ROYAL LONDON
GMAP CONSERVATIVE FUND

30 June 2019

DYNAMIC PLANNER™ PROFILED 3

Fund Overview

The Fund is part of a range of six multi asset funds known as the Royal London GMAPs or 'Global Multi Asset Portfolios'. The Fund aims to deliver a combination of income and capital growth, over an investment cycle of approximately 6 to 7 years, by investing in a diversified portfolio of fixed income assets. The Fund seeks to provide the lowest level of return with the lowest level of risk when compared to other funds within the range.

Fund benchmark

The benchmark for the Fund has been designed with the aim of providing a long run return in excess of inflation at a low level of risk compared to the other funds within the range. The Fund invests across a broadly diversified selection of fixed income asset classes with different risk characteristics, as indicated below.

Asset type	Benchmark weight (%)	Fund current weight (%)	Relative (%)
Gilts	25.0	20.3	-4.7
Index Linked Gilts	25.0	16.2	-8.8
Investment Grade Corporate Bonds	25.0	44.0	19.0
Global High Yield Bonds (Sterling Hedged)	0.0	6.5	6.5
Cash and Absolute Return	25.0	13.0	-12.0

Source: RLAM as at 30.06.19. Totals may not equal 100% due to rounding. We take a holistic approach to fixed income management and fund weights relative to their respective benchmarks may not reflect tactical exposures.

Year-on-year performance

	30.06.18 to 30.06.19	30.06.17 to 30.06.18	30.06.16 to 30.06.17	30.06.15 to 30.06.16	30.06.14 to 30.06.15
Class M (Acc)	4.52%	1.02%	3.47%	-	-
Class M (Inc)	4.46%	0.98%	3.49%	-	-
Benchmark	5.50%	1.15%	2.89%	-	-
Sector average	5.33%	0.33%	6.85%	-	-

Cumulative performance (as at 30.06.19)

	3 months	6 months	1 year	3 years	5 years
Class M (Acc)	1.70%	4.90%	4.52%	9.25%	-
Class M (Inc)	1.68%	4.86%	4.46%	9.17%	-
Benchmark	1.72%	4.26%	5.50%	9.80%	-
Sector average	2.53%	6.30%	5.33%	12.91%	-
Quartile ranking	4	4	3	4	

Source: RLAM and FE as at 30.06.19. Mid to mid, net of fees and taxes, net income reinvested unless otherwise stated. Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and investors may not get back part, or all, of the amount they originally invested.

ROYAL LONDON

ASSET MANAGEMENT

FUND OVERVIEW

General Information

Fund size (mid basis)	£59.7m
Fund type	OEIC
Fund domicile	GBR
Fund manager	Trevor Greetham
Base currency	GBP
ISA eligible	Yes
IA Sector	Sterling Strategic Bond

Share Class M Accumulation

Inception date	14/03/2016
Fund Management Fee (FMF)	0.60%
Minimum investment	£10,000
Sedol number	BD8RSS7
ISIN	GB00BD8RSS75
Distribution yield	3.18%
Underlying yield	2.51%

Share Class M Income

Inception date	14/03/2016
Fund Management Fee (FMF)	0.60%
Minimum investment	£10,000
Sedol number	BD8RSR6
ISIN	GB00BD8RSR68
Distribution yield	3.18%
Underlying yield	2.51%

FMF

As at 3 June 2019, RLAM moved to a single, fixed fund management fee. This change currently applies to Royal London Unit Trust Managers (RLUTM) multi-asset, equity and bond funds.

Yield definitions

The distribution yield reflects the amounts that maybe expected to be distributed over the next 12 months. The underlying yield reflects the annualised income net expenses of the fund as a percentage (Calculated in accordance with the relevant accounting standards). Both these yields are calculated as a (%) of the mid-price of the fund and are month end snap shots and do not include any preliminary charges and investors may be subject to tax on distributions.

Details of changes to the Fund

UK government bond prices rose, (the yield on benchmark 10 year UK government bonds fell to 0.8% in June), as UK economic data deteriorated further and fears increased of a global slowdown. Gilts underperformed sterling investment grade credit and the average credit spread (the extra yield from a corporate bond compared with government debt of equal maturity) narrowed to 1.25%. While still mixed, data suggested that the US economy continues to lose momentum. The Federal Reserve maintained its policy stance, but strongly implied that it will cut rates in July. The market believes there could be two (or even three) cuts this year, although strong employment data made this less likely.

