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RLPPC UK Long Corporate Bond Fund

Quarterly Investment Report

30 September 2026

Quarterly Report

The fund as at 30 September 2026

The purpose of this report is to provide an update on the RLPPC UK Long Corporate Bond 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	9
Further information	10
Disclaimers	11
Performance net and gross	13
Glossary	14

The fund

Fund performance objective and benchmark

To outperform its benchmark by 0.50% per annum net of fees (on a rolling three year basis). The RLPPC UK Long Corporate Bond Fund invests predominantly in long-dated sterling credit bonds, including unrated bonds and sub-investment grade bonds. The fund may also invest in UK government bonds and non-sterling bonds. The Markit iBoxx GBP Non-Gilts Over 15 Years index is considered an appropriate benchmark for performance comparison.

Fund value

	Total £m
30 September 2026	48.68

Fund analytics

	Fund	Benchmark
Fund launch date	30 April 2003	
Fund base currency	GBP	
Benchmark	Markit iBoxx GBP Non-Gilts Over 15 Years Index (Total Return, GBP)	
Duration (years)	11.92	11.96
Redemption yield (%)	7.05	6.83
Number of holdings	92	196
Number of issuers	75	127

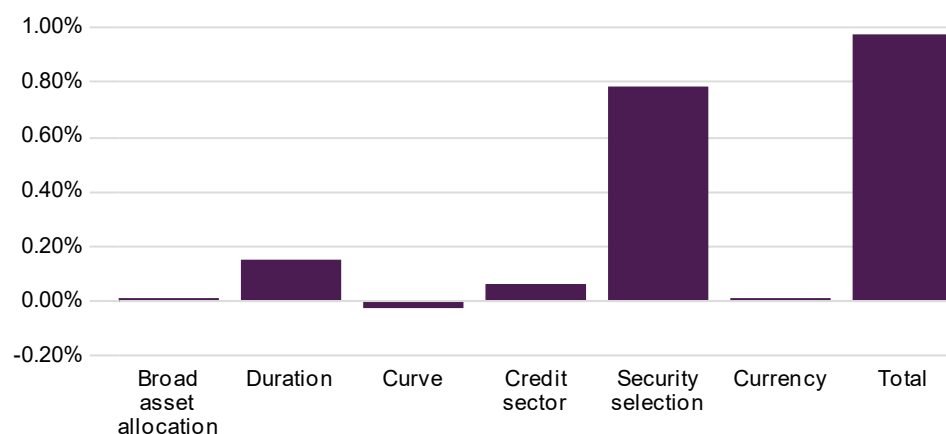
Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	(3.98)	(4.78)	0.80
YTD	(4.44)	(5.30)	0.85
1 Year	0.00	(0.66)	0.66
3 Years (p.a.)	4.34	2.99	1.34
5 Years (p.a.)	(5.05)	(6.70)	1.65
10 Years (p.a.)	(0.30)	(1.71)	1.41
Since inception (p.a.)	4.43	3.55	0.88

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 Acc GBP. Source: Royal London Asset Management; Net performance; Since inception date of the share class is 30 April 2003.

Attribution over the quarter



Performance commentary

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

For sterling credit markets, the third quarter was dominated by rising government bond yields, with this having a materially larger impact on corporate bonds than changing credit spreads. The carry on the asset class is attractive, and our strategy aim of providing an above-average yield supported performance.

With government bond yields rising, duration exposure had a positive impact. The fund has a short duration stance, although this stance was driven by bottom-up credit selection, which has led us to have a greater exposure to medium and longer-dated bonds, rather than an outright macro-driven stance.

Credit allocation was positive over the quarter. This was mainly due to our overweight exposure to the structured sector, which outperformed, supported by our longstanding underweight exposure to supranationals.

Stock selection was the main positive over the quarter. Within the consumer sector, exposure to Eversholt was again positive. The rolling stock leasing company had previously announced that by the end of 2026, all existing debt would be repaid early at a significant premium to market pricing and the bonds did well once more.

