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Royal London Corporate Bond Monthly Income Trust

Quarterly Investment Report

31 March 2026

Quarterly Report

The fund as at 31 March 2026

The purpose of this report is to provide an update on the Royal London Corporate Bond Monthly Income Trust. 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.

Contents

ROYAL LONDON ASSET MANAGEMENT

The fund

Fund performance objective and benchmark

The Scheme aims to provide a consistent monthly income with capital growth over rolling 5-year periods, after the deduction of charges. A performance comparator for the Scheme is the Markit iBoxx Sterling Non-Gilts All Maturity Total Return GBP Index ("Index"). The Index has been selected as a performance comparator because it is representative of the type of bonds in which the Scheme invests, and it is therefore considered an appropriate performance comparator. Another performance comparator for the Scheme is the IA Sterling Corporate Bond sector (the "IA Sector").

Fund value

	Total £m
31 March 2026	146.74

Asset allocation

	Fund (%)	Benchmark (%)
Conventional credit bonds	97.51	99.40
Index linked credit bonds	1.67	-
Conventional gilts	0.52	-
Conventional foreign sovereigns	0.30	0.60

Fund analytics

	Fund	Benchmark
Fund launch date	29 September 2003	
Fund base currency	GBP	
Benchmark	iBoxx £ Non-Gilts (Total Return, GBP)	
Duration (years)	6.15	5.25
Redemption yield (%)	6.07	5.53
Number of holdings	227	1,222
Number of issuers	170	477

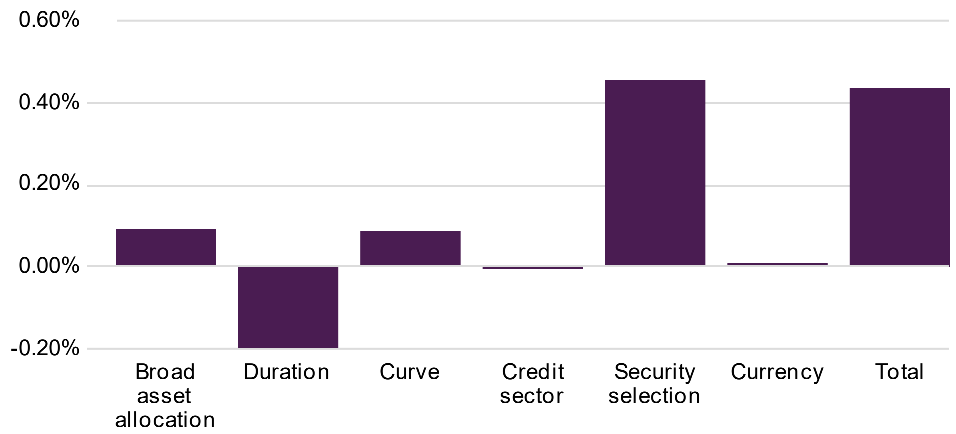
Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	(1.02)	(1.62)	0.60
1 Year	5.98	4.43	1.55
3 Years (p.a.)	6.76	4.29	2.47
5 Years (p.a.)	1.50	(0.69)	2.20
10 Years (p.a.)	3.56	1.86	1.70
Since inception (p.a.)	4.12	3.89	0.23

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 A Inc GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 29 September 2003.

Attribution over the quarter



Performance commentary

The first quarter saw negative returns from sterling credit investment grade markets (iBoxx). Against this, the portfolio outperformed the index.

Our bias towards longer duration was a negative for relative performance over the quarter. This stance was driven by bottom-up credit selection, which has led us to have a greater exposure to mid and longer-dated bonds, rather than an outright macro-driven stance. At the same time, that bias towards medium and longer dated bonds was helpful over the quarter as the short-dated part of the market performed poorly due to weakness in underlying gilts, which moved to reprice Bank of England interest rate expectations.

