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Royal London Short Duration Global High Yield Bond Fund

Fund overview

The Royal London Short Duration Global High Yield Bond 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.

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

An investment approach for all market conditions

Global yet integrated approach
One team, no regional silos

No over-diversification
Discerning stock selection with strong individual positions

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

ESG Promoting Positive Externalities
Beyond the credit analysis, engagement over avoidance

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

Fund facts

Target benchmark	US Effective Federal Funds Rate (Z Hedged Acc USD) Euro Short Term Rate (Z Hedged Acc Eur) Sterling Overnight Index Average (SONIA) (M Acc/Inc and Z Acc/Inc GBP)
Morningstar sector	Global High Yield Bond
Typical duration	Less than 2 years
Launch date	15 February 2013 (Z Inc GBP)
Fund managers	Dr Wolfgang Bauer Sebastien Poulin Gary Ewen
Share classes available & Fund management fee (%)	Z Hedged Acc 0.48% M Acc/Inc 0.59% Z Acc/Inc 0.48%

Source: Royal London Asset Management for illustrative purposes only. **Portfolio holdings and characteristics are subject to change without notice.**

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 greater diversification potential and more opportunities to find attractive bonds.

The Fund invests primarily in short-dated global high yield bonds on a hard currency basis, combining bonds with near-term final maturity dates and optional redemption features.

Credit rating agencies assign the same rating to a company's bonds regardless of their tenor, meaning spreads on offer do not differ materially between short and long-duration bonds. However, defaults are more likely to occur at the start of the life of a bond. The Fund therefore focuses on more seasoned bonds which are closer to redemption.

We target reduced default risk and volatility through detailed credit analysis, a focus on reporting transparency and a bias towards larger, more liquid issue sizes. We avoid business models which we believe are unforecastable.

Foreign exchange risk is mitigated by 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, with (Environmental, Social, Governance and Climate) ESG&C analysis fully integrated throughout.

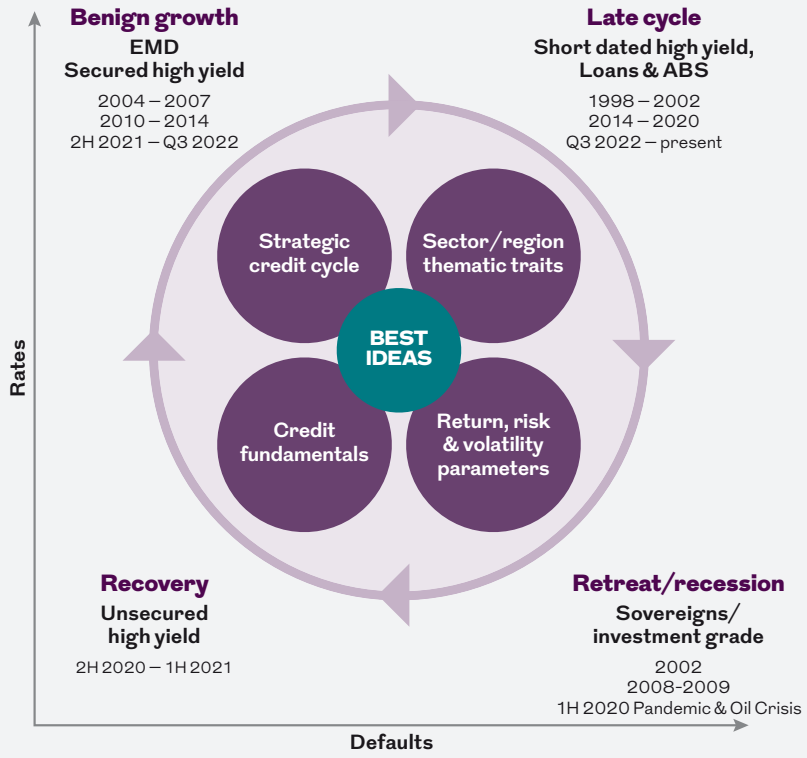
Macro view: Our analysis starts with a quarterly economic review, combined with the team's assessment of the credit cycle, to develop our strategic view of the market.

