.05
Operating charges	(0.01)	–
Return after operating charges*	0.99	0.05
Distributions on accumulation shares	(0.83)	(0.24)
Retained distributions on accumulation shares	0.83	0.24
Closing net asset value per share	101.04	100.05
* after direct transaction costs of:	–	–
Performance		
Return after charges	0.99%	0.05%
Other information		
Closing net asset value (£'000)	932,625	5
Closing number of shares	923,061,012	5,000
Operating charges	0.02%	0.02%
Direct transaction costs	–	–
Prices		
Highest share price	101.20	100.20
Lowest share price	99.98	99.98

** Class R Accumulation launched on 6 September 2018.

Class S Accumulation

Change in net assets per share	30/04/19** (p)
Opening net asset value per share	100.00
Return before operating charges*	0.06
Operating charges	–
Return after operating charges*	0.06
Distributions on accumulation shares	(0.07)
Retained distributions on accumulation shares	0.07
Closing net asset value per share	100.06
* after direct transaction costs of:	–
Performance	
Return after charges	0.06%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.02%
Direct transaction costs	–
Prices	
Highest share price	100.20
Lowest share price	100.00

** Class S Accumulation launched on 9 April 2019.

COMPARATIVE TABLES (CONTINUED)

Class S Income

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	0.06
Operating charges	–
Return after operating charges*	0.06
Distributions on income shares	(0.07)
Closing net asset value per share	99.99
* after direct transaction costs of:	–
Performance	
Return after charges	0.06%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.02%
Direct transaction costs	–
Prices	
Highest share price	100.20
Lowest share price	100.00

** Class S Income launched on 9 April 2019.

Class Y Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	102.68	102.01	101.13	99.99
Return before operating charges*	1.03	0.85	1.12	1.62
Operating charges	(0.09)	(0.18)	(0.18)	(0.19)
Return after operating charges*	0.94	0.67	0.94	1.43
Distributions on accumulation shares	(0.77)	(1.37)	(1.27)	(1.41)
Retained distributions on accumulation shares	0.77	1.37	1.21	1.12
Closing net asset value per share	103.62	102.68	102.01	101.13
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.92%	0.66%	0.93%	1.43%
Other information				
Closing net asset value (£'000)	389,132	407,267	248,279	74,265
Closing number of shares	375,554,629	396,632,854	243,380,735	73,435,409
Operating charges	0.17%	0.17%	0.18%	0.19%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	103.70	102.80	102.10	101.20
Lowest share price	102.60	102.10	101.20	100.00

COMPARATIVE TABLES (CONTINUED)

Class Y Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	98.57	99.25	99.57	99.51
Return before operating charges*	0.97	0.82	1.11	1.63
Operating charges	(0.08)	(0.17)	(0.18)	(0.12)
Return after operating charges*	0.89	0.65	0.93	1.51
Distributions on income shares	(0.74)	(1.33)	(1.25)	(1.45)
Closing net asset value per share	98.72	98.57	99.25	99.57

* after direct transaction costs of: – – – –

Performance

Return after charges	0.90%	0.65%	0.93%	1.52%
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Other information

Closing net asset value (£'000)	243,804	309,439	16,948	1
Closing number of shares	246,953,344	313,933,898	17,075,771	1,000
Operating charges	0.17%	0.17%	0.18%	0.21%
Direct transaction costs	–	–	–	–

Prices

Highest share price	99.21	99.53	100.00	99.98
Lowest share price	98.49	98.77	99.45	99.55

Class Z Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	103.13	102.31	101.28	100.00
Return before operating charges*	1.03	0.85	1.13	1.64
Operating charges	(0.01)	(0.03)	(0.03)	(0.06)
Return after operating charges*	1.02	0.82	1.10	1.58
Distributions on accumulation shares	(0.85)	(1.53)	(1.43)	(1.52)
Retained distributions on accumulation shares	0.85	1.53	1.36	1.22
Closing net asset value per share	104.15	103.13	102.31	101.28

* after direct transaction costs of: – – – –

Performance

Return after charges	0.99%	0.80%	1.09%	1.58%
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Other information

Closing net asset value (£'000)	150,845	931,198	614,515	222,929
Closing number of shares	144,836,492	902,909,821	600,650,829	220,112,591
Operating charges	0.02%	0.02%	0.03%	0.05%
Direct transaction costs	–	–	–	–

Prices

Highest share price	104.30	103.20	102.40	101.40
Lowest share price	103.10	102.40	101.40	100.10

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Certificates of Deposit – 23.83% (31/10/18 – 26.15%)			
£10,000,000	ANZ Bank 0% 2/8/2019	9,977	0.58
£10,000,000	Bank of Nova Scotia 0.94% 24/5/2019	10,001	0.58
£20,000,000	Bank of Tokyo Mitsu 0.92% 10/10/2019	19,993	1.17
£5,000,000	BNP Paribas 1.01% 5/9/2019	5,001	0.29
£10,000,000	BNP Paribas 1.25% 3/2/2020	10,012	0.58
£10,000,000	China Construction Bank 0% 3/9/2019	9,968	0.58
£15,000,000	Citibank 0.83% 4/6/2019	15,000	0.88
£10,000,000	Commonwealth Bank of Australia 1.02% 6/8/2019	10,003	0.58
£10,000,000	Co-operative Rabobank 1.00% 25/7/2019	10,003	0.58
£5,200,000	Credit Agricole 0.81% 3/6/2019	5,200	0.30
£10,000,000	Credit Agricole 1.02% 17/4/2020	9,988	0.58
£20,000,000	Credit Industrial et Commercial 0% 18/6/2019	19,978	1.17
£10,000,000	Credit Suisse 1.12% 14/10/2019	10,005	0.58
£10,000,000	Danske Bank 0.86% 12/7/2019	10,000	0.58
£15,000,000	DNB Bank 0.98% 27/9/2019	15,000	0.88
£20,000,000	DZ Bank 0.83% 15/7/2019	19,999	1.17
£10,000,000	Industrial & Commercial Bank of China 0% 8/11/2019	9,946	0.58
£10,000,000	ING Bank 0.90% 16/5/2019	10,001	0.58
£10,000,000	ING Bank 1.01% 29/7/2019	10,003	0.58
£10,000,000	Landesbank Hassen 1.00% 29/8/2019	10,002	0.58
£10,000,000	National Bank of Abu Dhabi 1.08% 7/6/2019	10,003	0.58
£15,000,000	National Bank of Canada 1.05% 17/6/2019	15,005	0.88
£10,000,000	Nationwide Building Society 0.97% 18/7/2019	10,002	0.58
£10,000,000	Natixis Securities 0% 10/5/2019	9,998	0.58
£10,000,000	Natixis Securities 0.87% 1/8/2019	9,999	0.58
£10,000,000	Natwest Bank 1.15% 25/2/2020	10,004	0.58
£11,000,000	Nordea Bank 0.95% 7/8/2019	11,001	0.64
£10,000,000	Qatar National Bank 0% 27/8/2019	9,970	0.58
£15,000,000	Skandinaviska Enskilda Banken 1% 28/6/2019	15,004	0.88
£15,000,000	Societe Generale 1.07% 9/8/2019	15,007	0.88
£10,000,000	Societe Generale 1.08% 2/9/2019	10,004	0.58
£10,000,000	Standard Chartered Bank 1% 5/6/2019	10,002	0.58
£15,000,000	Standard Chartered Bank 1% 28/8/2019	15,003	0.88
£10,000,000	UOB Kay Hian 0.97% 17/6/2019	10,002	0.58
£5,000,000	Wells Fargo Bank International 1.02% 16/5/2019	5,001	0.29
£10,000,000	Wells Fargo Bank International 1.08% 8/7/2019	10,004	0.58
£3,000,000	Wells Fargo Bank International 1.08% 30/7/2019	3,001	0.18
Total Certificates of Deposit		409,090	23.83

Commercial Mortgage Backed Securities – 12.31% (31/10/18 – 11.47%)

£17,000,000	Albion FRN 17/11/2058	4,426	0.26
£4,713,000	BAMS Designated Activity Company FRN 17/5/2028	4,656	0.27
£12,024,000	Brass No. 7 FRN 16/10/2059	11,493	0.67
£9,648,000	Canary Wharf Finance II (A7) FRN 22/10/2037	8,283	0.48
£7,375,000	Castell FRN 25/10/2044	2,761	0.16
£4,730,000	Charter Mortgage Funding FRN 12/6/2054	2,256	0.13
£475,000	Friary FRN 21/10/2046	145	0.01
£19,500,000	Friary No. 3 FRN 21/4/2048	8,574	0.50
£15,500,000	Friary No. 4 FRN 21/1/2050	9,507	0.55
£2,726,000	Gosforth Funding FRN 19/10/2056	1,336	0.08
£9,500,000	Gosforth Funding FRN 19/12/2059	9,460	0.55

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Commercial Mortgage Backed Securities – 12.31% (31/10/18 – 11.47%) – continued			
£9,487,000	Gosforth Funding FRN 25/8/2060	8,835	0.51
£1,000,000	Holmes Master Issuer FRN 15/7/2021	1,004	0.06
£6,000,000	Holmes Master Issuer (A2) FRN 15/10/2054	5,957	0.35
£4,764,000	Holmes Master Issuer (A3) FRN 15/10/2054	4,717	0.27
£10,050,000	Kenrick FRN 11/10/2054	8,862	0.52
£5,200,000	Lanark Master Issuer FRN 22/12/2054	4,424	0.26
£17,350,000	Lanark Master Issuer FRN 22/12/2069	17,272	1.01
£6,340,000	Lanark Master Issuer FRN 23/12/2069	6,263	0.36
£5,290,000	PCL Funding II FRN 15/6/2022	5,298	0.31
£10,369,000	PCL Funding III FRN 15/6/2023	10,332	0.60
£1,625,000	Permanent Master Issuer FRN 15/7/2058	1,625	0.09
£8,267,000	Residential Mortgage Securities FRN 14/2/2041	3,003	0.17
£3,445,000	Ribbon Finance FRN 20/4/2028	3,346	0.19
£18,850,000	Silverstone Master Issuer FRN 21/1/2070	18,655	1.09
£15,355,000	Silverstone Master Issuer (2A) FRN 21/1/2070	15,383	0.90
£10,150,000	Stanlington FRN 12/6/2046	7,958	0.46
£3,482,000	Taurus 2018 FRN 22/5/2028	3,450	0.20
£8,000,000	Tolkien Funding Sukuk No 1 FRN 20/7/2052	6,658	0.39
£2,956,000	Towd Point Mortgage Funding FRN 20/2/2045	1,991	0.12
£14,300,000	Towd Point Mortgage Funding FRN 20/4/2045	10,227	0.60
£3,700,000	Towd Point Mortgage Funding FRN 20/5/2045	3,184	0.19
Total Commercial Mortgage Backed Securities		211,341	12.31

Corporate Bonds – 62.89% (31/10/18 – 61.43%)

£4,324,000	AA Bond 4.2487% 31/7/2043	4,415	0.26
£3,076,000	Aareal Bank 1% 4/6/2020	3,068	0.18
£1,000,000	ASB Finance 1% 7/9/2020	995	0.06
£6,900,000	Australia and New Zealand Banking FRN 24/1/2022	6,916	0.40
£8,000,000	Aviva 6.125% variable perpetual	8,635	0.50
£3,700,000	AXA 7.125% 15/12/2020	4,029	0.23
£3,773,000	Bank of America 5.5% 4/12/2019	3,868	0.23
£5,400,000	Bank of America 6.125% 15/9/2021	5,968	0.35
£5,670,000	Bank of Montreal FRN 20/7/2020	5,674	0.33
£11,350,000	Bank of Montreal FRN 16/4/2023	11,302	0.66
£2,000,000	Bank of Nova Scotia FRN 30/9/2021	2,004	0.12
£10,000,000	Bank of Nova Scotia FRN 10/1/2023	9,941	0.58
£18,538,000	Bank of Scotland 6.375% 16/8/2019	18,798	1.10
£8,500,000	Banque Federative Du Credit Mutuel 0.875% 8/6/2020	8,457	0.49
£6,600,000	Banque Federative Du Credit Mutuel 1.375% 20/12/2021	6,565	0.38
£11,562,000	Barclays Bank 9.5% 7/8/2021	13,435	0.78
£14,076,000	Barclays Bank 10% 21/5/2021	16,288	0.95
£9,904,000	Barclays Bank 14% variable perpetual	10,051	0.59
£4,380,000	Barclays Bank FRN 22/5/2020	4,384	0.26
£7,770,000	Barclays Bank FRN 9/1/2023	7,726	0.45
£1,100,000	Bayerische Landesbank 1.25% 20/12/2021	1,096	0.06
£2,466,000	BMW International Investment 1.875% 11/9/2023	2,479	0.14
£6,000,000	BNZ International Funding FRN 12/1/2020	6,010	0.35
£5,700,000	BPCE 2.125% 16/12/2022	5,783	0.34
£3,000,000	Cadent Finance 1.125% 22/9/2021	2,982	0.17
£22,750,000	Canadian Imperial Bank FRN 10/1/2022	22,815	1.33
£7,077,000	Close Brothers 2.75% 26/4/2023	7,159	0.42

