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# Royal London Global Bond Opportunities Fund

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 Global Bond Opportunities 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.

# Contents

The fund	3
Performance and activity	4
Fund breakdown	6
ESG	8
Market commentary	10
Further information	11
Disclaimers	12
Performance net and gross	14
Glossary	15

# The fund

## Fund performance objective

The Fund aims to generate a high level of income with the opportunity for capital growth. The Fund is actively managed and does not use a benchmark to assess performance. Performance may be assessed by considering the extent to which the Fund has met its investment objective.

## Fund value

	Total £m
31 March 2026	449.69

## Fund analytics

	Fund
Fund launch date	8 December 2015
Fund base currency	GBP
Duration (years)	3.81
Redemption yield (local currency) (%)	6.43
Number of holdings	360
Number of issuers	256

# Performance and activity

## Performance

	Fund (%)
Quarter	0.01
1 Year	6.96
3 Years (p.a.)	9.30
5 Years (p.a.)	5.39
10 Years (p.a.)	6.04
Since inception (p.a.)	5.86

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 8 December 2015.

## Performance commentary

The fund produced a broadly flat return over the quarter. This was a pleasing outcome given the negative returns in almost all parts of global bond markets for the first three months of the year. Modest gains in January and February were erased by market weakness in March, with spreads widening and government bond yields rising. The general risk-off environment in March meant that all parts of global credit markets saw negative returns. This included global investment grade, CoCos (contingent capital bonds), corporate hybrid markets and global high yield markets.

The fund's performance was materially better than credit markets. At a portfolio level, there were three key drivers of returns – the strong diversification across sectors and currencies, the income generated, and the very low overall duration in a quarter when yields were rising.

The quarter was a good demonstration of our investment process. As well as incorporating a high degree of diversification, our process looks to identify value within credit markets across a range of assets including US dollar, euro and sterling investment grade bonds, high yield and unrated bonds. Our exposure to general industrials was the main positive for fund returns over the quarter. Most notably, the fund had exposure to companies that benefit from higher energy prices, including Danish North Sea oil operator BlueNord, and offshore accommodation providers Floatel and Jacktel.

We also benefited from stock selection effects 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 such as Metrocentre and index linked bonds from Coventry & Rugby Hospital therefore saw positive returns in a quarter where most bonds saw negative returns.

# Performance and activity

## Top 10 holdings

	Weighting (%)
UK CONV GILT 1.5 22 Jul 2026	1.46
STICHTING AK RABOBANK LEDENCERTIFI 6.5 31 Dec 2079	1.41
AKELIUS RESIDENTIAL PROPERTY AB (P 2.249 17 May 2081	1.13
TOPAZ SOLAR FARMS LLC 5.75 30 Sep 2039	1.10
CO-OPERATIVE GROUP HOLDINGS (2011) 7.5 08 Jul 2026	1.09
STANDARD CHARTERED PLC 5.43845 31 Dec 2079	1.08
UK CONV GILT 0.375 22 Oct 2026	1.04
NATIONWIDE BUILDING SOCIETY 7.875 31 Dec 2079	0.95
ARGENTUM (SWISS RE LTD) 5.524 31 Dec 2079	0.93
MABLN_03 6.469 15 Sep 2032	0.88
<b>Total</b>	<b>11.06</b>

## Fund activity

New issue activity is typically high in the first quarter of the year, with this one being no exception, despite the pace of overall issuance falling sharply in March in both euro and sterling markets. We continued to find attractive opportunities across the market – both in established, larger sectors such as financials, and newer areas that add diversification in terms of sector and underlying currency. US dollar markets were still very active in March, recording the fourth highest monthly total of all time.

AT1 bonds are deeply subordinated and are designed to absorb losses should a bank have difficulties – with RT1 bonds similarly attractive when issued by insurers. Our exposure to these bonds is limited to those institutions where our credit analysis shows a strong capital position and business model, as well as offering an attractive yield to reflect the risks of the instrument. Examples where we identified high quality offerings over the quarter included new issues from ING, Banque Internationale Luxembourg and UBS, as well as secondary market purchases of Belgian insurer Ageas (RT1 bonds) and Swedish bank SEB.

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) US dollar bonds from Pacific Life. These bonds are ranked alongside policyholders, therefore offering lower risk than other parts of the capital structure.