Risk overview: Our risk view builds on our macroeconomic outlook. We diversify the Fund's holdings by sector, credit quality and region, while favouring areas where we believe the most attractive risk/return opportunities can be found.

We avoid companies where we believe business models cannot be forecast and bonds that do not match our volatility, yield and liquidity characteristics.

Stock selection: Bottom-up fundamental credit analysis combines qualitative and quantitative techniques to identify potential investments. These are assessed for factors including market liquidity, volatility and yield, alongside our top-down views.

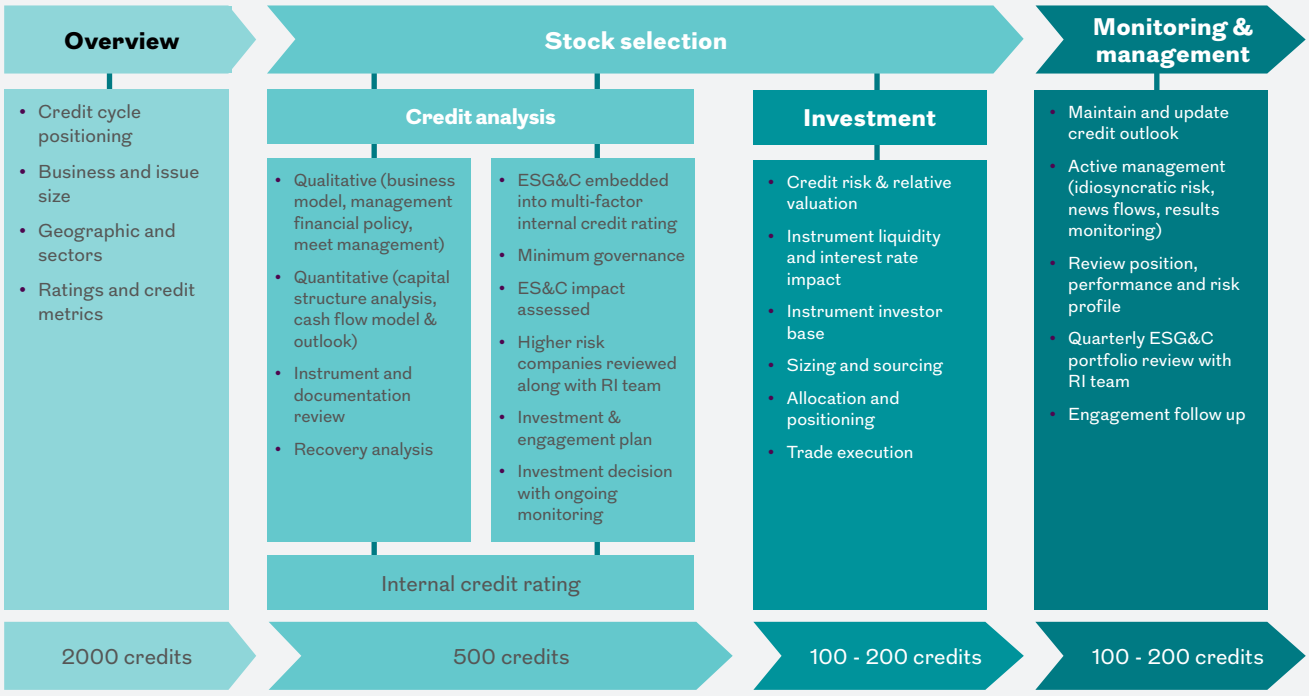
The Credit Cycle: A framework that encourages active decision making.



