

RL Diversified Asset Backed Credit Fund



Our approach

- We are one of the most experienced managers in the secured bond market. Our credit team manages over £19bn across both secured credit and securitisations (Source: Royal London Asset Management as at 30 June 2025)
- The fund is designed to deliver high conviction, whilst seeking lower volatility income and return
- Duration is hedged to mitigate from impact of rising rates and isolate returns from high conviction credit selection
- The fund is primarily invested in senior secured debt, diversified across a broader range of sectors than typically seen in ABS funds
- The fund has a selective allocation to unsecured corporate bonds to help enhance returns and eliminate ‘forced-buying’ of subordinated and concentrated securitisation positions

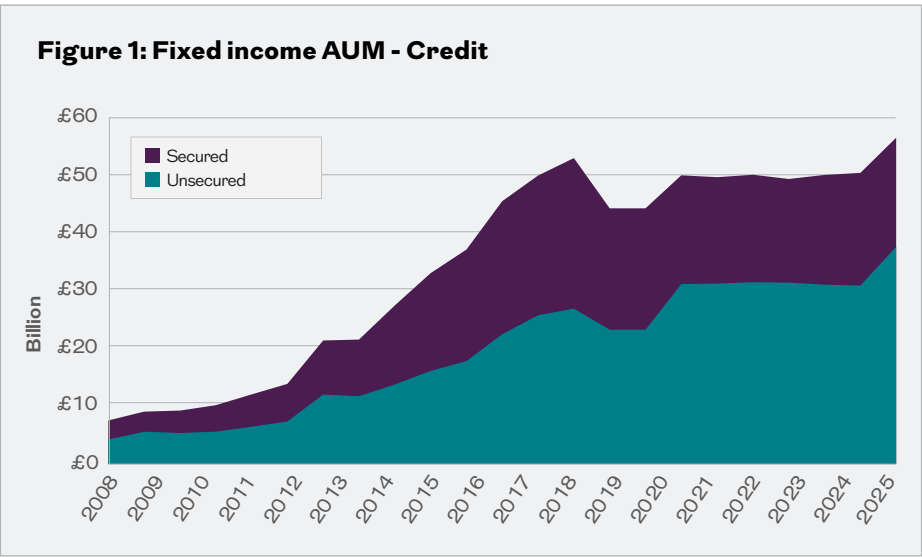
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Shalin Shah,
Fund Manager



Fund investment parameters

Benchmark	SONIA
Target	SONIA + 2% (gross of fees)
Investment universe	Senior ABS, MBS, RMBS, CMBS, secured, unsecured and covered bonds.
Duration	Duration hedged
Average credit rating	A-
Number of issues	>200
Fund management fee	0.425%*
Fund	Daily Dealing UCITS
Inception date	24 December 2012†



Source: Royal London Asset Management as at 30 June 2025.
Secured bonds include covered bonds, investment trusts, real estate and social housing.

Source: RLAM as at 30 November 2025.

* Fund management fee includes expenses for the Z Acc share class.

† Launch date of Royal London Duration Hedged Credit Fund. Renamed the Royal London Diversified ABS Fund on 21 December 2020 and then renamed the Royal London Asset Backed Credit Fund on 12 December 2025.

Portfolio characteristics and holdings are subject to change without notice.

Diversified Asset Backed Credit fund overview

Our long-established investment approach places a strong emphasis upon diversification. This includes targeting the best opportunities from both high-quality secured bonds and securitisations, that we believe are embracing pricing inefficiencies across these distinct markets.

This allows us to deliver on the fund's yield objective with a high quality portfolio by avoiding sector concentrations (sub-prime RMBS, CLOs and credit card/auto debt) in the narrower securitised market and building a portfolio with largely senior exposures. In contrast, ABS funds that focus solely on the securitisation market can be dominated by concentrated positions in junior subordinated bonds.

This fund encompasses a much broader range of sectors and issuers, including bonds issued by social housing, infrastructure and real estate companies.

The fund aims to deliver high conviction, low volatility income and returns. It is duration hedged which helps mitigate against the impact of rising rates, freeing us up to select from the best credit opportunities irrespective of bond maturity.

Of most significance for the fund, Royal London Asset Management's multi-cycle experience of identifying and exploiting market inefficiencies helps us to buy bonds with additional downside risk mitigation from security, and protective covenants that are often under-priced by the market despite these compelling attributes.

Key personnel



Shalin Shah,
Senior Fund Manager

Shalin Shah joined the Fixed Income team in 2008. He is an experienced senior fund manager responsible for managing corporate bond portfolios, including RL Corporate Bond Fund, RL Sustainable Managed Income, RL Sustainable Managed Growth and RL Diversified Asset Backed Credit funds. Shalin holds a BSc in MORSE (Mathematics, Operational Research, Statistics and Economics) from the University of Warwick and is a qualified actuary.

Glossary

ABS	Asset-backed securities
RMBS	Residential mortgage backed securities
CLOs	Collateralised loan obligations

Investment risks

Past performance is not a guarantee or reliable indicator of future returns. 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.

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: Changes in currency exchange rates may affect the value of your investment.

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.

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.

Government and public securities risk: The fund can invest more than 35% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any EEA State, its local authorities, a third country or public international bodies of which one or more EEA States are members.

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.

Contact us

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

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The Fund is a sub-fund of Royal London Bond Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC000797. The Company is a UCITS umbrella fund. The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037. 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

Issued in December 2025 by Royal London Asset Management Limited, 80 Fenchurch Street, London, EC3M 4BY. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

Ref: PDF RLAM PD 0221