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Royal London Multi-Asset Credit Fund

Quarterly Investment Report

30 June 2026

ROYAL LONDON
ASSET MANAGEMENT

Quarterly Report

The fund as at 30 June 2026

The purpose of this report is to provide an update on the Royal London Multi-Asset Credit Fund. The report has been produced by Royal London Asset Management. The report starts with a summary dashboard showing key information about the fund. A glossary is located at the end of the report covering the description of some of the more technical terms used within the report. All data is as at the report date unless otherwise stated.

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ROYAL LONDON
ASSET MANAGEMENT

The fund

Fund performance objective and benchmark

The investment objective of the Fund is to generate a total return from a globally diversified portfolio of credit instruments. The Fund will seek to outperform its benchmark, the sterling overnight index average (SONIA) by 4-6% per annum over rolling three year periods (gross of fees).

Fund value

	Total £m
30 June 2026	622.91

Asset allocation

	Fund (%)
Loans	24.22
Secured	23.83
IG	13.90
Short Dated HY	13.45
Conventional HY	11.61
RoW	8.19
CLOs	4.23
ABS	0.58

Fund analytics

	Fund
Fund launch date	3 July 2017
Fund base currency	GBP
Benchmark	Sterling Overnight Index Average (SONIA)
Duration to worst	2.28 years
Redemption yield (FX adjusted) (%)	7.07

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	2.99	0.92	2.07
YTD	2.28	1.83	0.45
1 Year	5.99	3.87	2.12
3 Years (p.a.)	8.00	4.57	3.44
5 Years (p.a.)	4.11	3.42	0.69
Since inception (p.a.)	4.28	2.17	2.11

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on Z Inc GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 9 October 2017.

Performance commentary

The fund outperformed its cash benchmark in the quarter, with the loan market seeing a strong rebound from a weak first quarter.

The strength in loans was driven by positive economic sentiment and notably stronger market technicals with demand from CLOs and a dearth in new loan supply. The market strength meant that a majority of the loan market was trading above par, though there was significant dispersion resulting from several distressed credits.

Events in the Middle East once again dominated headlines, with the evolution of the conflict between Iran and the US and Israel leading to heightened volatility in oil prices dictating the movement in government bond yields. There was a clear correlation in the period between the rise in oil prices and resulting adjustment in the expectation in the direction of future interest rate decisions.

Oil prices hit their peak in early April, sitting well above $100 per barrel, with volatility continuing through the period where we only began to see this fall in June around headlines of a resolution to the conflict and the Strait of Hormuz re-opening allowing the safe passage of oil tankers through the region. Government bond yields hit quarter-highs in mid-May and then fell into quarter-end.

The CLO market had a strong quarter with spreads across the capital structure generally tighter. New issue activity was robust with a strong month in June. Overall spreads in AAAs (which represent the majority of the CLO structure) were in the high 120s while AA and As were also slightly tighter over the course of the three months.

In Mezzanine tranches, BB and B tranche spreads tightened in the quarter despite increasing loan idiosyncratic risks and concerns regarding the maturity wall in 2028 - where a considerable part of the loans maturing are trading at a discount or are B3 rated. As a result, overall demand for CLO tranches was positive.

High yield spreads were broadly rangebound in the second quarter, hovering around all-time tights. Despite this, we continue to see value in the asset class and the performance of the fund and market in the second quarter highlights this.

The carry in the asset class is now the central theme for returns, where investors are now compensated for any spread widening – but it is hard to see where this widening might come from as the high yield market continues to ignore any geopolitical volatility.

Over the three months to the end of June, global high yield markets recovered strongly from the volatility seen earlier in the year, with returns supported by an improvement in geopolitical

Performance and activity

Performance commentary (continued)

sentiment, resilient macroeconomic data and continued confidence in corporate fundamentals. April marked the turning point for risk assets. Although there was no firm resolution to the conflict in the Middle East, the ceasefire helped investors assume that the Strait of Hormuz would reopen sooner rather than later and that the broader impact on the global economy would be contained. This improvement in sentiment, combined with stronger macro data, drove a tightening in high yield spreads. Government bond yields moved higher, but the strength of spread tightening more than offset this, allowing the market to produce a positive returns in the first month of the quarter.