In banks, we also saw positive performance driven predominantly by selected subordinated bonds, including legacy perpetual bonds from Santander Brothers, while Finance For Residential Social Housing also performed well relative to the market.

Performance and activity

Top 10 holdings

	Weighting (%)
Fin Res Soc Hous 8.369% 04/10/2058	4.91
Electricite De France 6% 23/01/2114	4.45
National Westminster Bank 9% Pref Perp	3.10
Vodafone Group PLC 6.375% 03/07/2050	3.10
HARBOUR FUNDING 5.28% 31/03/2044	2.91
United Kingdom Gilt 0.5% 22/10/2061	2.59
Wellcome Trust Ltd 2.517% 07/02/2118	2.56
Alphabet Inc 6.125% 13/02/2126	2.50
Eskmuir Group Finance 4.255% 12/12/2047	2.38
London and Quadrant Housing Trust 2.75% 20/07/2057	2.33
Total	30.82

Fund activity

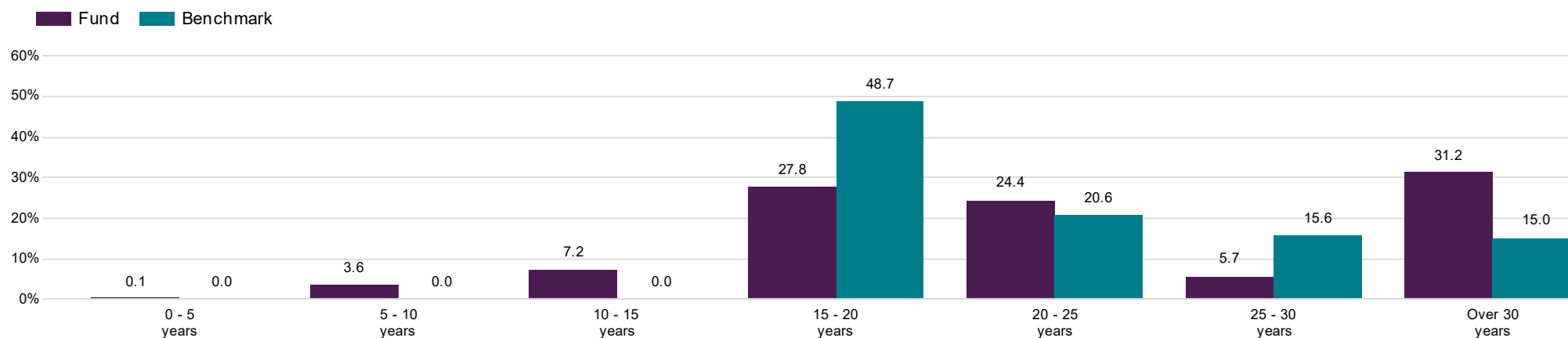
New primary market issuers were moderately active during July and August, and investment grade sterling issuance totalled £7.6bn over those summer months. However, September saw a surge in issuance spiking to £13.9bn for that month alone. This took the total sterling investment grade issuance for the third quarter to £21.5bn. Last year's volume of issuance during the same period stood at £12.8bn.

We continue to seek to diversify the portfolio when we believe that opportunities arise, and the quarter presented a number of attractive new issues. Examples included sterling denominated issues from US telecoms giant AT&T and the partially state-owned German telecommunications company Deutsche Telekom, which both came at above market credit spreads.