Royal London Enhanced Cash Plus Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 62.89% (31/10/18 – 61.43%) – continued			
£11,812,000	Close Brothers 3.875% 27/6/2021	12,352	0.72
£2,500,000	Close Brothers 4.25% variable 24/1/2027	2,618	0.15
£6,151,000	Commonwealth Bank of Australia 1.125% 22/12/2021	6,121	0.36
£5,099,000	Co-operative Bank 4.75% 11/11/2021	5,408	0.32
£2,500,000	Coventry Building Society 1% 5/5/2020	2,489	0.15
£5,000,000	Coventry Building Society 1.875% 24/10/2023	5,004	0.29
£1,249,000	Coventry Building Society FRN 17/3/2020	1,251	0.07
£3,970,000	Coventry Building Society FRN 13/11/2023	3,985	0.23
£6,000,000	Deutsche Hypothekenbank FRN 22/3/2021	5,997	0.35
£11,500,000	Deutsche Pfandbriefbank 1% 4/12/2020	11,450	0.67
£7,200,000	Deutsche Pfandbriefbank 1.5% 16/12/2021	7,217	0.42
£10,900,000	Deutsche Pfandbriefbank 1.875% 20/12/2019	10,945	0.64
£2,090,000	DNB Boligkreditt FRN 17/2/2020	2,092	0.12
£11,450,000	E.ON International Finance 6% 30/10/2019	11,712	0.68
£6,800,000	Fidelity International 6.75% 19/10/2020	7,262	0.42
£18,950,000	Friends Life 12% 21/5/2021	22,833	1.33
£14,166,000	GE Capital UK Funding 5.875% 4/11/2020	15,029	0.88
£38,611,000	GE Capital UK Funding 6.44% 15/11/2022	3,896	0.23
£3,500,000	Goldman Sachs 5.5% 12/10/2021	3,808	0.22
£2,614,000	Goldman Sachs 7.125% 7/8/2025	3,303	0.19
£4,195,000	Great Rolling Stock 6.25% 27/7/2020	4,423	0.26
£21,333,000	HSBC 2.175% variable 27/6/2023	21,425	1.25
£17,465,000	HSBC 5.862% variable perpetual	18,008	1.05
£4,113,000	HSBC 6.5% 7/7/2023	4,809	0.28
£60,791,000	Income Contingent Student Loan 2 FRN 24/7/2058	60,293	3.51
£3,844,000	Innogy Finance 6.5% 20/4/2021	4,206	0.25
£7,800,000	Landesbank Baden-Wuerttemberg FRN 18/5/2021	7,799	0.45
£10,900,000	Leeds Building Society 4.875% 16/11/2020	11,514	0.67
£13,070,000	Leeds Building Society FRN 15/4/2023	13,122	0.76
£3,000,000	Lloyds Banking Group 1.75% 31/3/2022	3,036	0.18
£13,562,000	Lloyds Banking Group 5.75% 9/7/2025	14,185	0.83
£2,986,000	Lloyds Banking Group 9.625% 6/4/2023	3,810	0.22
£5,500,000	Lloyds Banking Group FRN 16/1/2020	5,506	0.32
£2,360,000	Lloyds Banking Group FRN 13/9/2021	2,362	0.14
£12,560,000	London Stock Exchange 9.125% 18/10/2019	13,008	0.76
£1,824,000	Lunar Funding 5.494% 29/7/2020	1,897	0.11
£4,805,000	Macquarie Bank 3.5% 18/12/2020	4,969	0.29
£2,500,000	Merrill Lynch 5.5% 22/11/2021	2,728	0.16
£10,960,000	Mitchells & Butlers (A4) FRN 15/12/2028	8,627	0.50
£3,000,000	Mitchells & Butlers (A1N) FRN 15/12/2030	1,753	0.10
£16,000,000	Munich Reinsurance 6.625% variable 26/5/2042	18,140	1.06
£10,520,000	National Air Traffic 5.25% 31/3/2026	6,729	0.39
£1,700,000	National Australia Bank 1.875% 20/2/2020	1,710	0.10
£5,000,000	National Australia Bank FRN 17/7/2020	5,008	0.29
£10,000,000	National Bank of Canada FRN 27/9/2021	10,018	0.58
£500,000	National Express 6.625% 17/6/2020	528	0.03
£9,980,000	National Westminster Bank 6.5% 7/9/2021	11,006	0.64
£7,500,000	National Westminster Bank FRN 22/3/2023	7,530	0.44
£5,000,000	Nationwide Building Society FRN 6/6/2019	5,001	0.29
£12,600,000	Nationwide Building Society FRN 12/4/2023	12,543	0.73
£8,939,000	Nationwide Building Society FRN 10/1/2024	9,028	0.53
£21,500,000	Nordea Eiendomskreditt FRN 18/6/2023	21,365	1.25
£3,000,000	Northern Gas Networks 5.875% 8/7/2019	3,024	0.18
£1,349,000	Northern Powergrid 9.25% 17/1/2020	1,423	0.08
£14,500,000	NRAM 6.375% 2/12/2019	14,864	0.87

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 62.89% (31/10/18 – 61.43%) – continued			
£10,000,000	Oversea Chinese Banking Corporation FRN 14/3/2023	9,926	0.58
£10,525,000	PGH Capital 5.75% 7/7/2021	11,318	0.66
£4,100,000	Porterbrook Rail Finance 6.5% 20/10/2020	4,377	0.26
£10,176,000	Principality Building Society 2.375% 23/11/2023	10,052	0.59
£18,247,000	Prudential 11.375% variable 29/5/2039	18,388	1.07
£475,000	Royal Bank of Canada FRN 4/6/2019	475	0.03
£6,000,000	Royal Bank of Canada FRN 14/9/2021	6,005	0.35
£8,333,000	Royal Bank of Canada FRN 8/12/2022	8,285	0.48
£9,808,000	Royal Bank of Scotland FRN 15/5/2020	9,820	0.57
£6,000,000	Santander UK 1.625% 10/5/2021	6,018	0.35
£5,929,000	Santander UK 1.875% 17/2/2020	5,951	0.35
£11,090,000	Santander UK FRN 5/5/2020	11,103	0.65
£4,460,000	Santander UK FRN 20/9/2021	4,461	0.26
£5,000,000	Santander UK FRN 16/11/2022	4,973	0.29
£3,366,000	Santander UK FRN 12/2/2024	3,390	0.20
£9,750,000	Scottish Widows 5.5% 16/6/2023	10,763	0.63
£6,250,000	SGSP Australia Assets 5.125% 11/2/2021	6,623	0.39
£4,760,000	Skipton Building Society 1.75% 30/6/2022	4,678	0.27
£4,280,000	Skipton Building Society FRN 2/5/2023	4,262	0.25
£7,060,000	Skipton Building Society FRN 22/2/2024	7,073	0.41
£11,000,000	Society of Lloyds 4.75% 30/10/2024	11,919	0.69
£20,605,000	South East Water 5.6577% 30/9/2019	20,945	1.22
£3,000,000	Sparebank 1 Boligkreditt 1.75% 18/12/2023	3,021	0.18
£10,220,000	Sparebank 1 Boligkreditt FRN 14/11/2022	10,178	0.59
£9,390,000	Stadshypotek FRN 11/1/2023	9,305	0.54
£3,909,000	Svenska Handelsbanken 1.625% 18/6/2022	3,922	0.23
£3,658,000	Swedbank Hypotek 1.125% 7/12/2021	3,639	0.21
£7,000,000	Swedish Covered Bond FRN 18/1/2022	6,991	0.41
£19,700,000	Swiss Reinsurance 6.3024% variable perpetual	19,751	1.15
£2,500,000	Telereal Securitisation FRN 10/9/2033	2,306	0.13
£10,000,000	Telereal Securitisation FRN 10/12/2033	5,520	0.32
£7,850,000	Thames Water Utilities Finance 5.05% 30/6/2020	8,141	0.47
£9,292,000	Toronto Dominion Bank FRN 7/6/2021	9,292	0.54
£5,000,000	Toronto Dominion Bank FRN 30/1/2023	4,969	0.29
£5,000,000	Toyota Motor Finance Netherlands FRN 30/9/2019	5,000	0.29
£5,180,000	TSB Bank FRN 7/12/2022	5,143	0.30
£22,310,000	TSB Bank FRN 15/2/2024	22,504	1.31
£7,567,000	UBS 1.25% 10/12/2020	7,555	0.44
£6,820,000	United Overseas Bank FRN 28/2/2023	6,742	0.39
£3,831,000	United Utilities Water Finance 2% 14/2/2025	3,830	0.22
£10,659,000	Virgin Money 2.25% 21/4/2020	10,710	0.62
£6,040,000	Virgin Money FRN 22/3/2024	6,062	0.35
£5,800,000	Volkswagen Financial Services 1.875% 7/9/2021	5,813	0.34
£3,000,000	Wells Fargo 1.375% 30/6/2022	2,964	0.17
£5,000,000	Wessex Water Services 4% 24/9/2021	5,303	0.31
£1,500,000	Western Power Distribution 9.25% 9/11/2020	1,673	0.10
£19,984,000	Westfield Stratford City FRN 4/11/2024	19,953	1.16
£15,000,000	Westpac Banking Corporation FRN 18/1/2023	14,892	0.87
£4,170,000	Yorkshire Building Society FRN 19/11/2023	4,185	0.24
£8,000,000	Yorkshire Water Services 6% 21/8/2019	8,111	0.47
Total Corporate Bonds		1,079,292	62.89

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Bonds – 0.54% (31/10/18 – 0.00%)			
£4,200,000	Dexia Credit Local 1.375% 7/12/2022	4,208	0.25
£5,000,000	UK Treasury 1.75% 22/7/2019	5,009	0.29
Total Government Bonds		9,217	0.54
Index Linked Bonds – 0.05% (31/10/18 – 0.05%)			
£500,000	National Grid Gas 3.806% IL 27/7/2020	870	0.05
Total Index Linked Bonds		870	0.05
Total value of investments		1,709,810	99.62
Net other assets		6,606	0.38
Total net assets		1,716,416	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 PORTFOLIO INVESTMENTS

AS AT 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	922,277	53.75	1,020,880	61.92
Investments of below investment grade	34,492	2.01	28,054	1.70
Unrated bonds	343,951	20.03	153,381	9.33
Total bonds	1,300,720	75.79	1,202,315	72.95
Certificates of deposit	409,090	23.83	430,822	26.15
Total value of investments	1,709,810	99.62	1,633,137	99.10

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
Income Contingent Student Loan 2 FRN 24/7/2058	59,440
UK Treasury 1.75% 22/7/2019	25,073
TSB Bank FRN 15/2/2024	22,397
Bank of Tokyo Mitsubishi 0.92% 10/10/2019	20,000
Bank of Tokyo Mitsubishi 0.98% 10/4/2019	20,000
DZ Bank 0.83% 15/7/2019	20,000
Silverstone Master Issuer (2A) FRN 21/1/2070	15,355
UK Treasury 4.5% 7/3/2019	15,108
National Bank of Canada 1.05% 17/6/2019	15,000
Skandinaviska Enskilda Banken 1% 28/6/2019	15,000
Subtotal	227,373
Total cost of purchases, including the above, for the period	758,287

Significant Sales

	Proceeds £'000
Citigroup 5.125% 12/12/2018	20,755
UK Treasury 1.75% 22/7/2019	20,052
Yorkshire Building Society 4.125% variable 20/11/2024	20,036
Bank of Tokyo Mitsubishi 0.98% 10/4/2019	20,000
UK Treasury 4.5% 7/3/2019	15,045
Landesbank Hassen 0.77% 17/1/2019	15,000
Svenska Handelsbanken 0.85% 25/2/2019	15,000
Standard Chartered Bank 0.90% 28/2/2019	15,000
Oversea Chinese Banking Corporation 0.91% 10/4/2019	15,000
Natixis Securities 0% 2/1/2019	14,959
Subtotal	170,847
Total proceeds from sales, including the above, for the period	676,909

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		2,775		(2,449)
Revenue	14,074		6,811	
Expenses	(704)		(537)	
Interest payable and similar charges	(2)		(3)	
Net revenue before taxation	13,368		6,271	
Taxation	–		–	
Net revenue after taxation		13,368		6,271
Total return before distributions		16,143		3,822
Distributions		(13,368)		(6,270)
Change in net assets/(liabilities) attributable to shareholders from investment activities		2,775		(2,448)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		1,647,909		1,130,462
Amounts receivable on creation of shares	330,885		409,482	
Amounts payable on cancellation of shares	(276,568)		(173,638)	
		54,317		235,844
Dilution levy charged		–		5
Change in net assets attributable to shareholders from investment activities		2,775		(2,448)
Retained distributions on accumulation shares		11,415		5,633
Closing net assets attributable to shareholders		1,716,416		1,369,496

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	1,709,810	1,633,137
Current assets:		
Debtors	20,528	16,071
Cash and bank balances	15,455	37,662
Total assets	1,745,793	1,686,870
LIABILITIES		
Creditors:		
Other creditors	28,470	37,860
Distribution payable	907	1,101
Total liabilities	29,377	38,961
Net assets attributable to shareholders	1,716,416	1,647,909

DISTRIBUTION TABLES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

FIRST INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 31 January 2019

	Net income	Equalisation	Distribution paid 31/03/19	Distribution paid 31/03/18
Class R Accumulation*				
Group 1	0.4144	–	0.4144	n/a
Group 2	0.2704	0.1440	0.4144	n/a
Class Y Accumulation				
Group 1	0.3865	–	0.3865	0.2138
Group 2	0.2414	0.1451	0.3865	0.2138
Class Y Income				
Group 1	0.3709	–	0.3709	0.2087
Group 2	0.2265	0.1444	0.3709	0.2087
Class Z Accumulation				
Group 1	0.4271	–	0.4271	0.2531
Group 2	0.2086	0.2185	0.4271	0.2531

SECOND INTERIM

Group 1: Shares purchased prior to 1 February 2019

Group 2: Shares purchased between 1 February 2019 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class R Accumulation*				
Group 1	0.4114	–	0.4114	n/a
Group 2	0.2545	0.1569	0.4114	n/a
Class S Accumulation**				
Group 1	0.0660	–	0.0660	n/a
Group 2	0.0660	0.0000	0.0660	n/a
Class S Income***				
Group 1	0.0660	–	0.0660	n/a
Group 2	0.0660	0.0000	0.0660	n/a
Class Y Accumulation				
Group 1	0.3841	–	0.3841	0.2395
Group 2	0.2292	0.1549	0.3841	0.2395
Class Y Income				
Group 1	0.3674	–	0.3674	0.2323
Group 2	0.1971	0.1703	0.3674	0.2323
Class Z Accumulation				
Group 1	0.4241	–	0.4241	0.2778
Group 2	0.3490	0.0751	0.4241	0.2778

* Class R Accumulation launched on 6 September 2018.

** Class S Accumulation launched on 9 April 2019.

*** Class S Income launched on 9 April 2019.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Cautious Managed Fund, Class A Accumulation	2.74	3.02	15.06	–

This Fund launched on 10 June 2015 hence does not have performance for 5 years.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

After fees, the Fund performed in line with the UK mixed investment market during the six-month period under review, using the average return of the Investment Association Mixed Investment 0-35% Shares sector as a guide. Notably, it has also posted its first three-year return and outperformed this sector over the three years to 30 April 2019.

Portfolio and Market Commentary

Following the sharp falls in financial markets in October, when the Federal Reserve (Fed) signalled it would raise rates faster than investors had previously expected, the six months under review were characterised by ongoing volatility in financial markets. December was the worst month for the S&P 500 since 1931, as the broadest measure of stocks fell 9.2%, which led US equities to return the worst annual performance since 2008. Market pessimism was caused by US-China trade tensions and Fed plans to raise interest rates again. Investors were concerned about interest rates rising in the US, ongoing fears of a 'no deal' Brexit and disappointing economic growth data from China and the eurozone.

As 2019 got underway, the weakness in financial markets during the previous year and a downturn in global economic data encouraged central banks to adopt a more dovish tone. The Fed softened its stance on rate rises followed by the European Central Bank, which unexpectedly rolling over its TLTRO bank refinancing programme. In addition, at the beginning of the year, US-China trade tensions appeared to ease and investors shrugged off weaker economic data in the eurozone. Despite the US federal government shutdown in January, US economic data mostly remained solid.

The S&P 500 rose 18.2% on a total return basis, between New Year and the end of April. Oil prices also reflected the renewed optimism. After falling 28.7% in November and December to below \$54 a barrel, Brent crude oil rebounded more than 35% over the remaining four months of the period, as OPEC announced production cuts. Copper was also stronger on hopes that US-China trade tensions could be defused.

The Fund decreased its overweight exposure to equities during the period, selling into strength as equities rebounded sharply in the first quarter, and reduced its underweight position in bonds as inflation expectations softened. Within equities, the Fund broadly maintained its neutral exposure to the UK, but cut back on the overweight in global stocks. In fixed income, the allocation to UK government bonds was broadly maintained; however, exposure to corporate bonds was increased as we expect global economic growth to continue to be solid and believe the higher yield on corporate credit is attractive.

Investment Outlook

Weaker growth persists in the eurozone and Japan, while the UK is also being impacted by Brexit uncertainty among other factors (e.g. the hit to industrial companies having to adjust away from diesel engine production as governments tighten rules on emissions). However, with US fiscal policy relatively loose, arising from President Trump's personal and corporate tax cuts, US and global inflation not expected to rise sharply, interest rates low in developed countries and the dovish stance of major central banks, and China adopting a range of economic stimulus measures, we expect the world economic expansion to continue in 2019.

Our proprietary Investment Clock model remains in its 'Reflation' zone, with global growth somewhat soggy but positive while inflation pressures are relatively weak. 'Reflation' in our Investment Clock tends to be more supportive for government bonds as there is less upward pressure on interest rates, while remaining constructive for equities as growth is still fairly solid. However, our Investment Clock is likely to be moving back towards its centre as oil prices have been rising sharply this year and we have seen some improvements in global economic activity.