The rally broadened in May, with global high yield markets ending the month strongly as investors increasingly expected the war in the Middle East to end. Spreads tightened further. Performance was broadly positive across the market, with the exception of consumer goods, and the rally became more pronounced in the second half of the month. European assets outperformed other regions on a relative basis, having been among the areas most affected by the earlier outbreak of the conflict, while BB and single B rated assets both delivered positive returns, with single B assets slightly ahead on a relative basis, which was reflected in the fund's outperformance with our overweight position versus the benchmark.

In June, markets remained resilient despite a more challenging rates backdrop, as government bond yields rose. High yield spreads still tightened further, ending the quarter at 238bps, helping the asset class deliver a strong quarterly return. This meant that, over the full three-month period, the market benefited from a consistent compression in credit spreads, even as government bond yields moved higher.

Performance and activity

Fund activity

The stability in yield and duration over the quarter, alongside positive returns, highlighted the role that spread tightening and income continued to play in supporting the asset class – allowing us to feel confident in the fund's positioning going forward. Over the quarter there was a slight increase in building single B assets.

Primary market activity also provided an important signal of improving risk appetite. April saw the strongest monthly issuance since September 2025, with $38.5bn issued in the US high yield market and $57.4bn issued across global high yield. Activity moderated in May, with US high yield issuance falling by around $12bn to $26.6bn, while global issuance was only slightly lower at $56bn. New supply remained skewed towards higher-quality BB issuers, with proceeds primarily used for refinancing rather than new debt. Overall, the period was characterised by a steady rebuilding of investor confidence.

The fund's leveraged loans allocation remained over 20%, and delivered a solid positive return, outperforming the wider global loan market. Loans benefitted from the strong technical backdrop.

Additionally, sector specific holdings in industrials and healthcare contributed to returns as did new issue participation, which also outperformed. During the quarter, the fund added loans in the industrials, healthcare and consumer sectors and took profits on tighter spread and smaller holdings with the capital rotating into new loan or bond opportunities.

The fund's high yield bond basket – which comprises of secured, high yield, conventional and Rest of World credit - also performed strong against the underlying asset classes. Conventional high yield in particular, benefitted from the rally in spreads.

During the quarter, the fund took profits on undersized holdings or tighter spread credits and rotated into new issues or in a similar credit to pick up spread. The fund also executed switches on shorter dated bonds with limited upside in favour of bonds issued by the same company further down the credit curve.

The strategy similarly applied this across the investment grade basket to pick up spread.

The fund was less active in ABS given the overall tight spreads and ongoing compression in the asset class, which the fund believed added less value to the strategy on a relative basis. As a result, the ABS bucket has reduced through refinancing/repayments and we continue to monitor the asset class for opportunities.

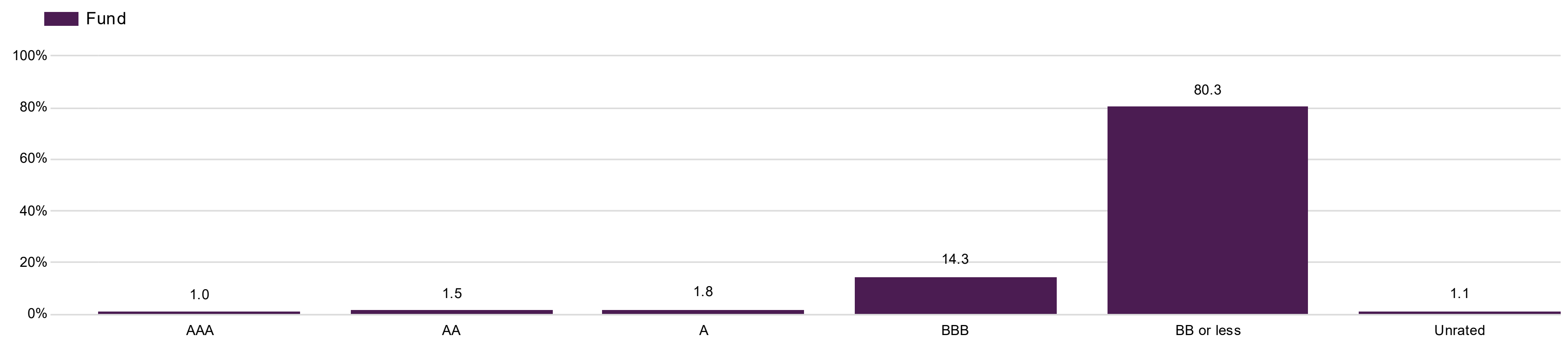
We continue to maintain a larger exposure in Europe driven by attractive high yield opportunities and via loans.

