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Royal London European Sustainable Credit Fund

Quarterly Investment Report

31 December 2025

ROYAL LONDON
ASSET MANAGEMENT

Quarterly Report

The fund as at 31 December 2025

The purpose of this report is to provide an update on the Royal London European Sustainable Credit 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

Fund performance objective and benchmark

The Fund's investment objective is to outperform the ICE BofAML Euro Corporate & Pfandbrief Total Return EUR Index (the "Benchmark") by 0.50% per annum over rolling three year periods (gross of fees) by investing in bonds that are deemed to make a positive contribution to society. Investments in the Fund will adhere to the Investment Manager's Ethical and Sustainable Investment Policy, as detailed further below and in the "RESPONSIBLE INVESTMENT" section of the Prospectus. Investors should note that the Benchmark is being used by the Fund for performance comparison purposes only and the Fund does not intend to track the Benchmark. For further information on the Fund's index, please refer to the Prospectus.

Fund value

	Total €m
31 December 2025	128.00

Fund analytics

	Fund	Benchmark
Fund launch date	29 July 2021	
Fund base currency	EUR	
Benchmark	ICE BofA Euro Corporate & Pfandbrief Index (Total Return, EUR)	
Duration (years)	4.57	4.47
Redemption yield (FX adjusted) (%)	3.52	
Number of holdings	216	4,891
Number of issuers	132	1,033

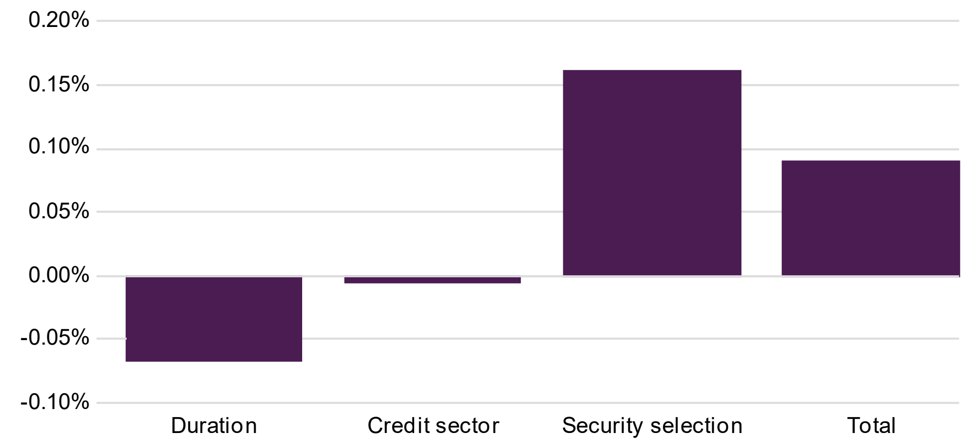
Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	0.39	0.24	0.15
1 Year	3.47	2.98	0.48
3 Years (p.a.)	5.93	5.10	0.83
Since inception (p.a.)	0.15	(0.39)	0.54

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 Z Acc EUR. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 29 July 2021.

Attribution over the quarter



Performance commentary

The fund outperformed the index over the quarter (Z Acc EUR), producing a positive return, also outperforming the index for 2025 as a whole. Rising government bond yields were a small drag on absolute returns over the quarter, offset by the strong carry on the portfolio, with little impact from spread moves.

Stock selection effects were the main drivers of returns over the quarter. We saw positive effects from holdings in the banking sector, notably subordinated bonds from KBC, HSBC and NatWest, as well as subordinated bonds from insurer Munich Re. We also saw strong returns from our utilities holdings, notably Elia Transmission Belgium, Italian renewable energy generator ERG and Dutch national grid operator Tennet.

All issuers within our sustainable holdings offer a net benefit to society through either their products/services or their operations. As well as reducing risk, we seek out opportunities that are under-researched e.g., bonds that do not fall into mainstream indices or benchmarks and/or are unrated by ratings agencies. Importantly, the sustainable credit proposition provides access to critical sectors that most investors can’t access via equity markets. Key themes in the funds include social housing, social & environmental infrastructure, community funding (regulated banks and building societies focused on SME and retail lending), financial inclusion & resilience (such as insurers offering products which protect individuals and businesses from unexpected events) and the energy transition. On sustainability grounds, we have no exposure to bonds of oil & gas companies or extractive industries. We are also underweight in the general industrial and consumer goods sectors (the latter partly due to not holding tobacco or alcohol-related bonds), and to a lesser extent in consumer services.