The combination of stock and sector selection was positive over the quarter, driven primarily by the former. Sector selection was broadly neutral, with the positive impact of our bias towards structured bonds offset by the negative impact of our underweight in supranationals. Stock selection positive effects were centred in our structured bond exposure. Many of these bonds had rallied less than other sectors in 2025, but more importantly, with the increase in uncertainty generally, the greater confidence around cashflows and payment of coupons and principal from these bonds becomes more attractive. Key holdings as ICSL (student loans), Telereal (backed by BT telephone exchanges), UPP (student accommodation), Heathrow (airport services) Metrocentre and Trafford Centre (shopping centres) all therefore saw positive returns in a quarter where most bonds saw negative returns.

Performance and activity

Top 10 holdings

	Weighting (%)
BRITISH LAND CO PLC 5.264 24 Sep 2035	1.77
FRSH 1 1A1 8.369 04 Oct 2058	1.67
HSBC BANK FUNDING STERLING LP 5.844 31 Dec 2079	1.44
CO-OPERATIVE BANK FINANCE PLC 9.5 24 May 2028	1.37
TESCO PROPERTY FINANCE 4 PLC 5.8006 13 Oct 2040	1.34
HARB_03-08 5.28 31 Mar 2044	1.34
PRS FINANCE PLC 2 23 Jan 2029	1.28
ELECTRICITE DE FRANCE SA 6 23 Jan 2114	1.26
LUNAR FUNDING LTD 5.75 18 Oct 2033	1.18
BP CAPITAL MARKETS PLC 4.25 31 Dec 2079	1.10
Total	**13.73**

Fund activity

New issue activity is typically high in the first quarter of the year, with this one no exception, despite the pace of overall issuance falling sharply in March. We continued to find attractive opportunities across the market – both in established, larger sectors such as financials, areas that we have historically favoured such as structured bonds, and newer areas that add diversification in terms of sector and underlying currency.

Banks and financials remain the largest part of the index. Our portfolios have a long-standing high level of exposure to the sector as we believe that credit spreads looked attractive for the risk taken. At the margin, we have been happy to allow exposure to the sector to fall modestly as holdings mature, but we also continue to be active in this area. Examples over the quarter included senior bonds from Danske Bank and BPCE, as well as subordinated bonds from Credit Agricole.

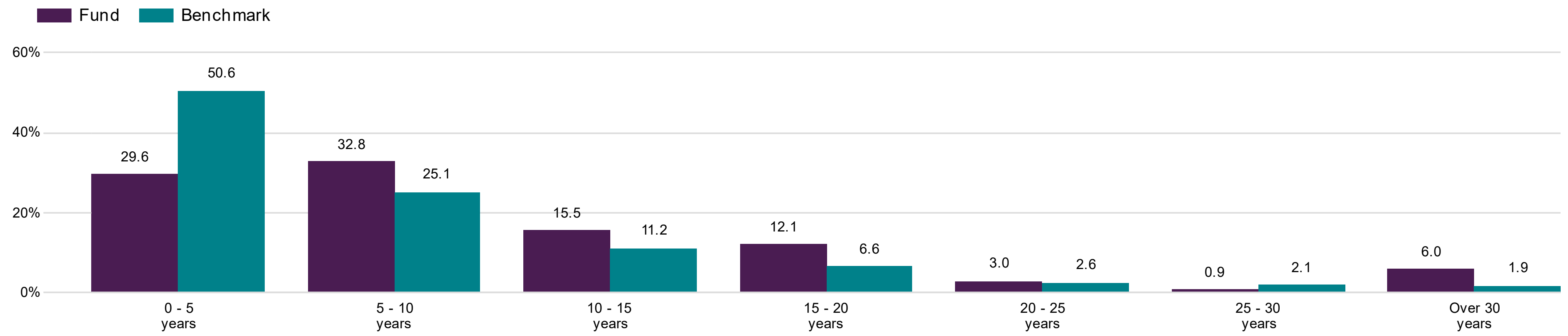
We also added selectively to new issues in the insurance sector – another area of focus in our portfolios, again taking a selective approach to both issuer and capital structure. We added GICS (Guaranteed Investment Contracts) bonds from New York Life and Pacific Life. These bonds are ranked alongside policyholders, therefore offering lower risk than other parts of the capital structure.