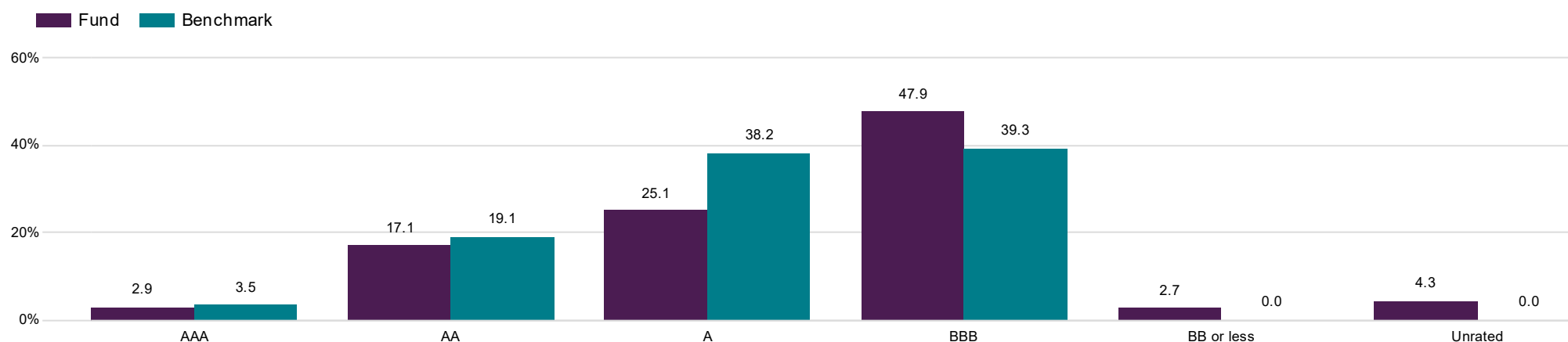
In technology, we bought Amazon, the global e-commerce platform, which came to market twice over the quarter, issuing in multiple currencies and maturities. We took a selective approach, adding the sterling 2045 bonds at attractive levels given the strength of the parent. There have been concerns around the sheer amount of hyperscaler issuance: they are now around 2% of the sterling index, and we are happy to have selected exposure to highly rated, robust companies.