Performance and activity

Top 10 holdings

	Weighting (%)
HANNOVER RUECK SE 1.375 30 Jun 2042	2.11
ALLIANDER NV 0.875 24 Jun 2032	1.62
GEWOBAG WOHNUNGSBAU AG BERLIN 0.125 24 Jun 2027	1.56
NATWEST GROUP PLC 5.763 28 Feb 2034	1.45
AKELIUS RESIDENTIAL PROPERTY FINAN 1 17 Jan 2028	1.32
ALLIANZ SE 2.121 08 Jul 2050	1.31
BUNZL FINANCE PLC 3.375 09 Apr 2032	1.30
ABN AMRO BANK NV 5.5 21 Sep 2033	1.28
AXA SA 5.5 11 Jul 2043	1.28
LLOYDS BANKING GROUP PLC 4.375 05 Apr 2034	1.22
Total	**14.44**

Fund activity

We continued to invest in bonds that meet both our demanding financial and sustainable criteria, and which fit into the sustainable themes that we think will endure and offer long-term solutions to the challenges that the world faces. We also aim to construct the fund to ensure that it yields more than the benchmark index. We believe that this positioning will be beneficial in the medium term, given the current valuation of credit markets and attractive opportunities we see.

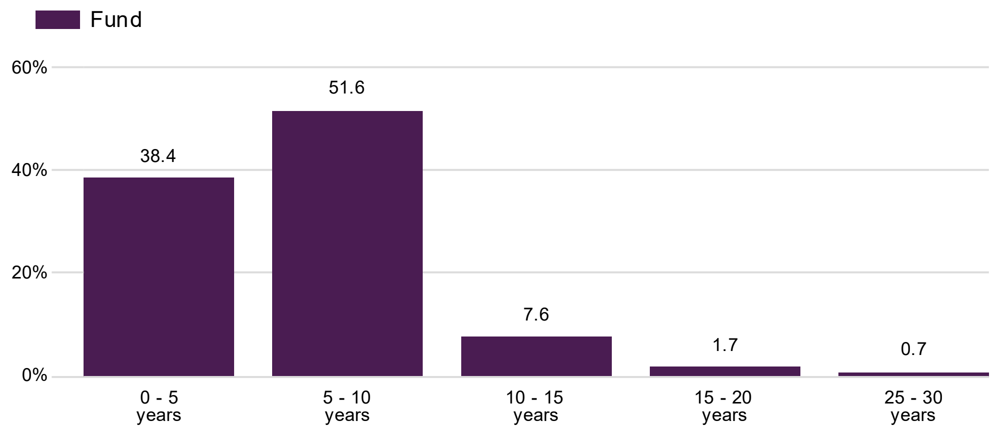
New issue activity remained elevated, with corporate happy to take advantage of strong demand to raise funds. Issuance increased from 2024 and 2023 levels, helped notably by increased issuance from technology giants looking to raise capital as part of investment in AI. We also saw strong issuance in telecoms and utilities, the latter helped by the need to increase capex given the electrification trend. Activity over the quarter was focused on new issues. Financials remain a key part of the fund: these are the largest single sector in corporate indices and our credit portfolios have a long-standing high level of exposure to the sector as we believed that credit spreads looked very attractive for the risk taken. Following two years of strong performance, the overall valuation picture looks less compelling than it did, leading to lower exposure over time, but attractive nonetheless. We added new issues of senior bonds from CitiGroup and Svenska Handelsbanken over the period, also adding subordinated bonds from BPCE at very attractive levels. We also looked to add attractive yields and diversification through bonds from US pharmaceutical Bristol Myers Squib, Praemia Healthcare, a REIT focused on French acute and post-acute care facilities, global packaging provider Smurfit Westrock and hybrid bonds US communications operator Verizon.