Technology and the growth in AI has been the trend of note in the past few years. One significant change in the past few months has been US hyperscalers looking beyond the US dollar market to raise capital. We added a new issue of 100-year bonds from Google parent company Alphabet at an attractive spread. This adds diversification to the portfolio, although a significant proportion of our exposure to this area remains secured – for instance adding an ABS new issue in February from Ramsgate, backed by two new data centres in Slough and a lengthy rental agreement to a highly rated technology company.

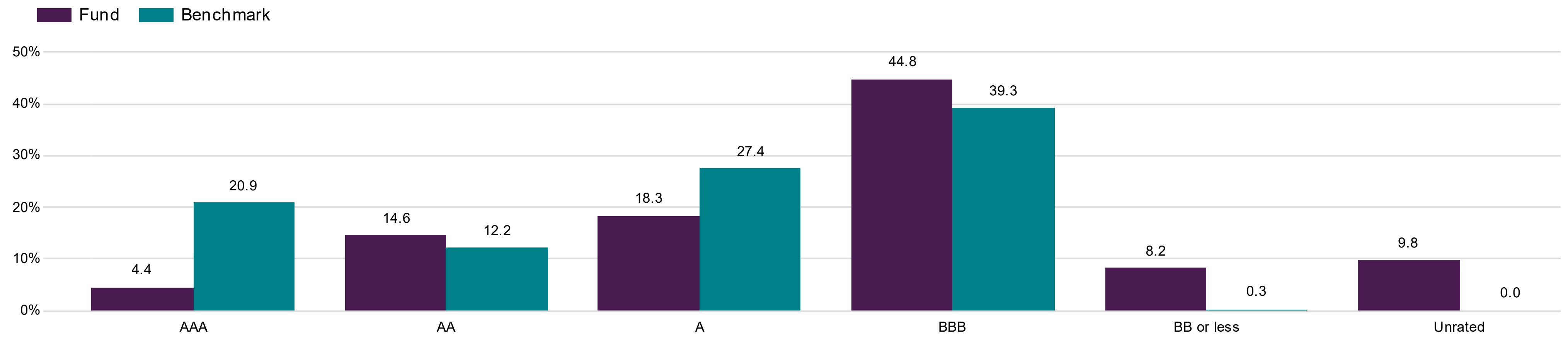
Structured bonds remain a key element in our portfolios. We believe that the market continues to overlook these attractive issues that give investors greater certainty over cashflows and a higher yield. During the quarter we added an AAA rated new issue from Sirius – backed by a portfolio of UK logistics assets at a material spread premium to the market with a floating rate structure that helps manage overall interest rate risk. We also added a new issue from Telereal – backed by BT telephone exchange rental income – whose bonds offered an attractive above-market spread, with the issuer also redeeming some existing holdings at a premium to market pricing.