We expect Chinese stimulus to boost activity later in the year and believe that US growth will continue to be robust, given a benign outlook on interest rates; this leaves us with a constructive environment for equities and bonds, but various geopolitical factors (trade wars, Brexit, US tensions with Iran and North Korea) are likely to cause volatility. A well-diversified, risk-controlled approach remains crucial in the current environment.

Trevor Greetham
Fund Manager
30 April 2019
Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLE

Class A Accumulation

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	112.96	112.17	107.20	99.26
Return before operating charges*	3.48	1.51	5.68	8.98
Operating charges	(0.36)	(0.72)	(0.71)	(0.71)
Return after operating charges*	3.12	0.79	4.97	8.27
Distributions on accumulation shares	–	(2.29)	(2.16)	(1.63)
Retained distributions on accumulation shares	–	2.29	2.16	1.30
Closing net asset value per share	116.08	112.96	112.17	107.20
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	2.76%	0.70%	4.64%	8.33%
Other information				
Closing net asset value (£'000)	193,077	169,620	123,724	76,110
Closing number of shares	166,334,137	150,155,301	110,304,518	70,995,038
Operating charges*	0.69%	0.69%	0.70%	0.73%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	116.30	114.90	112.30	108.50
Lowest share price	110.90	110.70	105.70	97.20

+ Includes an adjustment for synthetic OCF of 0.05% (31/10/18: 0.05%). The maximum proportion of management fees charged to the Fund is 0.60%. The maximum charged to the underlying funds is 0.75%.

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Bond Collective Investment Schemes – 77.68% (31/10/18 – 76.56%)			
13,784,786	Royal London Cash Plus Fund†	13,872	7.19
16,927,181	Royal London Duration Hedged Credit Fund†	17,190	8.90
29,635,088	Royal London Short Duration Gilts Fund†	29,934	15.51
13,800,405	Royal London Short-Term Money Market Fund†	13,864	7.18
27,425,345	Royal London Sterling Credit Fund†	37,918	19.64
42,056,160	Royal London UK Government Bond Fund†	37,193	19.26
Total Bond Collective Investment Schemes		149,971	77.68
Equity Collective Investment Schemes – 21.95% (31/10/18 – 23.12%)			
1,454,379	Royal London Asia Pacific ex Japan Tracker Fund†	1,469	0.76
1,560,285	Royal London Emerging Markets ESG Leaders Equity Tracker Fund†	1,724	0.89
3,491,802	Royal London Europe ex UK Tracker Fund†	3,811	1.98
18,637,617	Royal London FTSE 350 Tracker Fund†	19,758	10.23
1,457,317	Royal London Japan Tracker Fund†	1,374	0.71
13,789,436	Royal London US Tracker Fund†	14,253	7.38
Total Equity Collective Investment Schemes		42,389	21.95
Total value of investments		192,360	99.63
Net other assets		717	0.37
Total net assets		193,077	100.00

† Related Party

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 30 APRIL 2019

Significant Purchases

	Cost £'000
Royal London Short Duration Gilts Fund	11,475
Royal London Sterling Credit Fund	6,102
Royal London UK Government Bond Fund	5,332
Royal London FTSE 350 Tracker Fund	2,534
Royal London Emerging Markets ESG Leaders Equity Tracker Fund	1,994
Royal London Duration Hedged Credit Fund	1,755
Royal London US Index Tracker Fund	1,387
Royal London Short-Term Money Market Fund	1,384
Royal London Cash Plus Fund	1,365
Royal London Europe ex UK Tracker Fund	1,044
Subtotal	34,372
Total cost of purchases, including the above, for the period	38,603

Significant Sales

	Proceeds £'000
Royal London Short-Term Money Market Fund	2,592
Royal London Cash Plus Fund	2,575
Royal London Short Duration Gilts Fund	2,344
Royal London FTSE 350 Tracker Fund	1,802
Royal London Europe ex UK Tracker Fund	1,656
Royal London Japan Tracker Fund	1,578
Royal London US Index Tracker Fund	1,571
Royal London Emerging Markets ESG Leaders Equity Tracker Fund	1,012
Royal London Japan Tracker Fund	980
Royal London UK Government Bond Fund	963
Subtotal	17,073
Total proceeds from sales, including the above, for the period	19,578

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		3,865		(79)
Revenue	1,833		1,161	
Expenses	(569)		(422)	
Net revenue before taxation	1,264		739	
Taxation	–		–	
Net revenue after taxation		1,264		739
Total return before distributions		5,129		660
Distributions		133		131
Change in net assets attributable to shareholders from investment activities		5,262		791

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		169,620		123,724
Amounts receivable on creation of shares	25,663		22,863	
Amounts payable on cancellation of shares	(7,468)		(4,024)	
		18,195		18,839
Change in net assets attributable to shareholders from investment activities		5,262		791
Closing net assets attributable to shareholders		193,077		143,354

FINANCIAL STATEMENTS (CONTINUED)**Balance Sheet**

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	192,360	169,072
Current assets:		
Debtors	560	1,441
Cash and bank balances	466	456
Total assets	193,386	170,969
LIABILITIES		
Creditors:		
Other creditors	309	1,349
Total liabilities	309	1,349
Net assets attributable to shareholders	193,077	169,620

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Investment Grade Short Dated Credit Fund, Class N Accumulation	1.64	2.23	–	–
Royal London Investment Grade Short Dated Credit Fund, Class R Accumulation	1.70	–	–	–
Royal London Investment Grade Short Dated Credit Fund, Class S Accumulation	–	–	–	–
Royal London Investment Grade Short Dated Credit Fund, Class S Income	–	–	–	–
Royal London Investment Grade Short Dated Credit Fund, Class Z Income	1.63	2.14	7.15	–

Class N Accumulation launched on 1 December 2016, Class R Accumulation launched on 24 August 2018, Class S Accumulation and Class S Income launched on 16 April 2019 and Class Z Income launched on 7 December 2015.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

The Fund outperformed the broad UK investment grade credit market during the six-month period under review, using the ICE BofAML 1-5 Year Sterling Non-Gilt Index as a guide. Overweight holdings of insurance and subordinated bank debt, underweight exposure to supranational debt and the overweight allocation to lower rated investment grade bonds (A and BBB) were key drivers of performance.

The Fund broadly maintained its sectoral allocations over the period, but the underweight position in supranational bonds was increased, offset by increasing the overweight in social housing and reducing the underweight position in the telecoms sector. The overweight allocation in BBB rated bonds decreased slightly in favour of A rated debt.

Portfolio and Market Commentary

Sterling investment grade credit outperformed UK government debt during the period under review, returning respectively 3.50% and 2.81%. The average yield spread (the extra yield available on a corporate bond over a gilt of equivalent maturity) narrowed by 21 basis points (bps) to 1.22%. After widening in the final months of 2018 over concerns that the US Federal Reserve was pursuing interest rate hikes too aggressively, credit spreads have narrowed since the turn of the year as central banks softened their policy stances, and trade talks between China and the US showed signs of progress.

The yield on benchmark 10 year gilts declined 25 bps to 1.19% during the review period. This primarily reflected ongoing chaos in Parliament, with politicians unable to find a majority for any Brexit outcome. Global government bond yields broadly fell over the period as global economic data continued to disappoint already downgraded expectations.

The Fund's significant underweight allocations to supranationals and consumer goods were key drivers of returns, as they were among the weakest performing sectors over the period. The Fund has a prominent holding of insurance and banks issues, with a preference for subordinated debt. Initially detracting from returns, the Fund's overweight allocation proved beneficial as subordinated insurance and banking have been among the strongest performing sectors since the start of 2019.

The Fund took part in a number of new issues. Within financial sectors, we took advantage of changing conditions in covered bonds to add to exposure. In September last year, Lloyds issued the first covered bond linked to the Bank of England's sterling overnight index average (SONIA), rather than Libor. Over the period, we participated in a number of issues that were paying attractive premia to SONIA, including RBS, Nationwide, Santander, TSB, Skipton and Virgin Money. We also added ANZ – the first overseas issuer of SONIA-linked covered bonds. It also bought senior unsecured bonds of Volkswagen; the German carmaker raised £800 million and €4.25 billion across six tranches of debt.

In the secondary market, the Fund increased exposure to General Electric, which had fallen sharply in October as the heavily indebted company wrote down the value of assets in its flagship power division, cut its dividend to near zero and appointed a second new chief executive in two years. This investment proved particularly rewarding as the bonds recovered when the company announced remedial measures to strengthen its financial position.

MANAGER'S INVESTMENT REPORT

Investment Outlook

Global GDP growth looks set to slow in 2019, but with more weakness in the first half of 2019 than we had expected. The outlook for the second half remains clouded by trade tensions, Brexit uncertainty and increasing geopolitical tensions. On a more positive note, stimulus from China and a pause in central bank interest rate hikes should help support growth. We expect global government bond yields to rise gradually from current levels.

The Fund invests in a diversified portfolio of investment grade short dated bonds. Its duration is shorter than that of its benchmark, in line with our outlook for higher government bond yields. We consider that the current credit spread is adequate compensation for default and other risks, such as liquidity and rating migration. We expect investment grade credit bonds will modestly outperform UK government securities over the next three years. The Fund is overweight in subordinated debt and BBB rated issues, while maintaining an underweight allocation to bonds rated AA and above.

Richard Nelson
Fund Manager
30 April 2019
Royal London Asset Management

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, unless otherwise stated.

COMPARATIVE TABLES

Class N Accumulation

	30/04/19 (p)	31/10/18** (p)	31/10/17*** (p)
Change in net assets per share			
Opening net asset value per share	103.50	102.48	100.00
Return before operating charges*	1.83	1.05	2.50
Operating charges	(0.01)	(0.03)	(0.02)
Return after operating charges*	1.82	1.02	2.48
Distributions on accumulation shares	(1.33)	(2.56)	(2.29)
Retained distributions on accumulation shares	1.33	2.56	2.29
Closing net asset value per share	105.32	103.50	102.48
* after direct transaction costs of:	—	—	—
Performance			
Return after charges	1.76%	1.00%	2.48%
Other information			
Closing net asset value (£'000)	318,306	250,106	149,233
Closing number of shares	302,234,185	241,638,067	145,615,594
Operating charges	0.03%	0.03%	0.02%
Direct transaction costs	—	—	—
Prices			
Highest share price	105.60	103.83	102.92
Lowest share price	103.28	102.59	100.01

** The share class has been renamed from Class R Accumulation to Class N Accumulation from 24 August 2018.

*** From launch on 1 December 2016.

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	99.84	100.00
Return before operating charges*	1.75	(0.16)
Operating charges	(0.01)	—
Return after operating charges*	1.74	(0.16)
Distributions on accumulation shares	(1.28)	(0.45)
Retained distributions on accumulation shares	1.28	0.45
Closing net asset value per share	101.58	99.84
* after direct transaction costs of:	—	—
Performance		
Return after charges	1.74%	(0.16)%
Other information		
Closing net asset value (£'000)	216,113	149
Closing number of shares	212,744,921	149,313
Operating charges	0.03%	0.03%
Direct transaction costs	—	—
Prices		
Highest share price	101.90	100.15
Lowest share price	99.62	99.64

** Class R Accumulation launched on 24 August 2018.

COMPARATIVE TABLES (CONTINUED)

Class S Accumulation

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	(0.02)
Operating charges	—
Return after operating charges*	(0.02)
Distributions on accumulation shares	(0.08)
Retained distributions on accumulation shares	0.08
Closing net asset value per share	99.98
* after direct transaction costs of:	—
Performance	
Return after charges	(0.02)%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.02%
Direct transaction costs	—
Prices	
Highest share price	100.24
Lowest share price	99.98

** Class S Accumulation launched on 16 April 2019.

Class S Income

	30/04/19** (p)
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	(0.02)
Operating charges	—
Return after operating charges*	(0.02)
Distributions on income shares	(0.08)
Closing net asset value per share	99.90
* after direct transaction costs of:	—
Performance	
Return after charges	(0.02)%
Other information	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.02%
Direct transaction costs	—
Prices	
Highest share price	100.24
Lowest share price	99.98

** Class S Income launched on 16 April 2019.

COMPARATIVE TABLES (CONTINUED)

Class Z Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16** (p)
Change in net assets per share				
Opening net asset value per share	98.88	100.57	100.45	100.00
Return before operating charges*	1.73	1.02	2.90	3.23
Operating charges	(0.11)	(0.23)	(0.25)	(0.22)
Return after operating charges*	1.62	0.79	2.65	3.01
Distributions on income shares	(1.26)	(2.48)	(2.53)	(2.56)
Closing net asset value per share	99.24	98.88	100.57	100.45

* after direct transaction costs of:

Performance

Return after charges	1.64%	0.79%	2.64%	3.01%
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Other information

Closing net asset value (£'000)	375,412	570,660	288,222	120,185
Closing number of shares	378,285,325	577,144,963	286,595,397	119,646,334
Operating charges	0.23%	0.23%	0.24%	0.25%
Direct transaction costs	—	—	—	—

Prices

Highest share price	100.10	101.40	101.90	102.10
Lowest share price	98.65	99.29	100.50	99.32

** Class Z Income launched on 7 December 2015.

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.

Royal London Investment Grade Short Dated Credit Fund

PORTFOLIO STATEMENT

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Fixed Income – 97.59% (31/10/18 – 98.00%)			
Commercial Mortgage Back Securities – 4.84% (31/10/18 – 4.40%)			
£3,500,000	Albion FRN 17/11/2058	911	0.10
£2,410,000	BL Superstore Finance 4.482% 4/10/2030	888	0.10
£4,490,000	Brass No 7 FRN 16/10/2059	4,292	0.47
£6,000,000	Friary No. 3 FRN 21/4/2048	2,638	0.29
£600,000	Gosforth Funding FRN 19/10/2056	294	0.03
£2,500,000	Gosforth Funding FRN 19/12/2059	2,489	0.27
£6,325,000	Gosforth Funding FRN 25/08/2060	5,890	0.65
£4,480,000	Kenrick FRN 11/10/2054	3,950	0.43
£2,000,000	Lanark Master Issuer (2A) FRN 22/12/2054	1,701	0.19
£1,350,000	Lanark Master Issuer FRN 22/12/2069	1,344	0.15
£1,900,000	Lanark Master Issuer FRN 23/12/2069	1,877	0.21
£7,677,000	Silverstone Master Issuer (2A) FRN 21/1/2070	7,691	0.85
£5,870,000	Silverstone Master Issuer FRN 21/1/2070	5,809	0.64
£5,000,000	Tolkien Funding Sukuk No1 FRN 20/7/2052	4,161	0.46
Total Commercial Mortgage Back Securities		43,935	4.84