The rising interest in AI means companies are raising money to fund increased spending. Some of this is direct, with the fund adding a new issue from US tech giant Alphabet over the period, but we also added green bonds from data centre operator Data Realty. Energy transmission is a key area for the fund – operators in this area are looking to raise capital and the area fits well with our sustainable objective. We added a number of bonds during the period, including a new issue green bond from German electricity transmission system operator Euro Grid, issued to fund clean energy projects. We added similar green bond new issues from Finnish electricity network operator Elenia and Belgian operator Elia Transmission

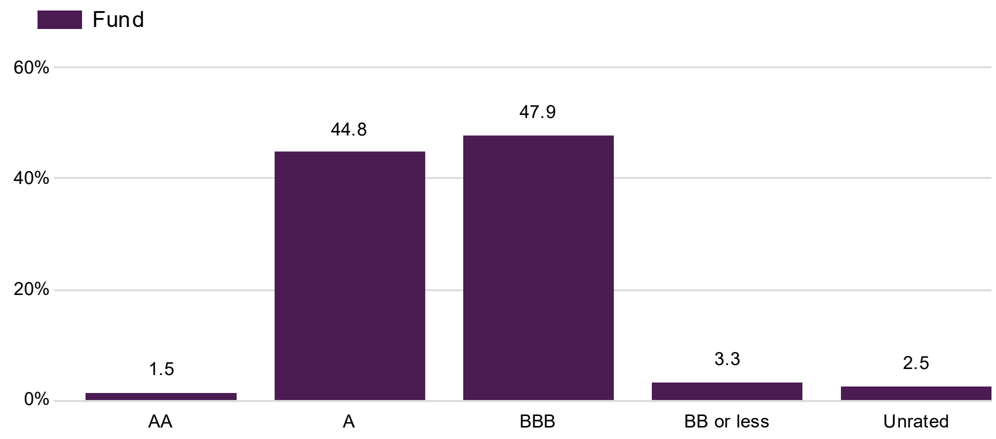
Switches are an efficient way to increase credit spread or reduce risk. During the quarter we trimmed exposure to selected utilities after strong performance, reinvesting into senior bank bonds in the secondary market typically at a yield premium. Examples over the quarter included sales of Dutch energy network operator Alliander, Italian multi-utility Iren and UK generator SSE, adding to holdings in BBVA and Santander.

Fund breakdown

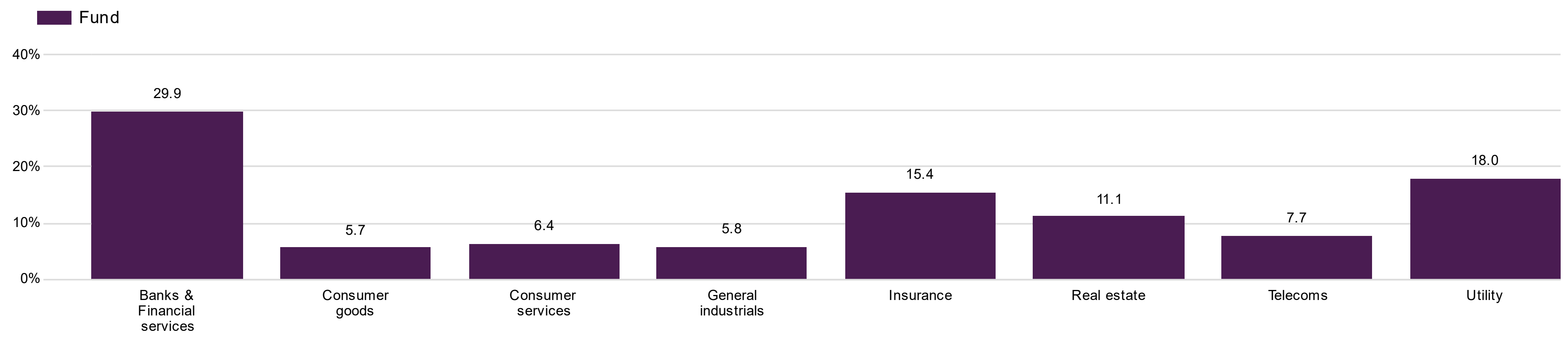
Maturity profile



Credit ratings



Sector breakdown



Characteristics and climate

Sustainable investment rationale

The Fund focuses on the sustainability of the products and services of the companies it invests in, as well as their standards of environmental, social, governance ("ESG") management, alongside financial analysis. The investment approach is fundamentally based on positive screening; identifying companies that are making a positive contribution towards a cleaner, healthier, safer and more inclusive society, through assessing both what a company does and how it does it, and through active engagement to encourage continual improvement. The fund will not invest in companies that undertake business activities deemed to be detrimental to society and that breach our Do No Significant Harm principle. Further details of the Funds Sustainable Investment process can be found in the ethical and sustainable investment policy at www.rlam.com/uk/individual-investors/policies-and-regulatory/

Fund exclusions

Exclusion criteria that make sure a fund does not invest into a specific service or product. Royal London Asset Management has a controversial weapons exclusion across all investments.

