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Royal London Short Duration Global High Yield Bond Fund

February 2026



Fund Overview

The Royal London Short Duration Global High Yield Bond Fund invests in shares of the Irish domiciled Royal London Short Duration Global High Yield Bond (the “Master Fund”). The Master Fund is a defensive, liquidity focused high yield bond fund which invests primarily in short dated high yield bonds on a global basis, and may invest in short maturity investment grade securities.

After 30 years of falling yields, we have entered a period of market uncertainty caused by higher inflation and interest rates.

As a result, investors are looking to manage risk and find the right balance between the two key of return – capital and income.

Whilst seeking stability and to mitigate the effects of short-term volatility on long-term returns, investors are increasingly looking beyond traditional focus areas such as investment grade credit to generate consistent returns.

In a volatile environment with risks on the rise, finding a solution with the potential to withstand a broad range of economic and market scenarios will become critical.

The Royal London Short Duration Global High Yield Bond Fund aims to offer investors an approach that may help address this challenge.

By selecting high-quality seasoned assets, which are defensively positioned at the front end of the yield curve, we believe that investors can enhance returns in a risk-controlled way.

Investment philosophy

The high yield market is global in nature, with the larger, more liquid US, diverse European and rapidly growing emerging markets all offering different features. We believe that a genuinely global approach offers both greater diversification potential and more opportunities to find attractive bonds. We look at all areas of the high yield market in seeking multiple potential drivers of return.

We target reduced default risk and volatility in the fund via our focus on the reporting transparency of the companies we invest into, and with our bias towards larger more liquid issue sizes. We avoid business models which we believe are unforecastable.

Fund Facts

Domicile	Australia
Responsible Entity	Equity Trustees Limited
Investment Manager	Royal London Asset Management
Inception Date	02 December 2025
Base Currency	AUD
Benchmark	AONIA
Fund Managers	Stephen Tapley and Gary Ewen
Shareclasses available	I class – Inc – Unhedged, A\$
Minimum investment	I class – A\$100,000
Management fees and costs	I class – 55 bps
ISIN	I class – AU60ETL43709
APR	I class – ETL4370AU

An investment approach for all market conditions



Global yet integrated approach
One team, no regional silos



Know what you know, know what you don't
Focus on quantifiable risk, not unpredictable uncertainty



ESG Consideration
Beyond the credit analysis, engagement over avoidance



Nimble & experienced
Established co-located team allows for efficient decision making



No over-diversification
Discerning stock selection with strong individual positions

Source: Royal London Asset Management for illustrative purposes only.

Fund overview

Royal London Asset Management has developed the Short Duration Global High Yield proposition to meet client demand for a truly global credit product that aims to deliver an attractive level of income with limited volatility, in an increasingly uncertain environment.

We believe that our fund is well-suited to the needs of a range of investors in terms of diversification, risk/return and liquidity profile.

Fund positioning

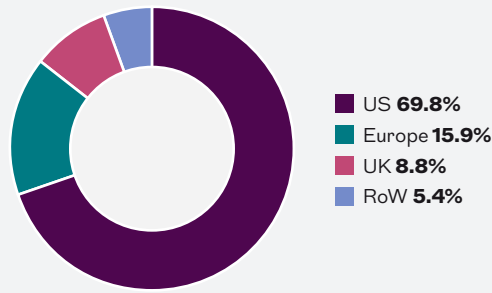
The Master Fund invests primarily in short-dated global high yield bonds, exclusively on a hard currency basis.

This is a combination of bonds with both near term final maturity dates and with optional redemption features. The strategy has been operated for decades to exploit a persistent market inefficiency.

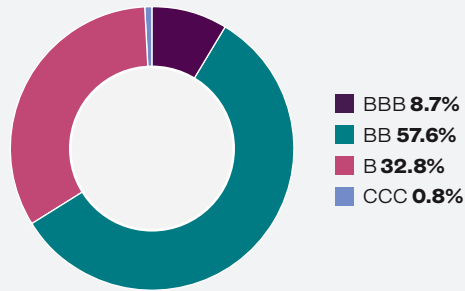
Credit rating agencies assign the same rating on a company's bonds, regardless of their tenor. Given the influence that credit rating agencies continue to have over the market, spreads on offer do not differ materially between short and long duration bonds. However, when defaults do occur in global high yield markets, these are more likely to occur at the start of the life of a bond. This fund focuses on more seasoned bonds, which are closer to their redemption.

As such, we believe that the fund can achieve a disproportionately large level of spread for the default risk it is exposed to. With detailed credit analysis, we believe that the default experience can be significantly reduced. Given the shorter duration nature of the fund, two key characteristics are observable.