Fund breakdown

Maturity profile

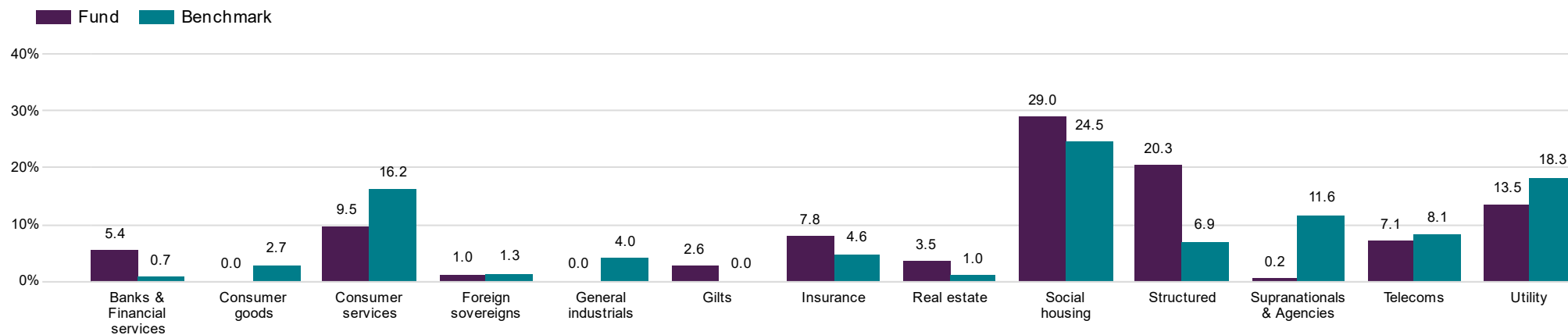


Credit ratings



Fund breakdown

Sector breakdown



Fund Engagement

Engagement definition

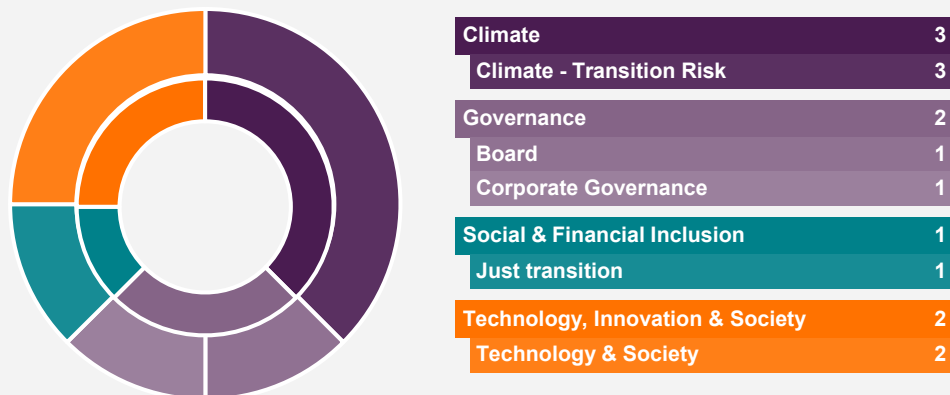
Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence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

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	7	11
Number of engagements	8	32

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



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.

Market commentary

Market overview

Global economic activity remained resilient over the third quarter amid a more challenging backdrop of higher energy prices, rising government bond yields and renewed monetary policy tightening. Despite ongoing conflict in the Middle East and higher energy prices, business surveys and recent GDP figures look consistent with resilient global activity growth, with some indicators showing some improvement in Q3. US growth continued to be supported by robust household spending and a relatively firm labour market. The euro area also performed more strongly than expected, with second-quarter GDP recording its fastest quarterly expansion in four years, supported by consumption, exports and manufacturing activity.

Oil prices rose over the quarter, ending near \$100 per barrel after starting at around \$75 per barrel. Increasingly, however, attention shifted to refined products, where price pressures have been even more pronounced over the conflict. Towards the end of the quarter, news broke that US President Trump was contemplating a diesel export ban, adding to European energy price pressure. Given higher energy prices and with indications growing of a strong El Nino event and very dry and hot European summer, worries also grew around the outlook for food prices.

Against a backdrop of rising inflationary pressures, major central banks adopted a more hawkish monetary policy stance over the quarter. The European Central Bank hiked rates once again in September, while the US Federal Reserve also delivered its first rate hike since 2023, with the median FOMC participant indicating another hike later in the year in their forecasts. The Bank of England left rates unchanged in both July and September but expressed growing concern about elevated energy prices and signalled an openness to tighten policy later in the year if energy prices don't fall significantly.

Fixed income markets weakened over the period as persistent inflationary concerns and elevated energy prices prompted investors to reassess the path of monetary policy. Government bond yields rose sharply, particularly at shorter maturities, as markets priced a higher path for policy rates, while longer-dated bonds weakened on fiscal concerns and rising issuance. In the UK, the government's Debt Management Office sold £4.25 billion of July 2036 gilts at an average yield of 5.383% at the end of September, the highest 10-year borrowing cost since 1999. Demand for higher yields reflected ongoing inflation concerns and expectations of increased fiscal spending ahead of the forthcoming Autumn Budget. UK monetary policy expectations also shifted over the quarter and markets started pricing in a 25bps rate hike in November, with roughly four increases priced in by the middle of next year.

The sterling investment grade credit market (iBoxx non-gilt index) returned -1.74% over the period under review. Spreads ended the quarter at 0.80% (iBoxx), compared to 0.76% (iBoxx) at the end of June.

Outlook

Several trends have become obvious in 2026. Governments are investing more heavily in strategic priorities such as energy security, technology and defence in response to an increasingly fragmented geopolitical landscape fraught with tensions, particularly the ongoing conflict in the Middle East. At the same time, the development of artificial intelligence is driving a very capital-intensive investment cycle that's supporting higher levels of corporate borrowing and debt issuance – with the sheer scale of this supply adding to the upward pressure on government bonds as investors choose where to invest.

Absolute yield levels are therefore higher than seen for some time. With inflation and government spending expected to remain high in the near term, yields could rise further. However, we believe that on a medium-term view, yields are attractive at these levels.