The largest sector exposures were healthcare, services and telecoms, which is in line with the current view on the market and sectors. Overall, the view remains relatively defensive with the funds allocation to investment grade increasing over the year. High yield and loans remain the core component of the fund to generate income but the focus has been on defensive sectors.

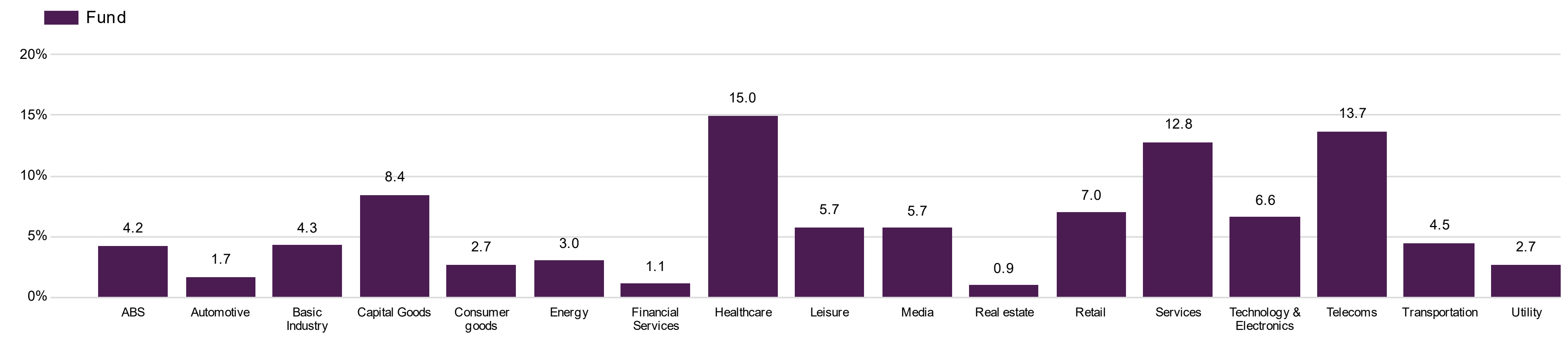
Fund duration ticked up marginally reflecting the increase in investment grade exposure.