Corporate Bonds – 90.93% (31/10/18 – 91.95%)			
£2,150,000	3i Group 6.875% 9/3/2023	2,517	0.28
£2,950,000	A2D Funding 4.75% 18/10/2022	3,165	0.35
£2,246,000	AA Bond 4.2487% 31/7/2043	2,293	0.25
£4,563,000	Akelius Residential Property AB 2.375% 15/8/2025	4,431	0.49
£5,232,000	America Movil 6.375% variable 6/9/2073	5,529	0.61
£5,700,000	Annington Funding 2.646% 12/7/2025	5,667	0.62
£2,166,000	Arsenal Securities 5.1418% 1/9/2029	1,411	0.16
£350,000	Arsenal Securities FRN 1/9/2031	291	0.03
£1,600,000	ASB Finance 1% 7/9/2020	1,592	0.17
£3,133,000	Asciano Finance 5% 19/9/2023	3,425	0.38
£374,000	ASIF II 6.375% 5/10/2020	399	0.04
£3,900,000	Australia and New Zealand Banking FRN 24/1/2022	3,909	0.43
£2,900,000	Autolink Concessionaires (M6) 8.39% 15/6/2022	1,127	0.12
£1,670,000	Aviva 12% 21/5/2021	2,012	0.22
£4,217,000	Aviva 5.9021% variable perpetual	4,370	0.48
£4,350,000	Aviva 6.125% variable perpetual	4,695	0.52
£4,350,000	Aviva 6.625% variable 3/6/2041	4,733	0.52
£2,500,000	Aviva 6.875% variable perpetual	2,562	0.28
£1,000,000	AXA 7.125% 15/12/2020	1,089	0.12
£3,800,000	AXA SA variable perpetual	4,154	0.46
£1,500,000	Bank of America 5.5% 4/12/2019	1,538	0.17
£4,800,000	Bank of America 6.125% 15/9/2021	5,305	0.58
£1,620,000	Bank of Montreal FRN 20/7/2020	1,621	0.18
£2,300,000	Bank of Montreal FRN 16/4/2023	2,290	0.25
£3,000,000	Bank of Nova Scotia FRN 10/1/2023	2,982	0.33
£3,339,000	Bank of Scotland 6.375% 16/8/2019	3,386	0.37
£600,000	Banque Federative Du Credit Mutuel 0.875% 8/6/2020	597	0.07
£4,100,000	Banque Federative Du Credit Mutuel 1.375% 20/12/2021	4,078	0.45
£3,000,000	Banque Federative Du Credit Mutuel 2.25% 18/12/2023	3,057	0.34
£3,080,000	Barclays 2.375% variable 6/10/2023	3,069	0.34
£7,100,000	Barclays 3.125% 17/1/2024	7,266	0.80
£500,000	Barclays Bank 9.5% 7/8/2021	581	0.06
£9,290,000	Barclays Bank 10% 21/5/2021	10,750	1.18
£876,000	Barclays Bank FRN 22/5/2020	877	0.10
£3,890,000	Barclays Bank FRN 9/1/2023	3,868	0.43
£916,000	BHP Billiton Finance 6.5% variable 22/10/2077	1,028	0.11

Corporate Bonds – 90.93% (31/10/18 – 91.95%) – continued			
£1,365,000	BL Superstore Finance 5.27% 4/7/2025	261	0.03
£1,644,000	BMW International Investment 1.875% 11/9/2023	1,653	0.18
£3,300,000	BNP Paribas FRN 28/6/2020	3,296	0.36
£1,551,000	BNP Paribas SA 3.375% 23/1/2026	1,612	0.18
£2,000,000	BNZ International Funding FRN 12/1/2020	2,003	0.22
£3,800,000	BPCE SA 2.125% 16/12/2022	3,856	0.42
£3,700,000	BPCE SA 5.25% 16/4/2029	4,340	0.48
£4,800,000	BUPA Finance 6.125% variable perpetual	5,043	0.55
£1,500,000	Cadent Finance 1.125% 22/9/2021	1,491	0.16
£3,500,000	Canadian Imperial Bank of Commerce 1.125% 30/6/2022	3,470	0.38
£8,000,000	Canadian Imperial Bank of Commerce FRN 10/1/2022	8,023	0.88
£1,519,000	Canary Wharf Finance FRN 22/10/2037	1,260	0.14
£15,560,000	Canary Wharf Finance II 6.455% 22/10/2033	4,066	0.45
£4,398,000	Canary Wharf Finance II FRN 22/10/2037	3,776	0.42
£350,000	Channel Link FRN 30/12/2050	237	0.03
£1,190,000	Charter Mortgage Funding FRN 12/6/2054	568	0.06
£180,000	City Greenwich Lewisham 9.375% 11/10/2020	20	–
£1,303,000	Citigroup 2.75% 24/1/2024	1,333	0.15
£839,000	Close Brothers 2.75% 26/4/2023	849	0.09
£3,630,000	Close Brothers Finance 3.875% 27/6/2021	3,796	0.42
£2,730,000	Close Brothers Finance 4.25% 24/1/2027	2,858	0.31
£3,600,000	Commonwealth Bank of Australia 1.125% 22/12/2021	3,582	0.39
£9,052,000	Co-operative Bank 4.75% 11/11/2021	9,600	1.06
£1,000,000	Coventry Building Society 1% 5/5/2020	996	0.11
£2,617,000	Coventry Building Society 1.875% 24/10/2023	2,619	0.29
£1,300,000	Coventry Building Society 6% 16/10/2019	1,329	0.15
£1,750,000	Credit Argicole 7.589% variable perpetual	1,814	0.20
£300,000	Credit Suisse 2.125% variable 12/9/2025	293	0.03
£400,000	Credit Suisse 2.75% 8/8/2025	404	0.04
£2,400,000	Credit Suisse 3% 27/5/2022	2,483	0.27
£2,865,000	Credit Suisse 7% 5/10/2020	3,088	0.34
£1,800,000	CYBG 3.125% variable 22/6/2025	1,756	0.19
£500,000	CYBG 4% variable 25/9/2026	506	0.06
£5,600,000	Deutsche Hypothekenbank FRN 22/3/2021	5,597	0.62
£6,100,000	Deutsche Pfandbriefbank AG 1% 4/12/2020	6,074	0.67
£3,600,000	Deutsche Pfandbriefbank AG 1.5% 16/12/2021	3,609	0.40
£394,000	Digital Stout 2.75% 19/7/2024	398	0.04
£2,267,000	Digital Stout 4.25% 17/1/2025	2,445	0.27
£969,000	Direct Line Insurance 9.25% variable 27/4/2042	1,149	0.13
£1,340,000	DXC Technology 2.75% 15/1/2025	1,313	0.14
£3,650,000	E.ON International Finance 6% 30/10/2019	3,734	0.41
£1,453,000	Eastern Power Networks 8.5% 31/3/2025	1,942	0.21
£1,500,000	ENW Finance 6.125% 21/7/2021	1,647	0.18
£200,000	ESB Finance 6.5% 5/3/2020	208	0.02
£3,425,000	Eversholt Funding 5.831% 2/12/2020	3,643	0.40
£5,150,000	Eversholt Funding 6.697% 22/2/2035	6,531	0.72
£2,800,000	Fidelity International 6.75% 19/10/2020	2,990	0.33
£1,000,000	Fidelity International 7.125% 13/2/2024	1,189	0.13
£4,090,000	Fonterra 9.375% 4/12/2023	5,392	0.59
£700,000	General Electric 6.25% 29/9/2020	742	0.08
£2,243,000	General Electric Capital UK Funding 5.125% 24/5/2023	2,470	0.27
£3,000,000	General Electric Capital UK Funding 5.25% 07/12/2028	3,451	0.38

Royal London Investment Grade Short Dated Credit Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 90.93% (31/10/18 – 91.95%) – continued			
£4,506,000	General Electric Capital UK Funding 5.875% 4/11/2020	4,781	0.53
£2,132,000	Go-Ahead 2.5% 6/7/2024	2,082	0.23
£4,450,000	Goldman Sachs 5.5% 12/10/2021	4,841	0.53
£850,000	Goldman Sachs 7.125% 7/8/2025	1,074	0.12
£2,400,000	Great Rolling Stock 6.25% 27/7/2020	2,531	0.28
£5,807,000	Great Rolling Stock 6.875% 27/7/2035	5,471	0.60
£1,500,000	Great Rolling Stock 6.5% 5/4/2031	1,606	0.18
£602,000	Greene King Finance FRN 15/6/2031	312	0.03
£700,000	Greene King Finance FRN 15/12/2033	516	0.06
£1,050,000	Guinness Northern Count 9.125% 31/1/2025	1,433	0.16
£4,900,000	Gwynt y Môr OFTO 2.778% 17/2/2034	4,367	0.48
£1,000,000	Haven Funding 8.125% 30/9/2037	1,453	0.16
£2,154,000	Heathrow Funding 5.225% variable 15/2/2023	2,440	0.27
£2,100,000	Heathrow Funding 9.2% variable 29/3/2023	2,402	0.26
£1,500,000	Holmes Master Issuer (A2) FRN 15/10/2054	1,489	0.16
£2,676,000	Holmes Master Issuer (A3) FRN 15/10/2054	2,650	0.29
£5,600,000	Housing Association Funding 8.25% 7/6/2027	2,606	0.29
£1,700,000	HSBC 2.175% variable 27/6/2023	1,707	0.19
£2,500,000	HSBC 5.375% 4/11/2030	2,875	0.32
£11,799,000	HSBC 5.862% variable perpetual	12,166	1.34
£2,230,000	HSBC 5.875% variable perpetual	2,329	0.26
£7,957,000	HSBC 6.5% 7/7/2023	9,304	1.02
£1,450,000	Iberdrola Finance 6% 1/7/2022	1,642	0.18
£1,600,000	Innogy Finance 5.5% 6/7/2022	1,790	0.20
£2,500,000	Innogy Finance 5.625% 6/12/2023	2,920	0.32
£2,300,000	Innogy Finance 6.5% 20/4/2021	2,516	0.28
£1,992,000	Integrated Accommodation Service 6.48% 31/3/2029	1,434	0.16
£2,080,500	Intermediate Capital Group 6.25% 19/9/2020	2,188	0.24
£3,730,000	Intu (SGS) Finance 3.875% 17/3/2028	3,735	0.41
£900,000	Intu Metrocentre Finance 4.125% 6/12/2028	910	0.10
£2,320,000	Investec 4.25% variable 24/7/2028	2,323	0.26
£1,630,000	Investec 4.5% 5/5/2022	1,736	0.19
£2,300,000	Landesbank Baden-Wuerttemberg FRN 18/5/2021	2,300	0.25
£1,395,000	Land Securities 5.425% 31/3/2022	1,441	0.16
£1,500,000	Land Securities Capital Markets 1.974% 8/2/2026	1,510	0.17
£6,700,000	Leeds Building Society FRN 15/4/2023	6,727	0.74
£3,500,000	Legal & General 10% variable 23/7/2041	4,105	0.45
£4,209,000	Legal & General 5.375% variable 27/10/2045	4,611	0.51
£3,614,000	Liverpool Victoria Friendly Society 6.5% variable 22/5/2043	3,941	0.43
£2,000,000	Lloyds Banking Group 1.75% 31/3/2022	2,024	0.22
£10,661,000	Lloyds Banking Group 5.75% 9/7/2025	11,151	1.23
£1,500,000	Lloyds Banking Group 7.625% 22/4/2025	1,919	0.21
£4,453,000	Lloyds Banking Group 9.625% 6/4/2023	5,682	0.62
£1,460,000	Lloyds Banking Group FRN 13/9/2021	1,461	0.16
£3,700,000	London Stock Exchange 9.125% 18/10/2019	3,832	0.42
£10,120,000	Longstone Finance 4.791% 19/4/2036	6,681	0.73
£3,216,000	Lunar Funding 5.494% 29/7/2020	3,345	0.37
£2,075,000	Macquarie Bank 3.5% 18/12/2020	2,146	0.24
£3,000,000	Marstons Issuer FRN 15/10/2031	1,765	0.19
£2,915,000	Meadowhall Finance FRN 12/7/2037	2,088	0.23
£2,350,000	Merrill Lynch 5.5% 22/11/2021	2,564	0.28
£2,638,000	Metropolitan Life Global Funding 1.125% 15/12/2021	2,615	0.29
£4,000,000	Metropolitan Life Global Funding 1.625% 9/6/2022	4,010	0.44

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 90.93% (31/10/18 – 91.95%) – continued			
£1,250,000	Metropolitan Life Global Funding 2.625% 5/12/2022	1,296	0.14
£2,159,000	Mitchells & Butlers (A1N) FRN 15/12/2030	1,261	0.14
£5,450,000	Mitchells & Butlers (A4) FRN 15/12/2028	4,290	0.47
£8,616,000	Mitchells & Butlers 5.574% 15/12/2030	4,065	0.45
£2,422,000	Mitchells & Butlers FRN 15/12/2033	1,944	0.21
£6,200,000	Munich Reinsurance 6.625% variable 26/5/2042	7,029	0.77
£2,000,000	National Australia Bank 1.375% 27/6/2022	1,991	0.22
£4,400,000	National Bank of Canada FRN 27/9/2021	4,408	0.48
£2,966,000	National Express 6.625% 17/6/2020	3,130	0.34
£5,000,000	National Westminster Bank FRN 22/3/2023	5,020	0.55
£1,000,000	Nationwide Building Society FRN 6/6/2019	1,000	0.11
£3,575,000	Nationwide Building Society FRN 10/1/2024	3,598	0.40
£5,400,000	Nationwide Building Society FRN 12/4/2023	5,375	0.59
£1,000,000	NatWest Markets 7.5% 29/4/2024	1,236	0.14
£9,081,000	NATS (En Route) 5.25% 31/3/2026	5,808	0.64
£2,437,000	New York Life Global Funding 1.625% 15/12/2023	2,442	0.27
£3,747,000	NGG Finance 5.625% variable 18/6/2073	4,050	0.45
£4,000,000	NIBC Bank NV 3.125% 15/11/2023	4,027	0.44
£2,059,000	NIE Finance 2.5% 27/10/2025	2,103	0.23
£2,500,000	NIE Finance 6.375% 2/6/2026	3,173	0.35
£10,300,000	Nordea Eiendoms kreditt FRN 18/6/2023	10,235	1.13
£1,416,000	Northern Gas Networks 5.875% 8/7/2019	1,428	0.16
£1,613,000	Northern Powergrid 9.25% 17/1/2020	1,701	0.19
£5,450,000	NRAM 6.375% 2/12/2019	5,587	0.61
£2,000,000	Orange 5.75% variable perpetual	2,192	0.24
£3,850,000	Orange 5.875% variable perpetual	4,175	0.46
£2,400,000	Oversea Chinese Banking Corporation FRN 14/3/2023	2,382	0.26
£2,000,000	Pension Insurance 6.5% 3/7/2024	2,201	0.24
£4,500,000	PGH Capital 5.75% 7/7/2021	4,839	0.53
£4,901,000	Places for People Homes 5.09% 31/7/2043	5,581	0.61
£1,090,000	Porterbrook Rail Finance 6.5% 20/10/2020	1,164	0.13
£970,000	Premier Transport 5.2022% 31/3/2030	659	0.07
£8,300,000	Principality Building Society 2.375% 23/11/2023	8,199	0.90
£2,303,000	Provident Financial 8% 23/10/2019	2,372	0.26
£3,000,000	Prudential 5.625% variable 20/10/2051	3,199	0.35
£5,998,000	Prudential 11.375% variable 29/5/2039	6,044	0.66
£4,500,000	QBE Insurance Group 6.115% variable 24/5/2042	4,872	0.54
£840,000	Quadrant Housing 7.93% Step 10/2/2033	1,123	0.12
£6,052,000	Rabobank Capital Funding Trust 5.556% variable perpetual	6,184	0.68
£200,000	Rabobank Netherlands 4% 19/9/2022	216	0.02
£4,167,000	Royal Bank of Canada FRN 8/12/2022	4,143	0.46
£2,000,000	Royal Bank of Scotland 2.875% variable 19/9/2026	2,002	0.22
£981,000	Royal Bank of Scotland FRN 15/5/2020	982	0.11
£4,000,000	RSA Insurance 5.125% variable 10/10/2045	4,347	0.48
£4,090,000	Sanctuary 8.375% 1/9/2031	5,407	0.59
£1,800,000	Santander 2.75% 12/9/2023	1,833	0.20
£2,889,000	Santander UK 1.625% 10/5/2021	2,898	0.32
£1,000,000	Santander UK 1.875% 17/2/2020	1,004	0.11
£600,000	Santander UK 5.125% 14/4/2021	644	0.07
£910,000	Santander UK FRN 5/5/2020	911	0.10
£4,930,000	Santander UK FRN 13/4/2021	4,928	0.54
£2,680,000	Santander UK FRN 20/9/2021	2,680	0.29
£2,500,000	Santander UK FRN 16/11/2022	2,486	0.27
£3,365,000	Santander UK FRN 12/2/2024	3,389	0.37