Adult entertainment	✓	High environmental impact	✓
Alcohol	✓	Human rights issues	✓
Animal welfare	✓	Nuclear power	✓
Armaments	✓	Nuclear weapons	✓
Fossil fuels	✓	Tobacco	✓
Gambling	✓	UNGC / OECD violators	✓

Climate metrics

	Fund	Benchmark	Difference (%)
Financed emissions (tCO2e)	3,398	n/a	n/a
Financed emissions coverage	93.84%	n/a	n/a
Carbon footprint (tCO2e/$M invested)	22.71	50.82	(55.31)
Carbon footprint coverage	93.84%	95.68%	(1.92)
Weighted average carbon intensity (tCO2e/$M sales)	64.54	88.13	(26.76)
Weighted average carbon intensity coverage	95.33%	97.28%	(2.01)

All climate metrics presented above are for Scope 1-2 emissions. Unless specified in the objective, the data is for information only and should not be taken to mean they are being managed to/controlled.

Implied temperature rise

	Fund (%)	Benchmark (%)	Difference (%)
Implied temperature rise (ITR) coverage	83.91	92.72	(9.50)
% of portfolio below 2°C ITR	61.78	51.62	19.68
% of portfolio below 1.5°C ITR	36.36	21.67	67.80

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	17.17	17.80	(3.51)
SBTi Near-Term committed	7.80	4.59	69.66
SBTi Near-Term targets set	27.94	32.08	(12.91)

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	12	31
Number of engagements	18	74

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

Theme / topic	Engagements
Biodiversity	4
Climate	11
Climate - Transition Risk	11
Governance	3
Corporate Governance	3
Social & Financial Inclusion	7
Just transition	3
Labour & Human Rights	2
Social & Financial inclusion	2
Technology, Innovation & Society	2
Cybersecurity	1
Technology & Society	1

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.

Fund Engagement

Engagement outcomes

HSBC Holdings plc – Just Transition

Purpose:

HSBC Holdings plc, a global bank, was engaged as part of our long-running engagement with banks on just transition, seeking for it to integrate social considerations into its Net Zero transition plan.

Outcome:

HSBC is updating its Net Zero transition plan and benchmarking peers to improve just transition disclosures. The bank recognised deficiencies in managing climate-related human rights risks and sector-specific social impacts, but emphasised ongoing measures, such as the implementation of enhanced vulnerability standards and various financial inclusion initiatives. HSBC emphasised challenges in retrofitting liability and Use of Proceed loans in the retail mortgage market. Following our meeting, we will review our draft assessment and share it with the bank to encourage improved disclosure and integration of social considerations.

Lloyds Banking Group plc – Just Transition

Purpose:

Lloyds Banking Group plc (Lloyds), a UK-based financial institution, was engaged as part of our long-running engagement with banks on just transition. We sought the integration of social considerations into the company's decarbonisation strategy.

Outcome:

Lloyds continues to integrate just transition across its strategy, committing £1 billion to its Regional Impact Fund to address regional inequality and drive inclusive economic growth. The bank showcased partnerships with the North East Combined Authority and Office of Investment to channel private investment into green infrastructure. It also expanded its 'Eco Home Reward' scheme, offering up to £2,000 cashback for energy efficiency measures, returning over £2 million to customers in 2025. Lloyds is working with Octopus Energy to reduce heat pump installation wait times and exploring property-linked financing. Before implementing mortgage policy changes, Lloyds conducted analysis to ensure alignment with just transition principles. We will continue this engagement to monitor disclosure improvements.

Fund Engagement

Engagement outcomes

Severn Trent plc – Climate & Nature

Purpose:

Severn Trent plc, a UK water utility, was engaged to review its approach to just adaptation and integration of nature-based solutions.