For credit investors, this has meaningful implications. Higher starting yields in the credit markets improve the return potential of fixed income and reinforce its role within balanced portfolios, with investors being compensated for lending capital. This higher level of income also provides a buffer against further government bond market volatility.

We continue to expect swings in government bond interest rates to remain an important driver of returns, with markets continuing to reassess the balance between sticky inflation, slowing growth and the extent to which central banks can ease policy. For sterling credit portfolios, we believe that this outlook supports a measured bias towards longer-dated bonds where valuations and security selection justify it, rather than a significant use of risk budget.

We remain confident that active management can continue to add value in sterling credit. Ongoing credit market commoditisation, driven by price-insensitive buying from annuity providers, passive funds and maturity-focused investors, can create spread dispersion and attractive relative-value opportunities. Against this backdrop, detailed credit research remains critical. We continue to focus on diversification by sector and issuer, secured and collateralised debt, and attractive all-in yields. We believe that less commoditised areas of the market, including secured structures and overlooked issuers, can offer additional yield without a disproportionate increase in credit risk. As a result, credit market inefficiencies remain a valuable source of portfolio income and potential excess returns.

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, including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

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Risks and Warnings

General risks

The degree of investment risk depends on the fund you choose.

The prices of units can go down as well as up.

The return from your investment is not guaranteed; therefore, you may get back less or more than shown in the illustrations.

You may not get back the amount that you originally invested.

Past performance is not a guide to future return.

Inflation may, over time, reduce the value of your investments in real terms.

There may be a variation in performance between funds with similar objectives owing to the different assets selected.

Funds aiming for relatively high performance can incur greater risk than those adopting a more standard investment approach.

The use of derivatives in pursuit of a fund's objective may cause its risk profile to change and this may be material.

Fixed interest security 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. Unlike the income from a single fixed interest security, the level of income (yield) from a fund is not fixed and may go up and down. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the government's fiscal position, short-term interest rates and international market comparisons. The returns from bonds are fixed as at the time of purchase. Therefore the fixed coupon payable and the final redemption proceeds are known at the outset. This means that if a bond is held until its redemption date, the total return that could be expected is unaltered from its purchase date, subject to counterparty default (see 'Credit risk' below). However, over the life of a bond, the yield priced by the market (as opposed to actual fixed coupons payable) at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase price and a profit or loss may be incurred.

Credit risk

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. This fund may invest a percentage of its assets in sub-investment grade bonds. Such bonds have characteristics which may result in higher probability of default than investment grade bonds and therefore higher risk.

Overseas markets risk

Funds investing in overseas securities are exposed to, and can hold, currencies other than Sterling. As a result, overseas investments may be affected by the rise and fall in exchange rates.

Derivatives risk for efficient portfolio management

Derivatives may be used by this Fund for the purpose of efficient portfolio management. This restricts the use of derivatives to the reduction of risk and the reduction of cost. Such transactions must be economically appropriate and the exposure fully covered.

Performance to 30 September 2026

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	(3.90)	(0.56)	0.32	14.69	(21.59)	4.67	(4.75)
Fund (net)	(3.98)	(0.72)	0.00	13.60	(22.84)	4.34	(5.05)

Annualised (%)

Year on year performance (%)

	30/09/2025 - 30/09/2026	30/09/2024 - 30/09/2025	30/09/2023 - 30/09/2024	30/09/2022 - 30/09/2023	30/09/2021 - 30/09/2022
Fund (gross)	0.32	0.10	14.22	4.40	(34.52)
Fund (net)	0.00	(0.22)	13.85	4.07	(34.73)

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 September 2026. All figures are mid-price to mid-price for the RLPPC UK Long Corporate Bond Fund A Acc 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.

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

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

Pricing

The Fund's price will 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.

Rolling 3-year period

A rolling 3-year period is any period of three years, no matter which day you start on.

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.