Royal London Investment Grade Short Dated Credit Fund

PORTFOLIO STATEMENT (CONTINUED)

AS AT 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 90.93% (31/10/18 – 91.95%) – continued			
£4,850,000	Scottish Widows 5.5% 16/6/2023	5,354	0.59
£865,000	Severn Trent Utilities Finance 1.125% 7/9/2021	859	0.09
£2,500,000	Severn Trent Utilities Finance 1.625% 4/12/2022	2,504	0.28
£3,450,000	SGSP Australia Assets 5.125% 11/2/2021	3,656	0.40
£2,790,000	Skipton Building Society 1.75% 30/6/2022	2,742	0.30
£1,840,000	Skipton Building Society FRN 2/5/2023	1,832	0.20
£2,940,000	Skipton Building Society FRN 22/2/2024	2,945	0.32
£5,120,000	Society of Lloyds 4.75% 30/10/2024	5,548	0.61
£7,640,000	South East Water 5.6577% 30/9/2019	7,766	0.85
£5,269,000	SpareBank 1 Boligkreditt 1.75% 18/12/2023	5,306	0.58
£6,760,000	SpareBank 1 Boligkreditt FRN 14/11/2022	6,732	0.74
£2,100,000	SSE 3.625% variable 16/9/2077	2,108	0.23
£4,250,000	SSE 3.875% variable perpetual	4,302	0.47
£2,698,000	Standard Chartered 5.375% variable perpetual	2,760	0.30
£6,159,000	Standard Life 5.5% variable 4/12/2042	6,817	0.75
£4,700,000	Stadshypotek FRN 11/1/2023	4,657	0.51
£3,000,000	Sustainable Communities for Leeds Finance 5.069% 30/9/2032	3,210	0.35
£5,185,000	Stirling Water Seafield 5.822% 26/9/2026	2,813	0.31
£2,344,000	Svenska Handelsbanken 1.625% 18/6/2022	2,352	0.26
£4,000,000	Svenska Handelsbanken 1.625% 15/12/2023	3,980	0.44
£500,000	Swedish Covered Bond FRN 18/1/2022	499	0.05
£7,450,000	Swiss Reinsurance 6.3024% variable perpetual	7,469	0.82
£2,964,000	Telereal Secured Finance 4.01% 10/12/2033	2,409	0.26
£1,895,000	Telereal Securitisation 3.507% variable 10/9/2031	1,740	0.19
£3,127,000	Telereal Securitisation 4.0902% variable 10/12/2033	3,240	0.36
£4,500,000	Telereal Securitisation 4.9741% 10/9/2027	3,205	0.35
£800,000	Telereal Securitisation 5.5534% 10/12/2031	735	0.08
£1,236,000	Telereal Securitisation 5.563% 10/12/2031	592	0.07
£2,477,000	Telereal Securitisation 5.9478% 10/12/2031	2,318	0.25
£3,500,000	Telereal Securitisation 6.1645% 10/12/2033	3,928	0.43
£450,000	Telereal Securitisation 7.1285% variable 10/12/2033	497	0.05
£1,000,000	Telereal Securitisation FRN 10/9/2033	922	0.10
£1,097,000	Telereal Securitisation (B6) FRN 10/12/2033	889	0.10
£3,000,000	Telereal Securitisation FRN 10/12/2033	1,656	0.18
£2,500,000	Thames Water Utilities Cayman 4% 19/6/2025	2,724	0.30
£4,000,000	Thames Water Utilities Finance 5.05% 30/6/2020	4,148	0.46
£4,631,000	THPA Finance 7.127% 15/3/2024	2,307	0.25
£2,788,000	Toronto-Dominion Bank FRN 7/6/2021	2,788	0.31
£5,000,000	Toronto Dominion Bank FRN 30/1/2203	4,969	0.55
£1,876,000	TP ICAP 5.25% 11/6/2019	1,881	0.21
£600,000	TP ICAP 5.25% 26/1/2024	613	0.07
£7,850,000	Trafford Centre Finance FRN 28/7/2035	6,991	0.77
£2,090,000	TSB Bank FRN 7/12/2022	2,075	0.23
£8,970,000	TSB Bank FRN 15/2/2024	9,048	0.99
£1,100,000	UBS AG Jersey 6.375% variable 19/11/2024	1,127	0.12
£2,224,000	UBS AG Jersey 8.75% 18/12/2025	3,020	0.33
£3,153,000	UBS AG London 1.25% 10/12/2020	3,148	0.35
£3,310,000	United Overseas Bank FRN 28/2/2023	3,272	0.36
£2,299,000	United Utilities Water Finance 2% 14/2/2025	2,299	0.25
£5,694,000	Virgin Money 2.25% 21/4/2020	5,721	0.63
£3,020,000	Virgin Money FRN 22/3/2024	3,031	0.33
£1,290,000	Virgin Money Holdings UK 3.375% variable 24/4/2026	1,296	0.14

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Corporate Bonds – 90.93% (31/10/18 – 91.95%) – continued			
£2,400,000	Volkswagen Financial Services 1.75% 12/9/2022	2,388	0.26
£2,200,000	Volkswagen Financial Services 1.875% 7/9/2021	2,205	0.24
£1,900,000	Volkswagen International Finance 3.375% 16/11/2026	1,953	0.21
£500,000	Walgreens Boots Alliance 2.875% 20/11/2020	510	0.06
£3,100,000	Wells Fargo 1.375% 30/6/2022	3,063	0.34
£1,100,000	Wells Fargo 2.125% 20/12/2023	1,103	0.12
£4,050,000	Wells Fargo Bank 5.25% 1/8/2023	4,542	0.50
£4,000,000	Wessex Water Services 4% 24/9/2021	4,242	0.47
£8,200,000	Western Power Distribution 3.875% 17/10/2024	8,937	0.98
£750,000	Western Power Distribution 5.5% 9/5/2025	909	0.10
£790,000	Western Power Distribution 9.25% 9/11/2020	881	0.10
£9,936,000	Westfield Stratford City FRN 4/11/2024	9,921	1.09
£8,000,000	Westpac Banking Corporation FRN 18/1/2023	7,942	0.87
£350,000	Westpac Securities 2.5% 13/1/2021	357	0.04
£1,000,000	White City Property 5.1202% 17/4/2035	1,098	0.12
£720,000	Worcestershire Hospital 1999 G/R 31/12/2030	565	0.06
£1,110,000	Yorkshire Building Society 3% variable 18/4/2025	1,115	0.12
£3,093,000	Yorkshire Building Society 3.375% variable 13/9/2028	2,990	0.33
£600,000	Yorkshire Water Services 3.75% variable 22/3/2046	619	0.07
£225,000	Yorkshire Water Services 6% 21/8/2019	228	0.03
£2,000,000	Yorkshire Water Services 6.5876% 21/2/2023	2,360	0.26
£4,948,000	Zurich Finance 6.625% variable perpetual	5,497	0.60
Total Corporate Bonds		827,494	90.93
Government Bonds – 0.29% (31/10/18 – 0.24%)			
£2,600,000	Dexia Credit Local SA 1.375% 07/12/2022	2,605	0.29
Total Government Bonds		2,605	0.29
Index Linked Bonds – 1.53% (31/10/18 – 1.41%)			
£200,000	Anglian Water 4.125% IL 28/7/2020	365	0.04
£1,800,000	Co-operatieve Rabobank 2.25% IL 22/11/2022	2,794	0.31
£1,175,000	National Grid Gas 3.806% IL 27/7/2020	2,045	0.23
£350,000	Nationwide Building Society 3.875% IL 30/7/2021	1,143	0.13
£200,000	Southern Water Services 3.816% IL 31/3/2023	373	0.04
£4,012,000	Thames Water 3.375% IL 21/7/2021	7,132	0.78
Total Index Linked Bonds		13,852	1.53
Total value of investments		887,886	97.59
Net other assets		21,955	2.41
Total net assets		909,841	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 PORTFOLIO INVESTMENTS

AS AT 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	732,991	80.56	718,136	87.48
Unrated bonds	154,895	17.03	86,357	10.52
Total value of investments	887,886	97.59	804,493	98.00

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
TSB Bank FRN 15/2/2024	9,010
Silverstone Master Issuer (2A) FRN 21/1/2070	7,677
HSBC 5.862% variable perpetual	6,712
Leeds Building Society FRN 15/4/2023	6,709
General Electric Capital UK Funding 5.875% 4/11/2020	6,306
National Westminster Bank FRN 22/3/2023	5,000
Gwynt y Môr OFTO 2.778% 17/2/2034	4,400
Wessex Water Services 4% 24/9/2021	4,249
Westfield Stratford City FRN 4/11/2024	4,008
NIBC Bank 3.125% 15/11/2023	3,994
Subtotal	58,065
Total cost of purchases, including the above, for the period	224,068

Significant Sales

	Proceeds £'000
National Capital Trust 5.62% variable perpetual	9,971
Yorkshire Building Society 4.125% variable 20/11/2024	9,670
Porterbrook Rail Finance 5.5% 20/4/2019	6,210
Royal Bank of Scotland 9.375% 15/5/2021	5,363
Swedbank 1.125% 7/12/2021	4,530
General Electric Capital UK Funding 4.375% 31/7/2019	4,215
Westpac Banking Corporation 1% 30/6/2022	4,173
New York Life Global Funding 1.75% 15/12/2022	3,939
Global Switch Holdings 4.375% 13/12/2022	3,677
Legal & General 5.875% variable perpetual	3,525
Subtotal	55,273
Total proceeds from sales, including the above, for the period	139,895

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		4,224		(3,725)
Revenue	11,075		5,778	
Expenses	(531)		(452)	
Interest payable and similar charges	(1)		(5)	
Net revenue before taxation	10,543		5,321	
Taxation	–		–	
Net revenue after taxation		10,543		5,321
Total return before distributions		14,767		1,596
Distributions		(11,074)		(5,773)
Change in net assets/(liabilities) attributable to shareholders from investment activities		3,693		(4,177)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		820,915		437,455
Amounts receivable on creation of shares	121,972		228,871	
Amounts payable on cancellation of shares	(43,268)		(10,112)	
		78,704		218,759
Dilution levy charged		43		–
Change in net assets/(liabilities) attributable to shareholders from investment activities		3,693		(4,177)
Retained distributions on accumulation shares		6,486		1,845
Closing net assets attributable to shareholders		909,841		653,882

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	887,886	804,493
Current assets:		
Debtors	17,127	14,923
Cash and bank balances	15,897	13,402
Total assets	920,910	832,818
LIABILITIES		
Creditors:		
Other creditors	8,733	8,415
Distribution payable	2,336	3,488
Total liabilities	11,069	11,903
Net assets attributable to shareholders	909,841	820,915

DISTRIBUTION TABLES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

FIRST INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 31 January 2019

	Net income	Equalisation	Distribution paid 31/03/19	Distribution paid 31/03/18
Class N Accumulation*				
Group 1	0.6768	–	0.6768	0.5321
Group 2	0.2878	0.3890	0.6768	0.5321
Class R Accumulation**				
Group 1	0.6527	–	0.6527	n/a
Group 2	0.4021	0.2506	0.6527	n/a
Class Z Income				
Group 1	0.6463	–	0.6463	0.5220
Group 2	0.3639	0.2824	0.6463	0.5220

SECOND INTERIM

Group 1: Shares purchased prior to 1 February 2019

Group 2: Shares purchased between 1 February 2019 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class N Accumulation*				
Group 1	0.6511	–	0.6511	0.5470
Group 2	0.2362	0.4149	0.6511	0.5470
Class R Accumulation**				
Group 1	0.6280	–	0.6280	n/a
Group 2	0.4378	0.1902	0.6280	n/a
Class S Accumulation***				
Group 1	0.0782	–	0.0782	n/a
Group 2	0.0782	0.0000	0.0782	n/a
Class S Income***				
Group 1	0.0782	–	0.0782	n/a
Group 2	0.0782	0.0000	0.0782	n/a
Class Z Income				
Group 1	0.6176	–	0.6176	0.5336
Group 2	0.2652	0.3524	0.6176	0.5336

* The share class has been renamed from Class R Accumulation to Class N Accumulation from 24 August 2018.

** Class R Accumulation launched on 24 August 2018.

*** Class S launched on 16 April 2019.

MANAGER'S INVESTMENT REPORT

Fund Performance

6 months to 30 April 2019

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London Short Duration Global Index Linked Fund, Class M Income	2.08	1.95	4.40	–
Royal London Short Duration Global Index Linked Fund, Class R Accumulation	2.10	–	–	–
Royal London Short Duration Global Index Linked Fund, Class Z Income	2.08	1.99	4.57	–

This Fund launched on 23 February 2016 hence does not have performance for 5 years.
Class R Accumulation launched on 20 September 2018.

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: RLAM and Lipper, as at 30 April 2019. Returns are net of management fees. Please note that the performance table contains performance for fund share classes only. Investors should also 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 Closing Net Asset Value quoted within the Comparative Table. For wider comparisons such as Investment Association sector averages and peer group rankings, please refer to the latest factsheet at www.rlam.co.uk.

Performance Overview

After fees, the Fund returned 2.08%, outperforming the return for short-dated global inflation bonds, as shown by the Barclays UK Government Inflation Linked Bond 1-10 year index and Barclays World Government Inflation Linked Bond (ex UK) 1-10 year index. This outperformance was achieved in spite of timing differences between fund pricing at midday and end of day market indices. Otherwise, it performed well from a tactical trading perspective.

Portfolio and Market Commentary

A slowdown in global economic activity and the more dovish attitude of central banks, combined with Brexit-related uncertainty in the UK, increased demand for government bonds over the period. Nominal gilt yields fell, with the benchmark 10-year gilt falling from 1.44% at the end of October 2018 to 1.19% by April's close.

While the US Federal Reserve continued to raise rates through to December, because of Brexit, the Bank of England's (BoE) base rate remained at 0.75% throughout the period, having last been raised in early August 2018. Despite huge political uncertainty, we still believe a deal will be reached on Brexit. If this proves correct, we would expect 10-year bonds to underperform as expectations recede of inflation driven by a sharp fall in sterling. This should lead to a flatter curve and pressure on the 10-year sector.

A key event for active investment in the period was the UK 'index extension' on 22 March when the 2024 index linked bond fell below five years and therefore dropped out of the over five year index into the less than five year. This is not an 'index event' as such for a global fund as this UK index isn't relevant, but the volatility would provide trading opportunities. Following the extension, we re-established the underweight and normal market dynamics were re-established after passive funds adjusted their exposure. This is a key example of the opportunities that active bond managers can exploit compared to passive 'tracker' funds.

The UK government issuance remit announced after the Spring Statement left a large gap in index linked issuance with the first scheduled auction not until 23 May 2019. This was due to the imminent statement on RPI reform following a recommendation from a House of Lords committee, endorsed by the Treasury Select Committee. However, the Debt Management Office (DMO) unexpectedly announced a mini tender in mid-April. The next syndication will likely be in July and only a 25 year issue. The Fund's underweight position has been reduced, but we remain underweight.