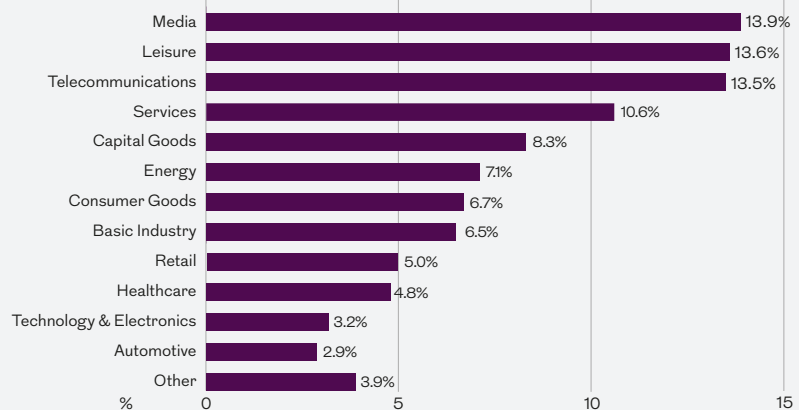
Geographic positioning



Credit rating positioning



Sector positioning



Source: Royal London Asset Management as at 31 May 2025. Portfolio positioning reflects the Master Fund. Excludes the impact of cash and cash equivalent instruments held with the portfolio. Subject to rounding.

First, the underlying volatility of the Master Fund is materially lower (broadly half that of the wider market).

Second, the Master Fund experiences a steady inflow of liquidity, as the companies redeem their near-term maturities as a natural course of business.

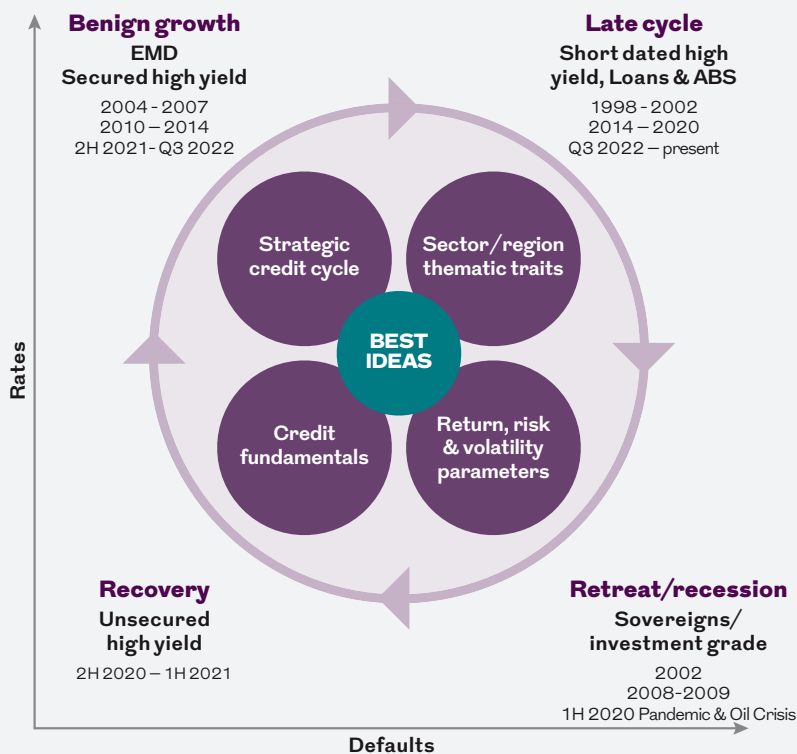
Foreign exchange risk is mitigated by a daily monitoring of the hedging position, to ensure that returns are derived from the underlying bonds and not currency effects.

Investment process

The investment process combines our top-down and bottom-up approach to construct a portfolio of best ideas. The investment process can be summarised into three key steps, with ESG&C (Environmental, Social, Governance and Climate) analyses fully integrated:

- 1 Macro view
- 2 Risk overview
- 3 Stock selection

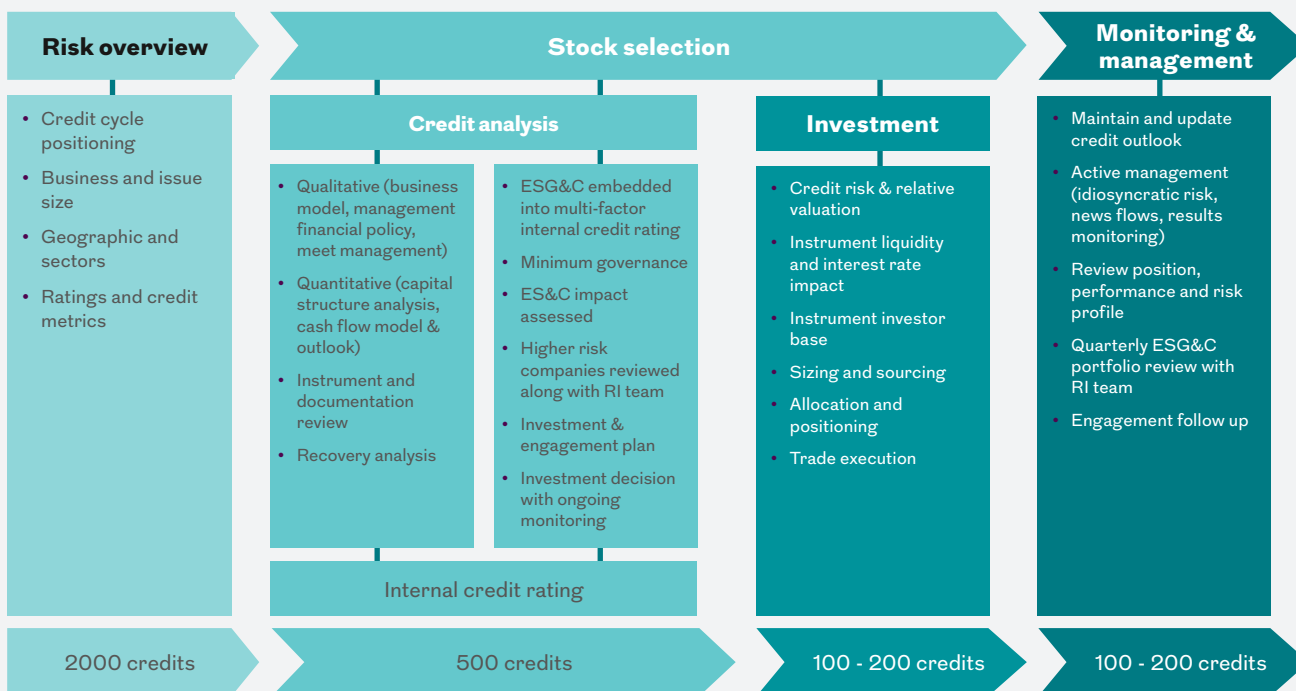
The Credit Cycle: A framework that encourages active decision making.



Navigating the cycle seeks to improve returns and dampen volatility

Source: Royal London Asset Management. As at July 2024. For illustrative purposes only.

Investment process



Robust credit selection process

Source: Royal London Asset Management, for illustrative purposes only.

Experience and expertise

Royal London Asset Management has a highly skilled, experienced Global Credit team that has formed an enviable reputation. The team has expanded as we've developed new products and our assets under management have grown over time. We have steered our portfolios through changing

economic conditions and business cycles. We believe that the most effective way of implementing our investment philosophy is by experienced managers undertaking the right type of analysis, operating with the right team structure that supports a collegiate approach.

Biography



Stephen Tapley
Senior Fund Manager

Stephen has 18 years' experience of investing in global credit. Stephen started his career at Gulf International Bank as a High Yield analyst before moving onto Scottish Widows Investment Partnership.

He joined Royal London Asset Management in 2012, where he helped to launch the Global High Yield and Short Duration strategies in 2013. He has helped to manage these strategies since inception.

Stephen is a CFA Charterholder and holds an MSc in Financial and Industrial Mathematics from Dublin City University.



Gary Ewen
Fund Manager

Gary is Deputy Manager of the Short Duration Global High Yield fund and joined Royal London Asset Management in August 2016, where he performed analysis on high yield corporate bonds and leveraged loans.

In 2023 he became an Assistant Portfolio Manager across all Leveraged Finance strategies in addition to his credit analysis responsibilities before becoming a Fund Manager in 2025.

He previously worked for Mercer Investment Consulting, in their fiduciary management division.

He holds a BBA with first class honours in Finance from St. Francis Xavier University, a MSc. Finance Degree from the University of Warwick and is a CFA Charterholder.

Fund Risks

Investment Risk: Past performance is not a guide to future performance. 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.

Efficient Portfolio Management (EPM) techniques: 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.

Contact us

For more information about our range of products and services, please contact us.

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We are happy to provide this document in braille, large print and audio.

Important information

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The Royal London Short Duration Global High Yield Bond Fund’s Target Market Determination is available at <https://www.eqt.com.au/Investor-Centre>. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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