Fund breakdown

Credit ratings

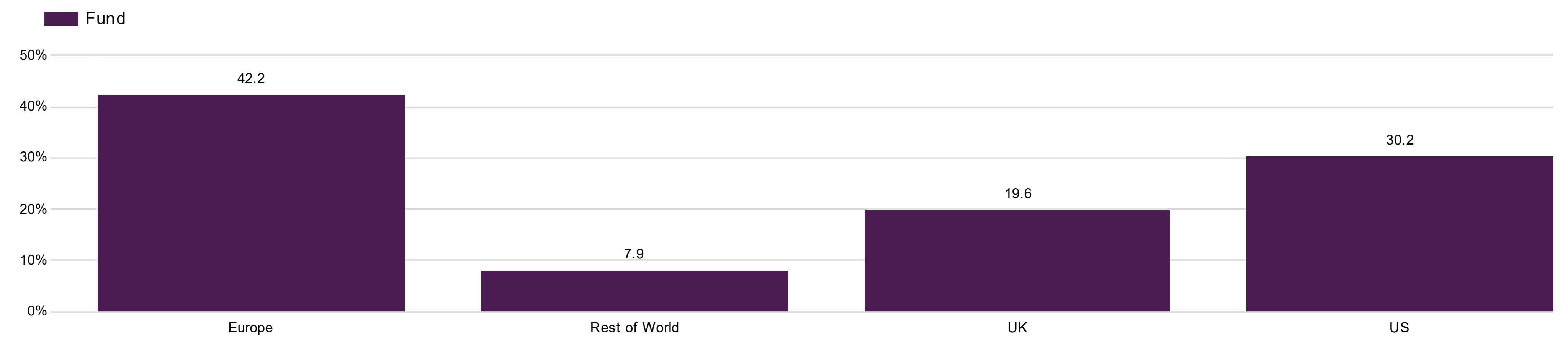


Sector breakdown



Fund breakdown

Regional weights



Market commentary

Market overview

Headlines and markets were dominated by the US and Iran during the past quarter. The disruption to oil supply via the Strait of Hormuz pushed oil prices to levels last seen following the Russian invasion of Ukraine in 2022. Although a ceasefire was announced towards the end of the period, causing prices to ease, these remain above pre-crisis levels.

From a macroeconomic perspective, growth forecasts remain subdued, and inflation remains above central bank target levels. The major change over the quarter was central bank rate expectations. At the start of the period, markets were pricing in multiple hikes in the US, euro zone and UK, but these expectations were tempered as the period progressed – with the changing outlook the key driver of markets over the quarter.

In the wake of the conflict in the Middle East, business surveys pointed to slower growth in Q2. The UK and euro area composite PMI business survey data indicated a modest contraction in private sector output. The US composite PMI held up better, above 50 and rising over most of Q2. Manufacturing was supported by firms bringing forward activity ahead of expected price rises and potential shortages. However, as tensions in the Middle East calmed and the oil price fell, the June survey data pointed to some unwind of that support.

Higher oil and gas prices pushed up headline inflation across most economies, primarily via fuel and energy-related components. Business surveys also pointed to a squeeze on input costs and a deterioration in delivery times, reflecting supply chain disruptions. By June, however, there were signs of easing supply chain disruptions following increased shipping flows through the Strait of Hormuz.

Government bond markets remained volatile during the second quarter as markets balanced persistent inflation pressures, shifting central bank expectations and ongoing geopolitical uncertainty. However, markets moved away from the sharp repricing seen in the first quarter, with some support returning to duration by quarter end as energy prices retreated, and fears of a prolonged supply shock eased. Yield movements were driven less by expectations of imminent rate cuts and more by concerns that policy rates may need to remain higher for longer. Short-dated bonds experienced the largest swings as markets reassessed monetary policy paths, while longer-dated yields reflected uncertainty around inflation, growth and fiscal borrowing requirements, particularly, in the UK, in view of the potential change of UK prime minister and policy changes that this might also bring.

In the UK, 10-year gilt yields rose above 5% during May before retracing some of those gains, ending June at 4.76%. US Treasury yields also moved higher over the quarter, with the 10-year treasury yield ending June at 4.44%. Across Europe, government bond markets experienced similar volatility as markets adjusted expectations for the pace of future policy easing. The German 10-year bund yield was 2.87% at the end of the second quarter, down from 2.98% three months prior.

In the high yield market, the ICE BofAML (BB-B) Global Non-Financial High Yield Index (sterling hedged) benchmark returned 2.96% in the second quarter with spreads ending the three-month period at 238bps, tightening from 297bps, at the start of the quarter. At the end of the period, the index's yield-to-worst stood at 6.26% down from 6.75% three months earlier. In the broader-based high yield index, which includes CCC rated bonds, yield-to-worst fell to 6.78% from 7.42%.