Fund breakdown

Maturity profile

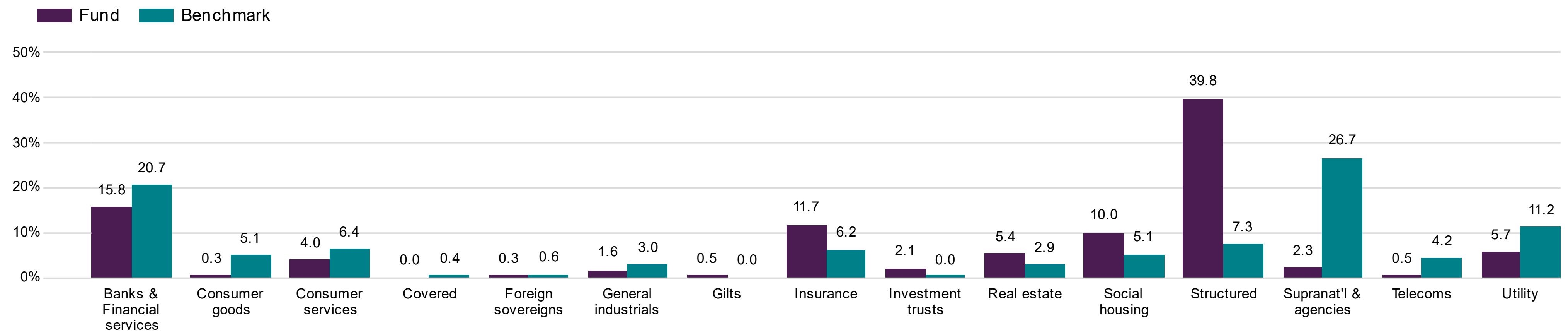


Credit ratings



Fund breakdown

Sector breakdown



Fund Engagement

Engagement definition

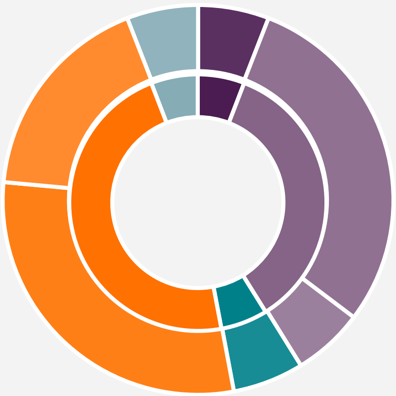
Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence positive change, with defined objectives and demonstrable outcomes.

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	11	26
Number of engagements	13	63

This is an estimate. Some engagements at the issuer level may not have been attributed to the specific bond held in the fund, resulting in a lower number of engagement activities.

Total engagements by theme and topic



Biodiversity	**1**
Climate	**6**
Climate - Transition Risk	5
Climate - Physical Risk	1
Governance	**1**
Corporate Governance	1
Social & Financial Inclusion	**8**
Just transition	5
Labour & Human Rights	3
Technology, Innovation & Society	**1**
Cybersecurity	1

The numbers of engagements and themes/topics discussed may differ where a single engagement covers multiple themes/topics.

Engagement focus

Firm-wide engagement activity is centred around six themes which we have identified in consultation with our clients. These are: climate change; nature and biodiversity; health; governance and corporate culture; social and financial inclusion; innovation, technology and society. Portfolio level engagements are not thematic and are focussed on issues specific to managing the portfolio and meeting the investment objective.

Engagement data represents all engagements undertaken at both firm and portfolio level across Royal London Asset Management, and may not be limited to those undertaken solely for the purpose of managing the fund.

Fund Engagement

Engagement outcomes

Barclays PLC – Just Transition

Purpose:

We engaged with Barclays PLC, a UK-listed bank, to gain clarity on how social dimensions, such as workforce impact and community vitality are being reflected in its climate transition planning.

Outcome:

Barclays now recognises the importance of just transition and has begun embedding social factors into its internal frameworks and sector strategies. While specific tools are still emerging, the bank has shared early examples of social considerations being incorporated into new product frameworks and just transition is a component of its Transition Finance Framework, e.g., targeted support to ensure that impacted communities benefit from the low-carbon energy transition. Barclays acknowledged that more consistent, measurable application of these principles is required across its business.

HSBC Holdings PLC – Just Transition

Purpose:

We engaged HSBC Holdings PLC, a UK-listed bank, to understand how it integrates social considerations into its climate transition strategy, including impacts on workers, communities, and regional economies.

Outcome:

HSBC now formally acknowledges the importance of a just transition and has taken initial steps to embed it into its strategy, such as updating internal governance and including social factors in its sector and regional engagement frameworks. While no single 'best-in-class' mechanism has emerged, the bank's development of inclusive product design and regional support for small and medium sized businesses demonstrates clear progress. Further work is needed to ensure these commitments are consistently applied across its financing activities.

John Lewis PLC – Human Rights

Purpose:

We engaged John Lewis Partnership PLC, a UK retailer, to discuss how it identifies and manages human rights risks in its food and agricultural supply chains, how these risks inform business decision-making, and how the effectiveness of due-diligence processes is monitored over time. The discussion focused in particular on remediation practices, grievance mechanisms, audit effectiveness, land rights, including Free and Prior Informed Consent (FPIC), and supply-chain health and safety.

Outcome:

John Lewis shared updates on its approach to human rights due diligence, including how it refreshes its assessment of key risks and uses a combination of internal reporting, supplier information and external sources to guide its engagement. The company emphasised a remediation-first approach, working with suppliers to address issues rather than defaulting to contract termination. The company outlined its processes for tracking worker concerns, reviewing audit findings, and engaging suppliers to implement corrective actions over time. The company highlighted ongoing programmes aimed at improving worker livelihoods and addressing salient risks in sectors such as agriculture and fisheries. John Lewis acknowledged that investor-facing reporting on health and safety metrics and grievance outcomes, and the effectiveness of its programmes could be clearer. The company indicated it would consider how reporting could be strengthened and we agreed to continue engagement to monitor progress and encourage greater transparency over time.