Navigating the cycle can improve returns and dampen volatility

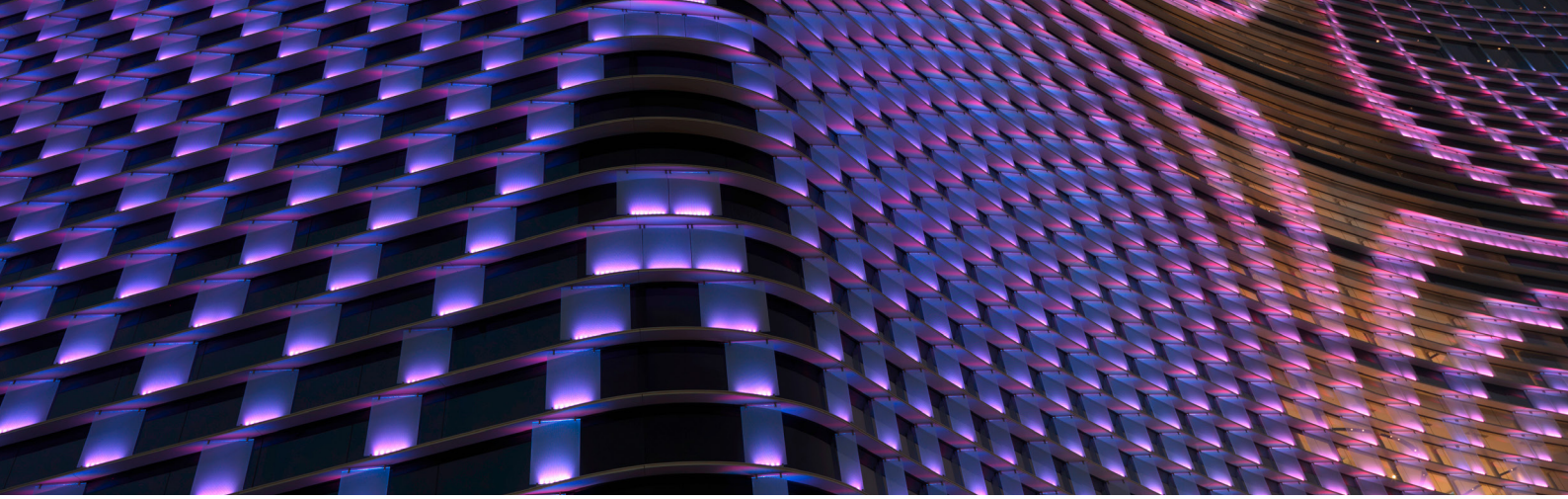
Source: Royal London Asset Management. As at November 2026.
For illustrative purposes only.

Investment process



Robust credit selection process

Source: Royal London Asset Management, for illustrative purposes only. **Portfolio holdings and characteristics are subject to change without notice.**