Outcome:

Severn Trent applies a natural and social capital approach to assess the wider benefits of its investments, guided by frameworks from the UK's Environment Agency (EA) and the Water Industry National Environment Programme (WINEP). Nature-based solutions, such as rain gardens (is a shallow planted area that collects rainwater) and tree planting, are embedded into project planning, with stakeholder engagement central to managing trade-offs between environmental and operational priorities. While the company is making progress, challenges remain around accurately quantifying these benefits and improving transparency on monitoring data. Severn Trent is working toward alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) and the Taskforce on Climate-related Financial Disclosures (TCFD), which set global standards for reporting on nature and climate respectively. We will continue to monitor progress and encourage enhanced disclosure on how the company identifies and mitigates climate maladaptation risks.

Market commentary

Market overview

Markets were focused on the US during the quarter, with rate cuts from the Federal Reserve bookending the longest US Federal Government shutdown in history. The decision was accompanied by language suggesting a pause after three cuts in the final four months of 2025. In the euro zone, the European Central Bank left rates unchanged – with inflation concerns causing reluctance to cut further after four cuts in the first half of 2025. The Bank of England (BoE) cut rates from 4% to 3.75%, the sixth cut since mid-2024 from the recent peak of 5.25%. The BoE noted that inflation was still a concern (reflected in a 5-4 vote) but concerns over downside risks including an unemployment rate that has edged to its highest rate since the Covid pandemic.

Risk assets closed the year strongly. After the sharp fall in the wake of the Trump tariff announcement in early April, global equity markets generally ground higher, including during the fourth quarter, helped by ongoing optimism over AI as well as supportive corporate earnings. For the year as a whole, there was strong performance from all major markets – the US, Europe, UK and Japan – with the US lagging in common currency terms after the US dollar weakened significantly. Global credit has benefited from falling interest rates and the strong corporate backdrop leading to tighter credit spreads. Government bond yields were mixed, with US and German government bond yields edging higher, while UK yields moved lower on hopes that the November budget announcement would be gilt-friendly.

Government bond yields were mixed, with US and German government bond yields edging higher, while UK yields moved lower on hopes that the November budget announcement would be gilt-friendly. Gilts rallied as Budget news broke but the initial volatility was absorbed during the course of the day, with expected tax hikes backloaded and some action to curb short-term inflation announced.

Benchmark 10-year gilt yields fell from 4.70% to end at 4.55%, meanwhile UK 30-year gilt yields took a step back from their highest levels in almost 30 years seen in the summer. In the US, 10-year treasury yields rose slightly to 4.14% from 4.13% at the end of September but seen volatility in the interim. The German 10-year bund yield was 2.82% at the end of the fourth quarter, rising from 2.67% three months prior.

Global investment grade credit markets saw positive returns over the quarter. Credit spreads were broadly flat over the period – ending slightly tighter in sterling and slightly wider in the US dollar and euro markets. While attractive yields continue to help overall returns, underlying government bond markets remained the main source of volatility, with higher yields in the US and Germany weighing on returns, while the rebound in gilts helped sterling credit assets.

Outlook

There is no let-up in market uncertainty. Geopolitics are perhaps a bigger factor than at any time this century given the ongoing situation in Ukraine, wider Russian belligerence in Europe and the potential for spillover effects. At the same time, policy uncertainty has also not eased, with tariffs still very much on the US agenda, the current administration still announcing policies without details appearing to be complete and doing nothing to erase concerns about political interference in monetary policy. On top of these, budget concerns are also a significant factor in both the US and UK. Monetary policy settings are generally seen as supportive of fixed income markets, but even here, there is uncertainty around the timing and quantum of rate cuts as inflation is still not fully subdued. These factors help explain why government bond yields have been relatively volatile in 2025, and there seems little prospect of a material change in this in the next few months.

Yet risk markets generally, including global credit markets, have continue to produce attractive returns. With investment grade credit spreads having compressed in recent months, it is natural to look at absolute levels to determine whether the market still offers ‘value’. With default rates low, and new issuance active, we continue to believe the all-in yield on global credit remains attractive. Furthermore, we continue to find attractive investment opportunities, partly through the new issue market but also by focusing on exploiting market inefficiencies. By focusing on bottom-up analysis, we continue to build overall portfolios that we believe offer attractive risk / return profiles with above-market yields.