Our proprietary Investment Clock model has moved from 'Reflation' into the 'Recovery' zone, because of some improvement in global growth data seen in positive employment trends and the stabilisation of Organisation for Economic Cooperation and Development (OECD) lead indicators. 'Recovery' tends to be supportive for equities and corporate bonds. With the muted inflation backdrop, we expect monetary easing to trigger a mini-cycle upswing and are moderately overweight equities and high yield bonds in the near term; however, there could be some weakness over the summer months, which would be a buying opportunity with growth improving.

The fund is underweight government bonds and strongly overweight corporate bonds, including a position in high yield bonds. While the economic cycle is nearing maturity and the balance of risks is shifting towards the downside, we feel global growth still has further to run.

In the UK, the overall pace of gross domestic product (GDP) growth indicated by surveys is weak, and hard data are so far consistent with a contraction in GDP growth in the second quarter. Stronger-than-expected growth in the first quarter was clearly down to Brexit-related stockpiling, but this has been unwinding since. Unemployment remains very low, but the number of full-time employees has fallen over the last three months and redundancies have ticked up slightly. The Bank of England is still signalling rate increases ahead and voted to keep rates on hold, but acknowledged that downside risks have increased.

Yields on benchmark government bonds fell in all developed markets (i.e. bond prices rose), as inflation expectations fell. Data continued to suggest that the global economy was cooling. While only a few central banks have cut interest rates so far, they are concerned about stagnating growth and trade tensions and have signalled they are willing to cut rates meaningfully or even re-launch quantitative easing.

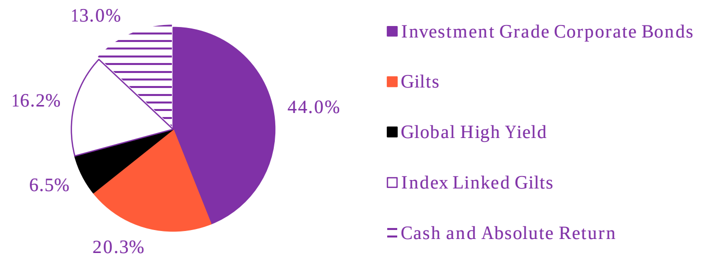
This is not a recommendation or solicitation to buy or sell any particular security.
The views and opinions expressed herein are those of the manager at the time and are subject to change without notice.

Top Fund holdings

Holding/ Fund	Asset type	Weight
RL Sterling Credit Fund	Investment Grade Corporate Bonds	24.0
RL UK Government Bond Fund	Gilts	20.3
RL Index Linked Fund M	Index Linked Gilts	14.3
RL Investment Grade Short Dated Bond Fund	Investment Grade Corporate Bonds	13.0
RL Absolute Return Government Bond	Cash and Absolute Return	10.3
RL Ethical Bond Fund	UK Fixed Income	7.0
RL Short Duration Global High Yield Bond Fund	Global High Yield	6.5
RL Global Index Linked Fund	Index Linked Gilts	2.0
Total		**97.4**

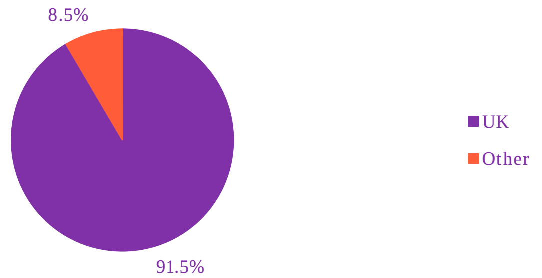
Source: RLAM as at 30.06.19. Total weight reflects rounding.

Asset split



Source: RLAM as at 30.06.19

Geographic breakdown



Source: RLAM as at 30.06.19. 'Other' region includes global fixed income exposures, which are sterling hedged and commodity exposures.

RISK WARNINGS

The issuers of certain bonds could become unable to make income or capital payments on their bonds.

Liquidity conditions in markets may change, potentially reducing the degree of confidence with which assets are valued, and reducing the likelihood that assets can be bought or sold in a timely manner at or close to valuation prices.

Investing in assets denominated in a currency other than the investors' home currency means the value of the investment can be affected by changes in exchange rates to the extent that such currency risk is not hedged.

For funds that use derivatives, their use may be beneficial, however, they also involve specific risks. Derivatives may alter the economic exposure of a fund over time, causing it to deviate from the performance of the broader market.

Sub-investment grade bonds have characteristics which may result in a higher probability of default than investment grade bonds and therefore a higher risk

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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 Price page on www.rlam.co.uk

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Source: RLAM as at 30.06.19, unless otherwise stated.
Our reference: FF RLAM PD 0235