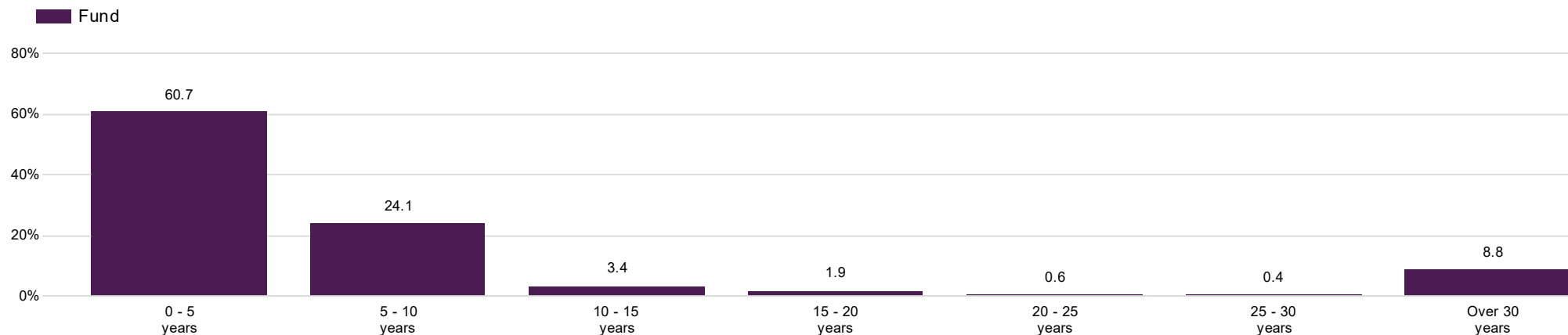
Other new issues also included names in the real estate sector, notably Hemso Fastighets. Hemso, a new issuer in the portfolio, is a largely publicly owned Swedish organisation that owns properties for public use – such as nursing homes, education and healthcare – in Sweden, Germany and Finland.

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 <six-year> bonds from Google parent company Alphabet at an attractive spread.

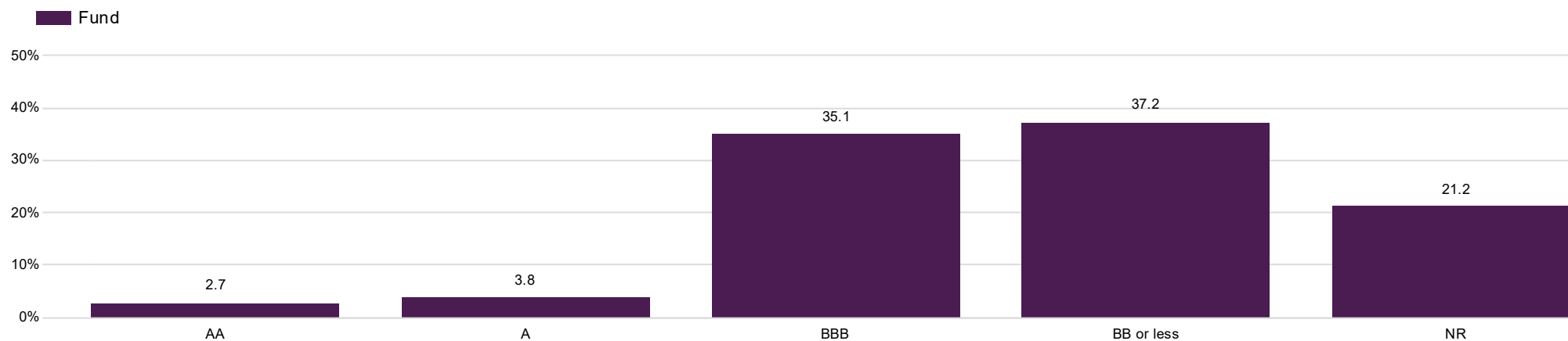
A key part of the fund approach is to identify smaller issues that offer value and add to overall diversification. An example of this over the quarter was a new issue from Canadian diamond mining company Lucara, with the senior bonds offering a coupon of 12.5%, while we also added Stellantis – owner of Peugeot, Citroen and a host of other brands – and US telecoms giant Verizon, both at yields of over 6%.