The UK was the key trading market globally during the period, driven by Brexit-related speculation. We actively traded a UK underweight in absolute terms and in cross-market trades against German, French, Italian and US index linked bonds. Many of these markets remained relatively stable, leaving the UK as the focal

point of our activity. During April, global bonds outperformed the UK – we reduced our long positions into this strength and added to the UK, ending the period close to neutral (–0.2 years). We ended with limited cross market exposure, being slightly short Spain and Australia.

In the US we were more bullish on inflation given the more benign language from the US Federal Reserve and the softening of expectations of interest rate hikes this year and in 2020. For the US, real yields were significantly higher than the UK. With the political pressure from President Trump to run the economy 'hotter', we preferred short dated TIPS relative to the 10 year sector. Given the strong performance of US bonds on a more dovish Fed, particularly at the short end, we sold into strength and moved from a long to slightly short position. We would look to re-enter the position into any significant weakness.

Investment Outlook

We expect real yields to continue to rise, led by shorter-dated maturities. With the government's proposed Brexit deal still failing to pass, we believe that uncertainty will continue to constrain business investment. Against this background, we expect interest rates to remain at low levels. We will continue to trade tactically to take advantage of intra-day volatility, which remains high.

We believe global inflation-linked bonds offer better value than UK equivalents, and will be looking for both strategic and tactical opportunities for cross-market trades versus the UK in 2019, which we expect to arise from central bank comments, political events and supply activity.

We believe that UK breakeven rates are still pricing excessive future rises in inflation and we expect them to fall, particularly in shorter-dated maturities. With no UK supply we remain fully invested, but will look to sell breakevens as we approach the 10 year supply towards the end of May.

Paul Rayner
Fund Manager
30 April 2019
Royal London Asset Management

The views expressed are the author's own and do not constitute investment advice and are not an indication of future fund performance.

Source: Royal London Asset Management, unless otherwise stated.

COMPARATIVE TABLES

Class M Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	101.41	103.34	103.53	100.00
Return before operating charges*	2.38	(0.48)	0.53	4.48
Operating charges	(0.13)	(0.27)	(0.28)	(0.20)
Return after operating charges*	2.25	(0.75)	0.25	4.28
Distributions on income shares	–	(1.18)	(0.44)	(0.75)
Closing net asset value per share	103.66	101.41	103.34	103.53

* after direct transaction costs of: – – – –

Performance

Return after charges	2.22%	(0.73)%	0.24%	4.28%
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Other information

Closing net asset value (£'000)	114,597	71,956	26,645	1,509
Closing number of shares	110,546,337	70,953,176	25,785,229	1,457,468
Operating charges	0.25%	0.26%	0.27%	0.29%
Direct transaction costs	–	–	–	–

Prices

Highest share price	103.70	103.90	104.60	104.50
Lowest share price	101.20	101.90	101.90	100.00

Class R Accumulation

	30/04/19 (p)	31/10/18** (p)
Change in net assets per share		
Opening net asset value per share	100.00	100.00
Return before operating charges*	2.32	–
Operating charges	(0.03)	–
Return after operating charges*	2.29	–
Distributions on accumulation shares	–	(0.32)
Retained distributions on accumulation shares	–	0.32
Closing net asset value per share	102.29	100.00

* after direct transaction costs of: – –

Performance

Return after charges	2.29%	–
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Other information

Closing net asset value (£'000)	75,794	5
Closing number of shares	74,094,991	5,000
Operating charges	0.06%	0.06%
Direct transaction costs	–	–

Prices

Highest share price	102.30	100.20
Lowest share price	99.73	99.77

** Class R Accumulation launched on 4 October 2018.

COMPARATIVE TABLES (CONTINUED)

Class Z Income

	30/04/19 (p)	31/10/18 (p)	31/10/17 (p)	31/10/16 (p)
Change in net assets per share				
Opening net asset value per share	101.70	103.52	103.64	100.00
Return before operating charges*	2.36	(0.49)	0.55	4.47
Operating charges	(0.10)	(0.21)	(0.23)	(0.16)
Return after operating charges*	2.26	(0.70)	0.32	4.31
Distributions on income shares	–	(1.12)	(0.44)	(0.67)
Closing net asset value per share	103.96	101.70	103.52	103.64

* after direct transaction costs of: – – – –

Performance

Return after charges	2.22%	(0.68)%	0.31%	4.31%
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Other information

Closing net asset value (£'000)	330,158	341,762	216,144	52,799
Closing number of shares	317,572,775	336,049,750	208,802,623	50,945,920
Operating charges	0.20%	0.21%	0.22%	0.23%
Direct transaction costs	–	–	–	–

Prices

Highest share price	104.00	104.10	104.80	104.60
Lowest share price	101.50	102.20	102.00	100.00

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 30 APRIL 2019

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Index-Linked Bonds – 101.30% (31/10/18 – 99.98%)			
€1,200,000	Federal Republic of Germany 0.1% IL 15/4/2023	1,172	0.23
€9,000,000	Federal Republic of Germany 0.1% IL 15/4/2026	8,870	1.70
AUD8,710,000	Government of Australia 1.25% IL 21/2/2022	5,541	1.07
AUD780,000	Government of Australia 4% IL 20/8/2020	762	0.15
CAD880,000	Government of Canada 4.25% IL 1/12/2021	900	0.17
CAD1,651,000	Government of Canada 4.25% IL 1/12/2026	1,893	0.36
€7,260,000	Government of France 0.1% IL 25/7/2021	6,735	1.29
€13,431,000	Government of France 0.1% IL 1/3/2025	12,750	2.45
€5,593,000	Government of France 0.1% IL 1/3/2028	5,360	1.03
€1,214,326	Government of France 0.25% IL 25/7/2024	1,190	0.23
€14,110,000	Government of France 1.1% IL 25/7/2022	14,829	2.85
€4,007,112	Government of France 1.3% IL 25/7/2019	3,823	0.74
€2,150,000	Government of France 1.85% IL 25/7/2027	2,551	0.49
€3,308,000	Government of France 2.1% IL 25/7/2023	3,699	0.71
€1,864,000	Government of Italy 0.1% IL 15/5/2022	1,658	0.32
€2,977,000	Government of Italy 1.3% IL 15/5/2028	2,587	0.50
€3,689,000	Government of Italy 2.1% IL 15/9/2021	3,747	0.72
€5,543,000	Government of Italy 2.6% IL 15/9/2023	6,100	1.17
€11,096,000	Government of Italy 3.1% IL 15/9/2026	11,823	2.27
JPY123,300,000	Government of Japan 0.1% IL 10/3/2024	904	0.17
JPY415,400,000	Government of Japan 0.1% IL 10/3/2025	2,984	0.57
JPY392,400,000	Government of Japan 0.1% IL 10/3/2026	2,827	0.54
JPY796,700,000	Government of Japan 0.1% IL 10/3/2027	5,774	1.11
JPY1,142,100,000	Government of Japan 0.1% IL 10/3/2028	8,219	1.58
NZD371,000	Government of New Zealand 2% IL 20/9/2025	222	0.04
SEK4,385,000	Kingdom of Sweden 0.125% IL 1/6/2019	374	0.07
£15,698,000	Treasury 0.125% IL 22/3/2024	20,740	3.98
£10,701,000	Treasury 0.125% IL 22/3/2026	13,840	2.66
£10,234,000	Treasury 0.125% IL 10/8/2028	12,893	2.48
£13,765,000	Treasury 0.125% IL 22/3/2029	20,524	3.94
£270,000	Treasury 0.75% IL 22/3/2034	488	0.09
£8,767,000	Treasury 1.25% IL 22/11/2027	17,055	3.28
£14,730,630	Treasury 1.875% IL 22/11/2022	23,713	4.56
£3,564,892	Treasury 2.5% IL 16/4/2020	12,703	2.44
£4,841,000	Treasury 2.5% IL 17/7/2024	17,554	3.37
\$6,267,300	US Treasury 0.125% IL 15/4/2020	5,162	0.99
\$23,799,000	US Treasury 0.125% IL 15/4/2021	19,315	3.71
\$20,645,000	US Treasury 0.125% IL 15/1/2022	17,542	3.37
\$33,774,000	US Treasury 0.125% IL 15/4/2022	26,664	5.12
\$927,000	US Treasury 0.125% IL 15/7/2022	778	0.15
\$36,450,000	US Treasury 0.125% IL 15/1/2023	30,307	5.82

Holding	Investment	Bid-Market value (£'000)	Total net assets (%)
Government Index-Linked Bonds – 101.30% (31/10/18 – 99.98%) – continued			
\$5,221,700	US Treasury 0.125% IL 15/7/2024	4,219	0.81
\$4,645,000	US Treasury 0.25% IL 15/1/2025	3,762	0.72
\$11,797,500	US Treasury 0.375% IL 15/7/2023	9,862	1.90
\$796,700	US Treasury 0.375% IL 15/7/2025	651	0.13
\$20,990,000	US Treasury 0.375% IL 15/1/2027	16,667	3.20
\$6,607,000	US Treasury 0.375% IL 15/7/2027	5,187	1.00
\$10,400,000	US Treasury 0.5% IL 15/1/2028	8,145	1.56
\$20,062,000	US Treasury 0.625% IL 15/7/2021	17,402	3.34
\$40,821,700	US Treasury 0.625% IL 15/1/2024	34,286	6.59
\$10,369,000	US Treasury 0.625% IL 15/1/2026	8,538	1.64
\$4,909,000	US Treasury 1.25% IL 15/7/2020	4,421	0.85
\$22,164,000	US Treasury 1.75% IL 15/1/2028	22,608	4.34
\$16,058,900	US Treasury 2% IL 15/1/2026	17,257	3.32
\$5,076,200	US Treasury 2.375% IL 15/1/2025	5,790	1.11
\$4,520,000	US Treasury 2.375% IL 15/1/2027	4,952	0.95
\$4,610,000	US Treasury 3.625% IL 15/4/2028	6,997	1.35
Total Government Index-Linked Bonds		527,316	101.30
Forward Currency Contracts – (1.36)% (31/10/18 – 0.14%)			
	Buy €62,945,000 & Sell £54,410,323 [†]	(244)	(0.05)
	Buy £6,132,189 & Sell AUD11,487,000 [†]	(64)	(0.01)
	Buy £2,777,958 & Sell CAD4,878,000 [†]	(1)	–
	Buy £141,520,274 & Sell €164,654,144 [†]	(172)	(0.03)
	Buy £20,450,790 & Sell JPY3,012,340,000 [†]	(314)	(0.06)
	Buy £193,104 & Sell NZD377,000 [†]	1	–
	Buy £392,023 & Sell SEK4,829,000 [†]	2	–
	Buy £287,123,266 & Sell USD383,396,431 [†]	(6,494)	(1.25)
	Buy USD30,155,348 & Sell £22,869,948 [†]	224	0.04
Total Forward Currency Contracts		(7,062)	(1.36)
Total value of investments[^]		520,254	99.94
Net other assets		295	0.06
Total net assets		520,549	100.00

[†] Unlisted

[^] Including investment liabilities

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 30 APRIL 2019

	30 April 2019		31 October 2018	
	Bid-Market value (£'000)	Total net assets (%)	Bid-Market value (£'000)	Total net assets (%)
Credit breakdown*				
Investments of investment grade	527,316	101.30	413,672	99.98
Total bonds	527,316	101.30	413,672	99.98
Forward currency contracts – assets	227	0.04	2,206	0.54
Investments as shown in the balance sheet	527,543	101.34	415,878	100.52
Forward currency contracts – liabilities	(7,289)	(1.40)	(1,642)	(0.40)
Total value of investments	520,254	99.94	414,236	100.12

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

SUMMARY OF MATERIAL PORTFOLIO CHANGES

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Significant Purchases

	Cost £'000
Treasury 0.125% IL 10/8/2028	78,281
Treasury 0.125% IL 22/3/2026	56,181
Treasury 1.25% IL 22/11/2027	48,142
Treasury 0.125% IL 22/3/2024	44,450
Federal Republic of Germany 0.1% IL 15/4/2026	31,279
Government of Italy 1.3% IL 15/5/2028	30,947
Treasury 0.125% IL 22/3/2029	30,114
Treasury 1.875% IL 22/11/2022	29,949
Federal Republic of Germany 0.5% IL 15/4/2030	23,332
US Treasury 0.125% IL 15/7/2026	20,608
Subtotal	393,283
Total cost of purchases, including the above, for the period	620,739

Significant Sales

	Proceeds £'000
Treasury 0.125% IL 10/8/2028	69,236
Treasury 0.125% IL 22/3/2026	45,232
US Treasury 0.125% IL 15/7/2026	41,399
Treasury 1.25% IL 22/11/2027	40,808
Treasury 0.125% IL 22/3/2024	35,505
Treasury 0.125% IL 22/11/2019	33,447
Government of Italy 1.3% IL 15/5/2028	30,522
Federal Republic of Germany 0.1% IL 15/4/2026	30,371
Treasury 1.875% IL 22/11/2022	28,765
Federal Republic of Germany 0.5% IL 15/4/2030	23,191
Subtotal	378,476
Total proceeds from sales, including the above, for the period	510,372

FINANCIAL STATEMENTS

Statement of Total Return

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Income				
Net capital gains/(losses)		10,850		(3,430)
Revenue	202		2,559	
Expenses	(473)		(312)	
Interest payable and similar charges	(1)		(1)	
Net (expense)/revenue before taxation	(272)		2,246	
Taxation	–		–	
Net (expense)/revenue after taxation		(272)		2,246
Total return/(deficit) before distributions		10,578		(1,184)
Distributions		19		(1,227)
Change in net assets/(liabilities) attributable to shareholders from investment activities		10,597		(2,411)

Statement of Change in Net Assets Attributable to Shareholders

for the six month period ended 30 April 2019

	£'000	Period ended 30 April 2019 £'000	£'000	Period ended 30 April 2018 £'000
Opening net assets attributable to shareholders		413,723		242,789
Amounts receivable on creation of shares	116,354		112,080	
Amounts payable on cancellation of shares	(20,125)		(17,069)	
		96,229		95,011
Change in net assets/(liabilities) attributable to shareholders from investment activities		10,597		(2,411)
Closing net assets attributable to shareholders		520,549		335,389

FINANCIAL STATEMENTS (CONTINUED)

Balance Sheet

as at 30 April 2019

	30 April 2019 £'000	31 October 2018 £'000
ASSETS		
Investments	527,543	415,878
Current assets:		
Debtors	3,630	1,453
Cash and bank balances	17,952	1,463
Total assets	549,125	418,794
LIABILITIES		
Investment liabilities	7,289	1,642
Creditors:		
Other creditors	21,287	519
Distribution payable	–	2,910
Total liabilities	28,576	5,071
Net assets attributable to shareholders	520,549	413,723

DISTRIBUTION TABLE

FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2019

Distribution in pence per share

INTERIM

Group 1: Shares purchased prior to 1 November 2018

Group 2: Shares purchased between 1 November 2018 and 30 April 2019

	Net income	Equalisation	Distribution payable 30/06/19	Distribution paid 30/06/18
Class M Income				
Group 1	–	–	–	0.4680
Group 2	–	–	–	0.4680
Class R Accumulation*				
Group 1	–	–	–	n/a
Group 2	–	–	–	n/a
Class Z Income				
Group 1	–	–	–	0.4064
Group 2	–	–	–	0.4064

* Class R Accumulation launched on 4 October 2018.