Economic overview

The US Federal Reserve kept rates on hold in both April and June. The June participant projections, however, showed nine out of 18 participants pencilling in a 2026 rate hike alongside upward revisions to the median inflation forecast, although the projections would not have fully reflected the fall in the oil price seen later in the quarter. Kevin Warsh replaced Jerome Powell as chairman of the US Federal Reserve and in June held his first press conference. He avoided giving guidance on the path for interest rates but struck a more hawkish tone than many anticipated.

US tariff refunds under the IEEPA framework began, but the US announced a new 10-12.5% tariff on a large number of trading partners relating to forced labour in supply chains. US Q1 GDP (released in Q2) grew a respectable 2.1% quarter-on-quarter annualised, after 0.5 % in Q4 (which was affected by the government shutdown). Business surveys continued to signal solid growth in Q2.

The European Central Bank (ECB) raised rates by 25bps in June as the inflation impact of higher energy prices showed signs of broadening. Euro area GDP fell 0.2% quarter-on-quarter in Q1, although the fall was exaggerated by GDP volatility in Ireland.

Labour market trends have diverged somewhat. In the US, employment growth saw signs of increased momentum after a year of subdued employment growth. The euro area unemployment rate remained near historically low levels. However, the UK labour market remained soft. The number of payrolled employees fell on average over April and May, though the unemployment rate was relatively stable. Vacancies have fallen and the PMI employment indicator remained weak compared to other countries.

Headline inflation jumped in most economies, reflecting higher energy costs. In the US, CPI inflation jumped up from 2.4% year-on-year in February to 4.2% year-on-year by May. UK

Market commentary

inflation has been bumpy over the quarter but is widely expected to rise after household energy bills reflect higher wholesale prices in July (when the Ofgem price cap updates). In the euro area, higher energy prices pushed inflation from near the 2% target to 3.2% by May.

Outlook

High yield fundamentals are well supported and that has resulted in a very moderate default climate up to now. Current US high yield default rates are very low, as are global high yield defaults.

And these technical factors should help keep high yield spreads relatively tight, while investor focus remains on the attractive level of all-in yields. Spreads are likely to remain rangebound, with few obvious catalysts for meaningful widening, particularly as markets continue to absorb geopolitical tensions in the Middle East.

The anticipated uncertainty around the appointment of a new US Federal Reserve Chair proved less disruptive than expected. Kevin Warsh’s more reassuring tone, including an emphasis on maintaining the Fed’s independence, helped to calm market concerns.

While global geopolitical and macroeconomic uncertainties are affecting global government bond markets in different ways, and despite where credit markets have reached in spreads, we believe that global high yield markets still offer attractive sources of value for those prepared to look carefully.

Royal London Asset Management’s High Yield strategy remains anchored in a long-term, repeatable investment processes that combines top-down credit cycle assessment with bottom-up fundamental research. We continue to focus on quantifiable credit risks, disciplined stock selection and portfolio construction, seeking to identify attractive opportunities while avoiding business models or structures where the risk is difficult to forecast. This approach is designed to support consistent income generation, reduce default risk and provide resilience across different market environments.

Further Information

Please click on the links below for further information:

- Stewardship and Responsible Investment at RLAM
- Royal London Credit & ESG Activity Report
- TCFD climate report

Find out more

In an uncertain geopolitical and economic environment, we recognise the importance of keeping our clients updated on our current investment thinking.

Articles, videos, podcasts and webinars giving the latest views of our investment experts can be found in the Our Views section of www.rlam.com, including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

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The Fund is a sub-fund of Royal London Asset Management Investment Funds ICAV, an Irish collective asset-management vehicle authorised by the Central Bank of Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 and the AIFM Regulations, and has been established as an umbrella fund with segregated liability between Funds.

It is not a recognised scheme under the Financial Services and Markets Act 2000.

The Management Company is FundRock Management Company SA, Registered office: Airport Center Building, 5 Heienhaff, L-1736 Senningerberg, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

The Investment Manager is Royal London Asset Management Limited.