# Fund breakdown

## Maturity profile

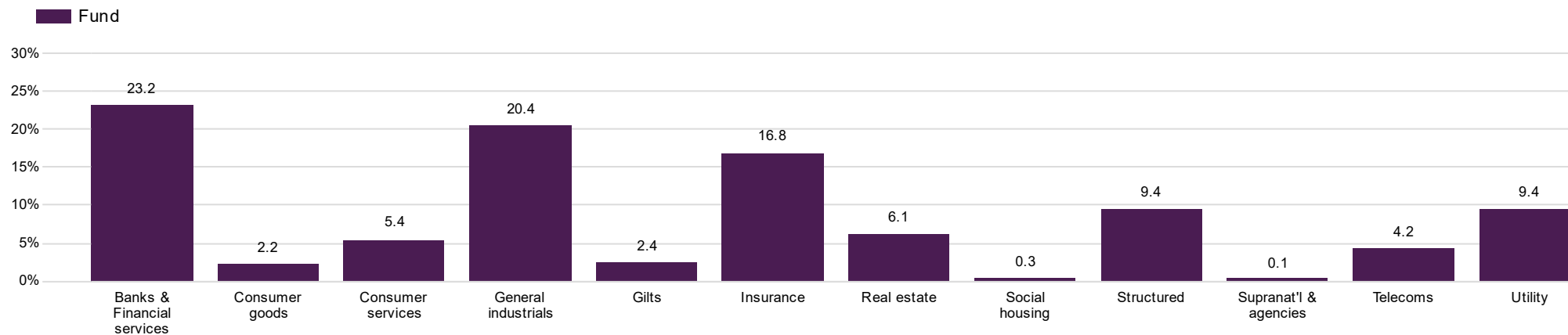


## Credit Ratings



# 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	9	28
Number of engagements	12	56

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



Climate	5
Climate - Transition Risk	5
Governance	2
Board	1
Strategy	1
Social & Financial Inclusion	4
Just transition	3
Labour & Human Rights	1
Technology, Innovation & Society	1
Cybersecurity	1

## 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.

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

# 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.

### 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 a 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.

As a net importer and more exposed to gas prices, the eurozone faced a tougher growth-inflation trade-off, even as incoming data still pointed to modest expansion and easing headline inflation. The ECB kept its policy unchanged with the deposit rate at 2%, but the broader oil and gas price shock pushed markets to reassess the path of European rates.

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. In sterling credit, spreads that had tightened through 2025 began to widen in early 2026, with concerns over US private credit having a greater influence than Iran developments, while higher underlying gilt yields further lifted all-in yields.

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). In the US, 10-year treasury yields rose to 4.31% in March from 4.14% at the end of December. The German 10-year bund yield was 2.98% at the end of the first quarter, rising from 2.82% three months prior.

Global investment grade credit markets saw negative returns over the quarter. Credit spreads were moderately wider over the quarter – reflecting the negative impact of higher energy prices on global growth – although the rise in underlying government bonds yields was the main driver of negative returns. Credit markets generally outperformed, reflecting the shorter duration that broad government bond indices as well as the higher income on the asset class that helps offset any weakness. US dollar, euro and sterling markets all saw negative returns, with US market less affected than euro and sterling.

## 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, adds 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.

Global credit markets modestly outperformed government bonds 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 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 believe that continued emphasis on diversification, as well as our focus on income, will continue to support returns as has been the case through the present environment of volatile yields.

## Further Information

Please click on the links below for further information:



### 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](http://www.rlam.com), including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

# Disclaimers

## Important information

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### Notice for UK Investors

The Fund is recognised in the UK under the Overseas Fund Regime (OFR) but is not a UK authorised fund and is not authorised by the Financial Conduct Authority (FCA). It is therefore not subject to the same regulatory oversight as UK authorised Funds and is not required to adhere to the UK sustainable investment labelling disclosure requirements. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available. Investors are strongly encouraged to seek independent financial advice before making any investment decisions.

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

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

The Management Company is FundRock Management Company SA, Registered office: 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.

The Prospectus and Key Investor Information Document (KIID) are available in English via the relevant Fund Information page on [www.rlam.com](http://www.rlam.com). A summary of investor rights is also available in English, and can be accessed at [www.rlam.com/uk/policies-and-regulatory](http://www.rlam.com/uk/policies-and-regulatory)

RLAM may terminate the arrangements made for marketing of the fund pursuant to Article 93a of Directive 2009/65/EC.

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

The portfolio has no index as a comparison.

# 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

Credit risk is the potential for loss due to a borrower, debtor or debt issuer defaulting on agreed obligations to make interest or capital repayments. Credit ratings are independent assessments of the credit risk of a debtor or an individual debt security. Securities that have a lower credit rating have a higher 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.

## Sub-investment grade investment risk

Lower rated investment grade securities may have large uncertainties or major risk exposures to adverse conditions. The market value of securities in lower rated investment grade categories is more volatile than that of higher quality securities, and the markets in which these securities are traded are less liquid than those in which higher rated securities are traded.

## Unrated bond risk

Non-rated bonds may have the characteristics of either investment or sub-investment grade bonds. Market activity in unrated securities and instruments may be low for a considerable period of time and this may impact on liquidity.

# Performance to 31 March 2026

## Cumulative (%)

## Annualised (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
<b>Fund (gross)</b>	0.01	1.74	6.96	30.62	30.02	9.30	5.39
<b>Fund (net)</b>	(0.09)	1.54	6.53	28.91	26.99	8.83	4.89

## 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
<b>Fund (gross)</b>	6.96	8.79	12.26	(2.74)	2.34
<b>Fund (net)</b>	6.53	8.35	11.68	(3.24)	1.81

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 Global Bond Opportunities Fund Z Inc GBP share class.

# Glossary

## Asset allocation

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

## 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.

## 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.

## Derivatives

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

## 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.

## Efficient Portfolio Management (EPM) techniques

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

## 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

Fund performance is 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.

## 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.