FACT FILE

Constitution

Royal London Ethical Bond Fund

Launch date		30 October 2009	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 31 March (interim) 30 June (interim) 30 September (interim)	
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class Z	nil
	Annual	Class M	0.45%
		Class R	nil
		Class Z	0.30%

Royal London Sterling Credit Fund

Launch date		30 October 2009	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 31 March (interim) 30 June (interim) 30 September (interim)	
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class P	£1,000,000 (thereafter £50,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class M	0.45%
		Class R	nil
		Class S	nil
		Class Z	0.30%

Royal London Global Index Linked Fund

Launch date		27 January 2010	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 30 June (interim)	
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class Z	nil
	Annual	Class M	0.40%
		Class R	nil
		Class Z	0.30%

Royal London Short-Term Money Market Fund

Launch date		30 April 2010	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 30 June (interim)	
Minimum investment	Class R	n/a	
	Class S	n/a	
	Class Y	£1,000,000 (thereafter £100)	
Management charges:	Initial	Class R	nil
		Class S	nil
		Class Y	nil
	Annual	Class R	nil
		Class S	nil
		Class Y	0.075%

FACT FILE (CONTINUED)

Constitution – continued

Royal London Corporate Bond Fund

Launch date		30 April 2010	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 31 March (interim) 30 June (interim) 30 September (interim)	
Minimum investment	Class A	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Y	£150,000,000 (thereafter £500,000)	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class A	nil
		Class M	nil
		Class R	nil
		Class S	nil
		Class Y	nil
		Class Z	nil
	Annual	Class A	0.90%
		Class M	0.45%
		Class R	nil
		Class S	nil
		Class Y	0.275%
		Class Z	0.30%

Royal London Index Linked Fund

Launch date		30 April 2010	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 30 June (interim)	
Minimum investment	Class A	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
Management charges:	Initial	Class A	nil
		Class M	nil
		Class R	nil
	Annual	Class A	0.40%
		Class M	0.25%
		Class R	nil

Royal London UK Government Bond Fund

Launch date		30 April 2010	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 30 June (interim)	
Minimum investment	Class A	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class A	nil
		Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class A	0.75%
		Class M	0.38%
		Class R	nil
		Class S	nil
		Class Z	0.25%

Royal London Cash Plus Fund

Launch date		15 June 2011	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 31 March (interim) 30 June (interim) 30 September (interim)	
Minimum investment	Class M	£100,000 (thereafter £50,000)	
	Class R	n/a	
	Class S	n/a	
	Class X	£200,000,000 (thereafter £1,000,000)	
	Class Y	£1,000,000 (thereafter £50,000)	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class X	nil
		Class Y	nil
		Class Z	nil
	Annual	Class M	0.25%
		Class R	nil
		Class S	nil
		Class X	0.085%
		Class Y	0.125%
		Class Z	nil

FACT FILE (CONTINUED)

Constitution – continued

Royal London International Government Bond Fund

Launch date		4 November 2011	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 30 June (interim)	
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
	Annual	Class M	0.45%
		Class R	nil
		Class S	nil

Royal London Short Duration Credit Fund

Launch date		7 November 2013	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 30 June (interim)	
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class Z	nil
	Annual	Class M	0.25%
		Class R	nil
		Class Z	0.20%

Royal London European Corporate Bond Fund

Launch date		13 August 2012	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 30 June (interim)	
Minimum investment	Class R	n/a	
	Class Z	n/a	
Management charges:	Initial	Class R	nil
		Class Z	nil
	Annual	Class R	nil
		Class Z	0.35%

Royal London Short Duration Gilts Fund

Launch date		7 November 2013	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 30 June (interim)	
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class M	0.20%
		Class R	nil
		Class S	nil
		Class Z	0.15%

Royal London Duration Hedged Credit Fund

Launch date		24 September 2012	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 31 March (interim) 30 June (interim) 30 September (interim)	
Minimum investment	Class R	n/a	
	Class S	n/a	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class R	nil
		Class S	nil
		Class Z	0.50%

FACT FILE (CONTINUED)

Constitution – continued

Royal London Enhanced Cash Plus Fund

Launch date		18 May 2015	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 31 March (interim) 30 June (interim) 30 September (interim)	
Minimum investment	Class R	n/a	
	Class S	n/a	
	Class Y	£1,000,000 (thereafter £50,000)	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class R	nil
		Class S	nil
		Class Y	nil
		Class Z	nil
	Annual	Class R	nil
		Class S	nil
		Class Y	0.15%
		Class Z	nil

Royal London Short Duration Global Index Linked Fund

Launch date		23 February 2016	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 30 June (interim)	
Minimum investment	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class M	nil
		Class R	nil
		Class Z	nil
	Annual	Class M	0.20%
		Class R	nil
		Class Z	0.15%

Royal London Cautious Managed Fund

Launch date		10 June 2015	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final)	
Minimum investment	Class A	£5,000 (thereafter £500)	
Management charges:	Initial	Class A	nil
	Annual	Class A	0.60%

Royal London Investment Grade Short Dated Credit Fund

Launch date		7 December 2015	
Accounting end dates		31 October (final) 30 April (interim)	
Distribution dates		31 December (final) 31 March (interim) 30 June (interim) 30 September (interim)	
Minimum investment	Class N	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£1,000,000 (thereafter £50,000)	
Management charges:	Initial	Class N	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	Annual	Class N	nil
		Class R	nil
		Class S	nil
		Class Z	0.20%

FACT FILE (CONTINUED)

Investment Objectives and Policies

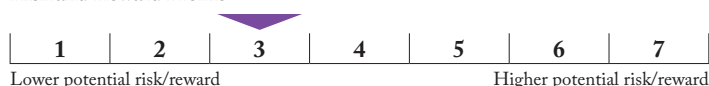
Please note that Synthetic Risk and Reward Indicators (SRRI) are calculated on a share class basis. For SRRI information in relation to a specific share class, please always refer to the relevant Key Investor Information Document (KIID) available on our website.

Royal London Ethical Bond Fund

The investment objective and policy of the Fund is to maximise income and maintain capital over the medium to long term by investing in mainly sterling denominated fixed interest securities issued by companies and organisations which meet the Fund's predefined ethical criteria. Full details of the ethical criteria are available on request from the ACD.

The Fund may hold transferable securities, 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



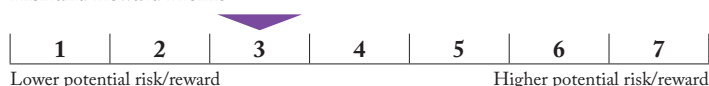
The Fund is ranked in risk category 3 because its share price has shown a low to medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Royal London Sterling Credit Fund

The Fund seeks to maximise long term returns mainly through investment in sterling fixed interest securities. UK Government bonds or non-sterling bonds may be held as the Manager deems appropriate.

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 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 corporations are more volatile than bonds issued by governments.

Royal London Global Index Linked Fund

The Fund seeks to maximise total investment return (including income and capital growth) over the medium to long term by investing mainly in global index linked bonds.

The Fund may hold transferable securities (including Exchange Traded Funds which are closed-ended 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



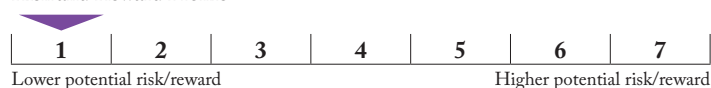
The Fund is ranked in risk category 4 because its share price has shown a low to medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Royal London Short-Term Money Market Fund

The investment objective of the Fund is to preserve the value of the investment and to provide an income in line with SONIA, over twelve rolling months.

The Fund may hold money market instruments, cash and deposits. It may also hold derivatives for the purpose of Efficient Portfolio Management only.

Risk and Reward Profile



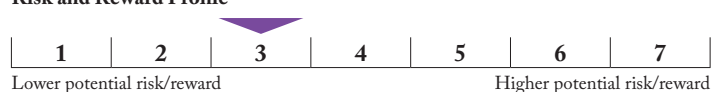
The Fund is ranked in risk category 1 because its share price has shown a very low level of volatility historically. As an investment, money market instruments are less volatile than bonds and shares.

Royal London Corporate Bond Fund

The investment objective of the Fund is to maximise total investment return (predominantly income with some capital growth) over the medium to long term from a portfolio comprising mainly of corporate fixed interest securities.

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)

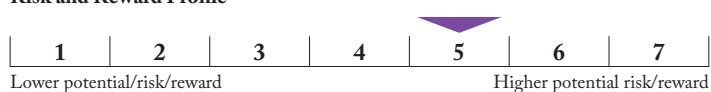
Investment Objectives and Policies – continued

Royal London Index Linked Fund

The investment objective of the Fund is to maximise total investment return (income and capital growth) over the medium to long term by investing mainly in index linked bonds.

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 5 because its share price has shown a medium to high 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.

Royal London UK Government Bond Fund

The investment objective of the Fund is to maximise total investment return (income and capital growth) over the medium to long term by investing mainly in UK Government bonds. Sterling corporate bonds may also be held.

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 4 because its share price has shown a 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.

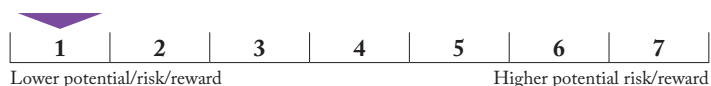
Royal London Cash Plus Fund

The investment objective of the Fund is to produce capital growth and income in excess of its benchmark, SONIA, over rolling 12 month periods.

To achieve this objective the Fund may invest in cash, time deposits, certificates of deposit, commercial paper, floating rate notes, corporate and government securities. The Fund may also make use of reverse repurchase agreements and it may also invest in transferable securities.

The Fund may also hold derivatives for the purposes of EPM only.

Risk and Reward Profile



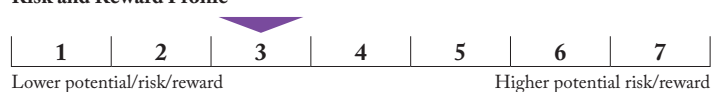
The Fund is ranked in risk category 1 because its share price has shown a very low level of volatility historically. As an investment, money market instruments and bonds are less volatile than shares.

Royal London International Government Bond Fund

The Fund seeks to maximise total investment return (both income and capital growth) over the medium to longer term by investing primarily in international government bonds.

To achieve this objective, the Fund will invest primarily in investment grade international government bonds. It may also invest in UK government bonds, investment grade non-government bonds, other transferable securities, deposits and cash. 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.

Royal London European Corporate Bond Fund

The investment objective of the Fund is to maximise investment return (including income and capital growth) over the medium to long term from a portfolio comprising primarily investment grade corporate fixed-interest securities denominated in Euros.

To achieve this objective, the Fund will invest primarily in euro denominated investment grade debt securities issued by companies, although it may also invest in sub-investment grade securities. It may also invest in debt securities issued by European governments, government agencies and supra-nationals as well as other transferable securities, deposits and cash. 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 simulated share price has shown a 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)

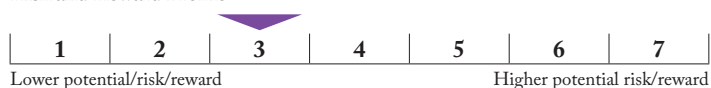
Investment Objectives and Policies – continued

Royal London Duration Hedged Credit Fund

The Fund aims to achieve a positive absolute return over the medium (5 years) to long (7 years) term in all market conditions. The Fund does not offer any element of capital protection or guarantee that this return will be achieved. The Fund will be actively managed, with the majority of assets in investment grade corporate bonds across a range of maturities. Derivatives will be used to protect against interest rate risk and a duration of zero years will be targeted.

To achieve this objective the Fund will invest the majority of its assets in investment grade corporate bonds. It may also invest in UK government securities, other sovereign bonds, other debt securities (including securities such as residential mortgage backed securities, commercial mortgage backed securities, floating rate notes and whole business securitisations), other transferable securities, cash, near cash, collective investment schemes and money market instruments. It may also hold derivatives for the purpose of Efficient Portfolio Management only.

Risk and Reward Profile



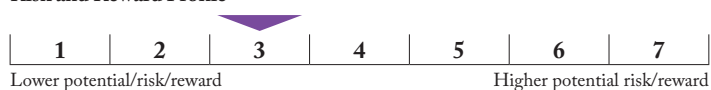
The Fund is ranked in risk category 3 because its share price has shown a low to medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Royal London Short Duration Credit Fund

The Fund seeks to maximise investment return through income but with some capital growth over the medium to long term.

To achieve this objective the Fund will invest predominantly in sterling corporate fixed interest securities. The Fund may also invest in other debt securities such as non-sterling corporate bonds, government and public securities and money market instruments, and also in other transferable securities, cash, near cash and collective investment schemes as the Investment Adviser deems appropriate. The debt securities in which the Fund invests may be investment grade or non-investment grade. It may hold derivatives for the purposes of Efficient Portfolio Management.

Risk and Reward Profile



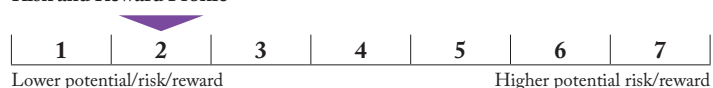
The Fund is ranked in risk category 3 because its simulated share price has shown a low to medium level of volatility historically. As an investment, bonds are more volatile than money market instruments but are less volatile than shares. Bonds issued by governments are less volatile than bonds issued by corporations.

Royal London Short Duration Gilts Fund

The Fund seeks to maximise investment return through both income and capital growth over the medium to long term.

To achieve this objective the Fund will invest predominantly in UK short dated government bonds. The Fund may also invest in other debt securities such as overseas government bonds, UK and overseas corporate bonds, floating rate notes and money market instruments, and also in other transferable securities, cash, near cash and collective investment schemes as the Investment Adviser deems appropriate. The debt securities in which the Fund invests may be investment grade or non-investment grade. It may hold derivatives for the purposes of Efficient Portfolio Management.

Risk and Reward Profile



The Fund is ranked in risk category 2 because its simulated share price has shown a low 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.

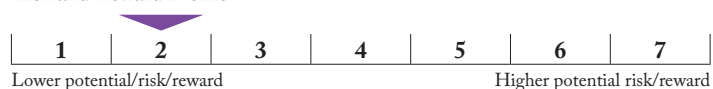
Royal London Enhanced Cash Plus Fund

The investment objective of the Fund is to produce capital growth and income in excess of its benchmark, SONIA, over rolling 12 month periods.

To achieve this objective the Fund will invest in cash, time deposits, certificates of deposit, commercial paper, floating rate notes, corporate bonds, mortgage backed securities and government securities. The Fund may also make use of Reverse Repurchase Agreements and it may also invest in transferable securities. The Fund may also hold derivatives for the purposes of EPM only.

FCA approval for ethical screening of the underlying investments was approved on 1 November 2016.

Risk and Reward Profile



The Fund is ranked in risk category 2 because its simulated share price has shown a low 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)

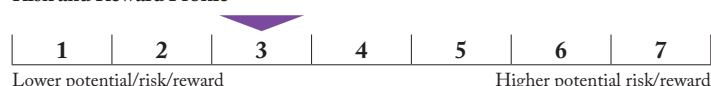
Investment Objectives and Policies – continued

Royal London Cautious Managed Fund

The Fund seeks to provide a combination of capital growth and income.

To achieve this objective the Fund will have exposure primarily to debt securities (both government and nongovernment and both rated and unrated), equities and equity linked securities issued globally and cash.

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.

Royal London Investment Grade Short Dated Credit Fund

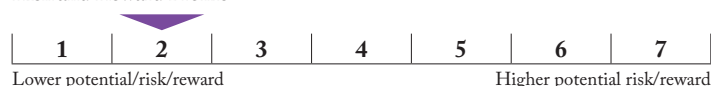
The investment objective of the Fund is to provide a return from a combination of income and capital growth by investing in a diversified portfolio of investment grade short dated bonds.