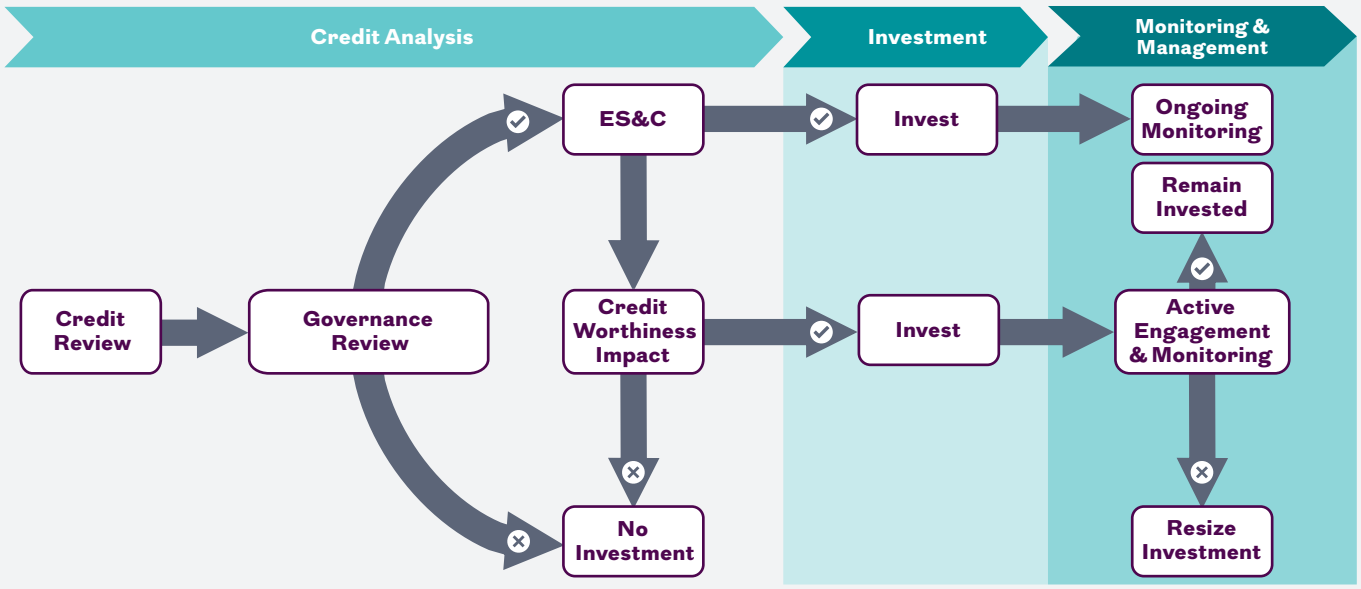
ESG considerations

While the Fund has no official ESG objective, ESG&C issues are a key component of our risk analysis and investment process as the financial and broader economic impact of ESG&C factors over the long term can be crucial. The Fund's investment process fully integrates analysis of both credit quality and ESG&C characteristics with the aim of reducing credit losses and seeking positive externalities through active engagement (ie, indirect ESG related benefits which may potentially arise if companies improve their ESGC profiles following engagement).

As active, long-term investors we believe ESG&C integration is critical to generating the best possible outcome for all stakeholders while encouraging corporate issuers to improve disclosure and transparency.

The Global Credit team leverages a proprietary framework comprised of exclusion and rating scores across several factors to assess materiality. This directly affects the credit rating of the asset in question and subsequent level of engagement with the potential investment. The Global Credit team also works closely with our Responsible Investment team on assessments. The chart below illustrates the fully integrated nature of the Short Duration Global High Yield investment process.

ESG considerations within the investment 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.

The team



Wolfgang Bauer
Fund Manager

Wolfgang Bauer is a Fund Manager at Royal London Asset Management, responsible for credit portfolios. Wolfgang joined Royal London Asset Management in August 2025 after 11 years at M&G Investments, where he managed global and European credit portfolios and began his investment career as a real estate finance analyst. He chairs the Private Investments Sub-Committee of the American Chemical Society and serves on the Investment Committee of the Worshipful Company of Salters. Wolfgang holds a PhD in chemistry from the University of Cambridge and is both a CFA and CAIA Charterholder.



Sebastien Poulin
Head of Leveraged Finance Research

Sebastien joined Royal London Asset Management from Principal Global Investors where he covered both high yield and leveraged loans and was in charge of setting up the European HY platform. Sebastien was previously a credit analyst at Newton Investment where he led the establishment of the high yield credit research strategy. Sebastien worked at Standard & Poor's where he rated and monitored a large number of CLO transactions over the years. Prior to Standard & Poor's Sebastien was a CLO structuring analyst at BNP Paribas.



Gary Ewen
Fund Manager

Gary joined Royal London Asset Management in August 2016 as a credit analyst, 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.

Important information

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For Switzerland: Copies of the Memorandum and Articles of Association,the Prospectus, KIIDs and the annual and semi-annual reports of the fund may be obtained free of charge from the fund's representative in Switzerland, ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich. The Paying Agent in Switzerland is Banque Cantonale Vaudoise, Place St-François 14, CH-1003 Lausanne.

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Ref: BR RLAM PD 0159

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Contact us

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

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