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

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

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Risks and Warnings

Investment risk

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

Concentration risk

The price of Funds that invest in a reduced number of holdings, sectors, or geographical areas may be more heavily affected by events that influence the stockmarket and therefore more volatile.

Credit risk

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

Derivative risk

This fund may undertake transactions in derivatives and forward transactions (both on exchange and over the counter (OTC)). These may include interest rate swaps and interest rate futures for the purposes of meeting the investment objective, protecting the risk to capital, duration and credit management, as well as for hedging. While the discerning use of derivatives can be beneficial, derivatives also involve specific risks. These risks relate specifically to market risk, management risk, credit risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices. The use of derivative instruments may from time to time alter the economic exposure of the fund causing it to deviate significantly from the performance of the market as a whole. The use of these derivatives will be within the parameters allowed for linked funds by the Financial Conduct Authority and Prudential Regulation Authority.

EPM techniques risk

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

Exchange rate risk

Investing in assets denominated in a currency other than the base currency of the Fund means the value of the investment can be affected by changes in exchange rates.

Interest rate risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

Liquidity risk

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

Emerging markets risk

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

Counterparty risk

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

Leverage risk

The Fund employs leverage with the aim of increasing the Fund's returns or yield, however it also increases costs and its risk to capital. In adverse market conditions the Fund's losses can be magnified significantly.

Performance to 30 June 2026

Cumulative (%)

Annualised (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	2.99	2.28	5.99	26.01	22.30	8.00	4.11
Fund (net)	2.97	2.24	5.91	25.75	21.88	7.93	4.03

Year on year performance (%)

	30/06/2025 - 30/06/2026	30/06/2024 - 30/06/2025	30/06/2023 - 30/06/2024	30/06/2022 - 30/06/2023	30/06/2021 - 30/06/2022
Fund (gross)	5.99	8.97	9.11	6.89	(9.20)
Fund (net)	5.91	8.90	9.03	6.82	(9.27)

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment.

Source: RLAM as at 30 June 2026. All figures are mid-price to mid-price for the Royal London Multi-Asset Credit Fund Z Inc GBP share class.

Glossary

ABS

Asset Allocation - Asset Backed Securities (ABS) include Asset Backed Bonds and Collateralised Loan Obligation (CLOs).

Asset allocation

Breakdown of the assets by asset classes. Based on RLAM asset classification scheme.

Credit ratings

Credit ratings are based on RLAM composite ratings which uses a hierarchy of S&P, Moody's and then the Fitch rating.

Currency hedged share classes

Currency Hedged Share Classes aim to provide investors with a return highly correlated to the return of the base currency share class by minimising the impact of exchange rate fluctuations between the base currency of the Fund and the investor's chosen currency.

Duration

Measure of sensitivity of a Fixed Income instrument to changes in interest rates, indicating the potential impact of interest rate fluctuations on the value of the investment.

Fund analytics

All figures exclude cash. Credit bonds include non-sterling bonds and CDs where held within the fund or benchmark.
This is applicable to the following sections: fund Asset Allocation, Duration, Yield curve, Sector breakdown, Financial holdings, Credit ratings.

Performance

Both the Fund and Index performance are based on close of business prices.

Pricing

The Fund's price may swing to bid or offer to protect existing investors from the costs associated with buying or selling the fund's underlying assets when other investors are entering or leaving the fund. Performance is based on this pricing.

Redemption yield

The weighted average rate of discount at which the future obligations of interest and capital payments of each of the fund's holdings excluding cash, in each case calculated to the point in time at which each is expected to redeem, equates to its current price, gross of relevant fund management costs and gross of tax. For funds that are sold in various hedged currency share classes, yield is adjusted to reflect the impact of FX hedging and excludes the impact of cash.

RoW

Regional Breakdown - Rest of World (RoW) includes all non-North America, non-Europe and non-UK holdings, which includes emerging market debt as shown in asset class positioning.