Fund Engagement

Engagement outcomes

Lloyds Banking Group PLC – Just Transition

Purpose:

Lloyds Banking Group PLC, a UK-listed bank, was engaged to explore how it is considering social risks, such as community resilience and customer inclusivity, as it transitions to a low-carbon economy.

Outcome:

Lloyds has begun integrating just transition principles into its climate strategy, highlighted through early implementation of region- and sector-focused lending criteria that reflect social and customer considerations. Through its lending to Community Development Financial Institutions, Lloyds demonstrates core just transition principles, fairness, inclusion and place-based support, within its community lending activity. Through our engagement, Lloyds has demonstrated meaningful improvements in product design and regional support initiatives. It acknowledges the need to further align these efforts across all financing activities.

NatWest Group PLC – Just Transition

Purpose:

NatWest Group PLC, a UK-listed bank, was engaged to explore how it considers the broader social impact, on workers and regions, when providing finance to clients through its transition strategy.

Outcome:

NatWest formally recognises the need for a just transition approach in its climate planning and has taken initial steps to reflect social aspects in lending and client engagement strategies. In particular, its Human Rights Report, an early version of which RLAM provided feedback on, demonstrates how financial institutions can align climate strategy with human rights principles. The bank illustrated improvements such as regional analysis and product design aligned with just transition goals. We will monitor how these considerations are scaled.

Market commentary

Market overview

The first quarter of 2026 was dominated by a sudden regime shift as geopolitics moved to the centre of the macro picture. Escalating tensions in the Gulf region came to a head in late February with the US-Israel offensive against Iran. The escalation added an additional layer of uncertainty and triggered concerns over oil and gas supplies, energy prices and near-term inflation risks. Brent crude hit more than 105 US dollars per barrel at the end of March as supply through the Strait of Hormuz was restricted and gas prices also surged, leading to quickly deteriorating risk sentiment.

In the US, the spike in oil prices was a headwind, but the economy's energy sensitivity proved lower than in past shocks and the US benefits from being a major producer, helping US equities show relative resilience even as the quarter ended weakly. Investors also had to digest policy uncertainty after legal constraints changed the scope for tariffs announced in April 2025 and new tariff proposals reintroduced volatility, complicating the outlook for inflation and limiting the Federal Reserve's room to cut rates. Markets weighed the risk of a prolonged energy shock elevating recession likelihood later in 2026, even if the base case remained for a modest growth hit and higher near-term inflation.

In the UK, the macro backdrop was similarly shaped by the energy price shock, but equities proved comparatively more defensive than some global peers, echoing patterns seen in prior commodity-driven events.

Government bond markets bore the brunt of the repricing. Front end yields jumped, and curves reset higher as investors moved from expecting rate cuts to pricing fewer cuts, or even hikes, with higher energy costs seen as an inflationary impulse that central banks could not ignore. Moves in short-dated yields were especially pronounced as markets tried to map the oil shock into policy reaction functions, while longer dated yields also swung as markets attempted to price the risks of any or all of higher inflation, lower growth and even potentially larger government borrowing. UK 10-year gilt yields shot up to 4.92%, up from 4.48% at the end of December and surpassing their highest levels seen last year (4.89% in January 2025).

The sterling investment grade credit market (iBoxx non-gilt index) returned -1.62% over the period under review. Spreads ended the quarter at 0.85% (iBoxx), compared to 0.77% (iBoxx) at the end of 2025. Sector returns were negative across the board, with more defensive areas such as covered bonds and supranationals less affected than areas with longer duration such as consumer services, telecoms and utilities.