The Fund will seek to outperform its benchmark, ML 1-5 year Sterling Non-Gilt All Stocks Index, by 0.25% per annum over rolling three year periods. The Fund will invest predominantly in investment grade sterling bonds, of which these will be primarily short dated.

It may hold derivatives for the purposes of EPM.

All investments must meet the Fund's ethical criteria.

Risk and Reward Profile



The Fund is ranked in risk category 2 because its simulated share price has shown a low 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.

Royal London Short Duration Global Index Linked Fund

The investment objective of the Fund is to achieve a combination of income and capital growth over the medium term.

To achieve this objective the Fund will invest predominantly in short dated UK and global index linked government and corporate bonds, floating rate notes and money market instruments, and also in other transferable securities, cash, near cash and collective investment schemes as the Investment Adviser deems appropriate. The debt securities in which the Fund invests may be investment grade or non-investment grade.

It may hold derivatives for the purposes of EPM.

Risk and Reward Profile



The Fund is ranked in risk category 3 because its simulated 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.

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED)

Securities Financing Transactions

The Funds engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Funds' involvement in and exposures related to securities lending for the accounting period ended 30 April 2019 are detailed below.

Royal London Sterling Credit Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	1.82%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£34,575,191	1.79%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All or Top ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Treasury Gilt 0.125% 22/3/2044	2,573,500	4,826
Government of Norway 3% 14/3/2024	50,155,000	4,787
Government of France 3.75% 25/10/2019	4,300,000	3,843
Government of France 1.75% 25/11/2024	3,350,000	3,213
Bundesrepublik 6.25% 4/1/2030	2,050,000	2,977
Government of France 2.5% 25/10/2020	3,101,500	2,821
Treasury Gilt 0.75% 22/3/2034	1,191,645	2,152
Bundesrepublik 2% 4/1/2022	1,850,000	1,711
Government of France 4.25% 25/10/2023	1,235,000	1,305
Bundesrepublik 3.25% 4/1/2020	1,150,000	1,024

All counterparties

Counterparty	Gross volume of outstanding transactions	
		Fair value £'000
Goldman Sachs International		17,183
JP Morgan Securities		5,847
Citigroup Global Markets		5,212
Morgan Stanley & Co International		2,863
Credit Suisse Securities (Europe) Limited		2,684
Goldman Sachs International		786
		34,575

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	37,352
		37,352

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	37,352
	37,352

Currency of collateral

Currency	Fair value £'000
Sterling	7,749
Euro	24,816
Norwegian krone	4,787
	37,352

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	34,575
	34,575

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	51	
Agents fee	(10)	20.00%
Fund net return	41	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London Global Index Linked Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	9.06%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£22,545,023	9.03%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All collateral issuers (across all SFT)

Issuer	Holding	Collateral
		Fair value £'000
Government of Japan 0.6% 20/12/2036	3,041,550,000	22,130
Government of Japan 0.8% 20/3/2046	493,000,000	3,656
Government of Japan 2.2% 20/12/2029	93,400,000	800
Government of Japan 0% 20/4/2020	15,800,000	109
Government of Japan 0% 16/7/2019	600,000	4

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
BNP Paribas Arbitrage	22,545
	22,545

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	26,699
		26,699

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	26,699
	26,699

Currency of collateral

Currency	Fair value £'000
Japanese yen	26,699
	26,699

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	22,545
	22,545

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	11	
Agents fee	(2)	20.00%
Fund net return	9	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London Corporate Bond Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	2.15%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£27,592,420	2.12%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top ten collateral issuers (across all SFT)

Issuer	Holding	Collateral
		Fair value £'000
UK Treasury 0.125% IL 22/3/2044	5,648,000	10,591
Government of France 2.5% 25/10/2020	5,051,500	4,595
Government of France 5.5% 25/4/2029	2,222,911	2,893
UK Treasury 2% IL 26/1/2035	631,799	1,760
Government of Norway 3% 14/3/2024	12,568,500	1,200
Bundesrepublik Deutschland 0% 8/4/2022	1,349,630	1,180
UK Treasury 1.25% IL 22/11/2027	598,000	1,170
Government of France 2.25% 25/10/2022	1,115,000	1,059
OAT France Principal Strip 25/10/2025	1,186,143	1,023
UK Treasury 0.75% IL 22/7/2023	983,354	983

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Citigroup Global Markets	11,044
JP Morgan Securities	6,484
Credit Suisse Securities (Europe) Limited	5,731
Morgan Stanley & Co International	4,174
BNP Paribas London	159
	27,592

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	29,750
		29,750

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	29,750
	29,750

Currency of collateral

Currency	Fair value £'000
Sterling	16,179
Euro	12,371
Norwegian krone	1,200
	29,750

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	27,592
	27,592

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	49	
Agents fee	(10)	20.00%
Fund net return	39	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London UK Government Bond Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	14.25%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£120,348,581	14.12%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All or Top ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
DBV Unstripped BGS	63,759,373	63,759
DBV Unstripped BGS	34,672,289	34,672
DBV Unstripped BGS	11,320,851	11,321
Treasury 0.125% 22/3/2044	3,434,000	6,439
Treasury 0.25% 22/3/2052	1,680,000	3,705
Treasury 0.625% 22/3/2040	628,000	1,352
Treasury 1.875% 22/1/2022	382,000	620
Treasury 3.75% 7/9/2019	492,892	501
Treasury 4.5% 7/12/2042	227,000	357
Government of Belgium 0.8% 22/6/2027	181,775	165

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Lloyds Bank Corporate Markets	61,877
Citigroup Global Markets	40,509
Natwest Markets	10,926
BNP Paribas London	6,250
Natixis	787
	120,349

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	123,575
		123,575

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	123,575
	123,575

Currency of collateral

Currency	Fair value £'000
Sterling	122,930
Euro	645
	123,575

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	120,349
	120,349

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	21	
Agents fee	(4)	20.00%
Fund net return	17	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London Cash Plus Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	1.43%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£80,139,087	1.42%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All collateral issuers (across all SFT)

Issuer	Holding	Collateral
		Fair value £'000
UK Treasury 2.5% IL 17/7/2024	21,075,000	76,974
Government of France 2.5% 25/10/2020	4,550,000	4,139
Government of France 3.25% 25/10/2021	850,000	811
Government of France 3.25% 25/3/2024	320,000	278
UK Treasury 0.125% IL 22/3/2044	114,000	214
UK Treasury 1.25% IL 22/11/2032	75,000	150
UK Treasury 0.125% IL 22/3/2058	55,000	122
Federal Republic of Germany 0.25% 11/10/2019	124,000	107
Government of France 1.75% 25/5/2066	110,000	100
Government of Austria 1.75% 20/10/2023	65,000	62

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
BNP Paribas	75,135
Credit Suisse Securities (Europe) Limited	4,705
Citigroup Global Markets Limited	200
Goldman Sachs International	99
	80,139

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	82,957
		82,957

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	82,957
	82,957

Currency of collateral

Currency	Fair value £'000
Sterling	77,459
Euro	5,498
	82,957

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	80,139
	80,139

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	10	
Agents fee	(2)	20.00%
Fund net return	8	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London International Government Bond Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	7.83%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£30,015,743	7.80%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All or Top ten collateral issuers (across all SFT)

Issuer	Holding	Collateral
		Fair value £'000
Government of France 0% 25/10/2019	9,090,134	7,831
Federal Republic of Germany 0.25% 15/8/2028	6,869,913	6,086
Government of Japan 2.2% 20/12/2029	383,000,000	3,280
Government of Japan FRN 20/11/2021	448,000,000	3,116
Government of Japan 0.1% 20/3/2024	376,250,000	2,626
Government of Japan 2.1% 20/3/2029	247,800,000	2,074
Government of Japan 1.6% 20/6/2030	218,300,000	1,779
Government of Japan 16/7/2019	210,800,000	1,452
Government of Japan 0.1% 1/7/2020	191,600,000	1,324
UK Treasury 0.625% IL 22/11/2042	554,000	1,284

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Santander	17,681
Societe Generale	6,199
BNP Paribas	4,866
Lloyds Bank	1,270
	30,016

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	31,815
		31,815

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	31,815
	31,815

Currency of collateral

Currency	Fair value £'000
Sterling	1,385
Euro	14,107
Japanese yen	16,323
	31,815

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	30,016
	30,016

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	22	
Agents fee	(4)	20.00%
Fund net return	18	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London European Corporate Bond Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	14.39%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£1,258,270	13.44%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All or Top ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Treasury 0.125% 22/3/2044	2,088,000	3,915
Federal Republic of Germany 0% 8/4/2022	4,235,978	3,704
Government of Japan 0.1% 20/9/2020	297,350,000	2,056
Government of Norway 3% 14/3/2024	8,815,000	841
Government of France 6% 25/10/2025	600,000	735
Government of France 19/6/2019	670,000	576
Government of France 1.3% 25/7/2019	500,000	482
Government of France 1.5% 25/5/2031	480,000	464
Treasury 1.25% 22/11/2027	225,000	440
Government of France 2.75% 25/10/2027	203,000	216

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Citigroup Global Markets	4,010
Morgan Stanley & Co International	3,665
BNP Paribas London	1,965
Societe Generale	1,961
JP Morgan Securities	984
	12,585

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	14,015
		14,015

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	14,015
	14,015

Currency of collateral

Currency	Fair value £'000
Sterling	4,562
Euro	6,556
Japanese yen	2,056
Norwegian krone	841
	14,015

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	12,585
	12,585

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	9	
Agents fee	(2)	20.00%
Fund net return	7	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London Duration Hedged Credit Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	0.83%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£1,542,323	0.87%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
UK Treasury 0.125% IL 22/3/2044	750,500	1,407
UK Treasury 1.50% 22/7/2047	328,857	317
Bundesrepublik Deutschland 4.75% 4/7/2034	122,000	179
UK Treasury 1.25% IL 22/11/2027	27,000	53
Bundesrepublik Deutschland 2.25% 4/9/2021	20,000	19
UK Treasury 0.125% IL 22/3/2024	1,653	2
Government of Finland 2% 15/4/2024	1,000	1

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Citigroup Global Markets	1,052
Morgan Stanley & Co International	306
Goldman Sachs International	184
	1,542

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	1,978
		1,978

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	1,978
	1,978

Currency of collateral

Currency	Fair value £'000
Euro	199
Sterling	1,779
	1,978

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	1,542
	1,542

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	3	
Agents fee	(1)	20.00%
Fund net return	2	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London Short Duration Gilts Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	14.70%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£124,965,068	14.62%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
DBV Unstripped BGS on an Equity Participant	106,250,175	106,250
DBV Unstripped BGS on an Equity Participant	20,923,054	20,923
Government of Japan 0.10% 4/1/2021	160,800,000	1,113

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Lloyds Banking Corporate Markets	103,108
Citigroup Global Markets	20,797
BNP Paribas London	1,060
	124,965

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	128,286
		128,286

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	128,286
	128,286

Currency of collateral

Currency	Fair value £'000
Sterling	127,173
Japanese yen	1,113
	128,286

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	124,965
	124,965

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	24	
Agents fee	(5)	20.00%
Fund net return	19	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London Enhanced Cash Plus Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	0.14%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£2,381,259	0.14%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of France 0% 25/3/2024	2,321,000	2,019
Government of France 0% 25/2/2021	335,000	291
Government of France 0.1% IL 25/7/2021	193,000	179
Government of Austria 0.5% 20/4/2027	135,000	120
Government of Norwegian 3% 14/3/2024	732,500	70
Government of France 1.25% 25/5/2036	46,000	42
UK Treasury 1.25% IL 22/11/2032	15,000	30
Government of France 1% 25/5/2027	28,000	26
Government of France 0.25% 25/11/2026	20,000	17
Government of France 0% 19/6/2019	10,000	9

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
BNP Paribas London	2,381
	2,381

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	2,803
		2,803

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	2,803
	2,803

Currency of collateral

Currency	Fair value £'000
Sterling	30
Euro	2,703
Norwegian krone	70
	2,803

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	2,381
	2,381

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	12	
Agents fee	(2)	20.00%
Fund net return	10	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London Investment Grade Short Dated Credit Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	1.43%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£12,670,750	1.39%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

All or Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
UK Treasury 0.125% IL 22/3/2044	2,883,000	5,406
Kingdom of Norway 3% 14/3/2024	29,646,000	2,829
Government of France 0% 25/3/2023	1,400,000	1,221
UK Treasury 1.25% IL 22/11/2027	576,000	1,127
Government of France 1.75% 25/5/2066	620,000	565
UK Treasury 0.125% IL 22/3/2024	337,254	446
Government of France 0% 25/2/2021	360,000	313
Government of France 3.25% 25/10/2021	323,000	308
UK Treasury 0.75% IL 22/11/2047	74,000	196
UK Treasury 1.875% IL 22/11/2022	111,000	180

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
Citigroup Global Markets	6,278
JP Morgan Securities	2,650
BNP Paribas London	2,600
Morgan Stanley & Co International	699
Credit Suisse Securities (Europe) Limited	271
BNP Paribas Arbitrage	173
	12,671

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	13,589
		13,589

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	13,589
	13,589

Currency of collateral

Currency	Fair value £'000
Sterling	7,648
Euro	2,929
Japanese yen	183
Norwegian krone	2,829
	13,589

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	12,671
	12,671

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	15	
Agents fee	(3)	20.00%
Fund net return	12	80.00%

APPENDIX – ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

Securities Financing Transactions – continued

Royal London Short Duration Global Index Linked

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in the Statement of Total Return.

Global data

Amount of securities and commodities on loan

	% of total lendable assets*
Securities	9.67%

Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£50,976,225	9.79%

* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

Concentration data

Top Ten collateral issuers (across all SFT)

Issuer	Holding	Collateral
		Fair value £'000
Government of Japan 10/7/2019	4,192,850,000	28,887
Government of Japan 1.5% 20/3/2033	2,270,150,000	18,620
Government of Japan 2.1% 20/3/2030	686,900,000	5,825
Government of France 3.15% 25/7/2032	1,612,546	2,733
Government of Belgium 0.8% 22/6/2027	1,145,998	1,039
Government of Netherlands 0.25% 15/1/2020	1,184,770	1,025
Federal Republic of Germany 4.25% 4/7/2039	281,337	428
Government of Japan 1.2% 20/6/2021	14,600,000	104
Government of Japan 16/7/2019	12,300,000	85
Government of Netherlands 3.5% 15/7/2020	24,315	23

All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
BNP Paribas Arbitrage	46,705
Natixis	4,271
	50,976

Aggregate transaction data

Type and quality of collateral

Type	Quality*	Fair value £'000
Bonds	Investment grade	58,775
		58,775

* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not rated.

Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	58,775
	58,775

Currency of collateral

Currency	Fair value £'000
Sterling	–
Euro	5,255
Japanese yen	53,520
	58,775

Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	50,976
	50,976

Country in which counterparties are established

Counterparty
All counterparties are UK based

Return and cost

	£'000	% of overall returns
Fund gross return	26	
Agents fee	(5)	20.00%
Fund net return	21	80.00%

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, gross yields and details of risks and charges are published on our website, www.rlam.co.uk.

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. Settlement will be issued within 4 business days following receipt of satisfactory evidence to title of the shares.

* 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.

Commission

Payable to UK authorised intermediaries. Details are available on request.

Authorisation

The Company was authorised by the Financial Conduct Authority on 9 October 2009. 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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