Outlook

The ongoing global macro environment remained unsettled in the first quarter. Geopolitical risks, fiscal uncertainty and divergence in global monetary policy drove volatility in both nominal and real yields. More specifically the recent escalation in tensions around Iran, add an additional layer of uncertainty to the inflation and growth outlook. While the immediate market focus tends to be on energy prices and near-term inflation risks, history suggests that prolonged geopolitical shocks are ultimately negative for global growth as higher input costs, tighter financial conditions and weaker confidence begin to bite. In this scenario, inflation may prove stickier than central banks would like, even as growth momentum fades. The combination likely points to falling real yields over time, reinforcing the case for duration. Looking at our sterling credit strategy, this is a bias towards a long duration stance, rather than a meaningful use of risk budget.

Sterling credit markets modestly outperformed gilts during the first quarter, helped by shorter duration and the higher income. Spreads remain relatively tight compared to the past two decades, but as we pointed out at the start of the year, when looking at a company level, defaults are low, company balance sheets are generally healthy, and investors continue to look for yield. At a fundamental level, we still believe that credit spreads over-compensate investors for default risk, and that the all-in yield on sterling credit remains attractive. Furthermore, we continue to find attractive investment opportunities, partly through the new issue market but also by focusing on exploiting market inefficiencies. By focusing on bottom-up analysis, we continue to build overall portfolios that we believe offer attractive risk / return profiles with above-market yields.

While near-term absolute performance is likely to be heavily influenced by movements in the yields of underlying government bond markets, we expect relative performance to continue to be meaningfully influenced by the comparative exposure to supranational bonds and to more economically sensitive or cyclical industrial and consumer sectors. However, we believe that continued emphasis on diversification and our bias towards secured and collateralised debt to help mitigate default risk, as well as our focus on income, will continue to support returns as has been the case through the present environment of volatile yields.

We remain confident that we can further achieve an attractive yield premium in our sterling credit portfolios, as we look to exploit market inefficiencies, with long-standing belief such as the undervaluing of security now augmented by newer inefficiencies such as the 'mechanised' approaches used by annuity providers, exchange traded funds and passive funds that treat credit as a homogenous commodity area, buying in a relatively price insensitive manner. Experience suggests that the more credit is treated as a commoditised asset class, the greater the level of inefficiencies that an active manager can exploit.

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.

Disclaimers

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The Trust is an authorised unit trust scheme. The Manager is RLUM Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144032.

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

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The Index provided by IHS Markit is subject to disclaimer currently available here (and as updated by IHS Markit from time to time): https://ihsmarkit.com/Legal/disclaimers.html and/or in the prospectus for the Fund.

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.

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.

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.

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.

Performance to 31 March 2026

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years
Fund (gross)	(1.02)	1.96	5.98	21.71	7.76
Fund (net)	(1.16)	1.65	5.34	19.46	4.19

Annualised (%)

3 Years (p.a.)	5 Years (p.a.)
6.76	1.50
6.10	0.82

Year on year performance (%)

	31/03/2025 - 31/03/2026	31/03/2024 - 31/03/2025	31/03/2023 - 31/03/2024	31/03/2022 - 31/03/2023	31/03/2021 - 31/03/2022
Fund (gross)	5.98	5.34	9.02	(8.88)	(2.83)
Fund (net)	5.34	4.71	8.30	(9.57)	(3.55)

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 31 March 2026. All figures are mid-price to mid-price for the Royal London Corporate Bond Monthly Income Trust A Inc GBP share class.

Glossary

Asset allocation

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

Attribution

Attribution is shown for the most recent quarter. Attribution figures are based on close of business returns for both the fund and the index whereas performance figures are based on midday returns for the fund and close of business for the index. Therefore the performance will not include market moves between midday when the fund is priced, and close of business when the index is calculated. This may result in a different figure being shown for the quarterly performance vs attribution data.

Bonds

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

Credit ratings

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

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.

Number of holdings

Total number of unique holdings of the Fund excluding cash, currency and derivatives.

Number of issuers

Number of unique issuers of all assets held by the Fund, excluding cash, currency and derivatives.

Performance

The Fund price is taken at mid-day using swing prices where applicable, while the index performance is priced at close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons.

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 equates to its current price, gross of relevant fund management costs and gross of tax.

Sector breakdown

Breakdown of the fixed income assets, excluding derivatives and cash by RLAM's internal industry sector classification scheme. Figures are subject to rounding.