While near-term absolute performance is likely to be heavily influenced by movements in the yields of underlying government bond markets, we believe that continued emphasis on diversification, as well as our focus on income, will continue to support returns as has been the case through the present environment of volatile yields.

For more insights into the outlook for 2026, including from our CIO, Will Nicoll, go to the Our Views section at www.rlam.com

Further Information

Please click on the links below for further information:

Stewardship and Responsible Investment at RLAM

Royal London Sterling Credit ESG analysis

TCFD climate report

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.

Disclaimers

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Notice for UK Investors

The Fund is recognised in the UK under the Overseas Fund Regime (OFR) but is not a UK authorised fund and is not authorised by the Financial Conduct Authority (FCA). It is therefore not subject to the same regulatory oversight as UK authorised Funds and is not required to adhere to the UK sustainable investment labelling disclosure requirements. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available. Investors are strongly encouraged to seek independent financial advice before making any investment decisions.

The Fund is a sub-fund of Royal London Asset Management Funds plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds.

Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. It is a recognised scheme under the Financial Services and Markets Act 2000.

The Management Company is FundRock Management Company SA, Registered office: Airport Center Building, 5 Heienhaff, L-1736 Senningerberg, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

The Investment Manager is Royal London Asset Management Limited.

The Prospectus and Key Investor Information Document (KIID) are available in English via the relevant Fund Information page on www.rlam.com. A summary of investor rights is also available in English, and can be accessed at www.rlam.com/uk/policies-and-regulatory

RLAM may terminate the arrangements made for marketing of the fund pursuant to Article 93a of Directive 2009/65/EC.

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.

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Risks and Warnings

Investment risk

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.

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.

Responsible investment risk

The Fund can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number securities in which the Fund can invest and there may as a result be occasions where it forgoes more strongly performing investment opportunities, potentially underperforming non-sustainable funds.

Performance to 31 December 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	Since Inception
Fund (gross)	0.39	1.68	3.47	18.89	0.69
Fund (net)	0.31	1.51	3.14	17.76	(0.73)

Annualised (%)

	3 Years (p.a.)	Since Inception (p.a.)
Fund (gross)	5.93	0.15
Fund (net)	5.59	(0.17)

Year on year performance (%)

	31/12/2024 - 31/12/2025	31/12/2023 - 31/12/2024	31/12/2022 - 31/12/2023	31/12/2021 - 31/12/2022	31/12/2020 - 31/12/2021
Fund (gross)	3.47	5.71	8.70	(13.90)	-
Fund (net)	3.14	5.38	8.35	(14.17)	-

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 31 December 2025. All figures are mid-price to mid-price for the Royal London European Sustainable Credit Fund Z Acc EUR share class. Since inception date 29 July 2021.

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.

Bonds

Securities that represent an obligation to repay a debt, with interest. Investment grade bonds are high quality bonds that are viewed as being highly likely to make all scheduled payments of interest and principal. Low quality bonds carry higher risk but also typically pay higher rates of interest. Corporate bonds are those issued by companies to raise finance.

Carbon footprint

Exposure to high emitters in the portfolio, expressed in tCO2e/$M invested. Financed emissions are divided by the portfolio value, the same approach for listed companies and private issuers is applied in this metric.

Credit ratings

Credit ratings are based on RLAM composite ratings which uses a hierarchy of S&P, Moody's and then the Fitch rating.

Currency hedged share classes

Currency Hedged Share Classes aim to provide investors with a return highly correlated to the return of the base currency share class by minimising the impact of exchange rate fluctuations between the base currency of the Fund and the investor's chosen currency. Derivatives are typically used to hedge the relevant share classes.

Derivatives

A financial instrument whose price is dependent upon or derived from one or more underlying asset.

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.

ESG Integration

The consideration of environmental, social and governance (ESG) risk as part of the investment process. ESG integration does not mean the fund is trying to achieve a particular positive ESG outcome. Please check prospectus documentation for details on specific fund-level objectives.

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Efficient Portfolio Management (EPM) techniques

The Fund may engage in EPM techniques including holdings of derivative instruments. The use of these instruments may expose the Fund to volatile investment returns and increase the volatility of the net asset value of the Fund. EPM techniques may involve the Fund entering into transactions with counterparties where there may be a risk of counterparty default. The Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

Environmental, social and governance

A list of predefined criteria that determines how a company operates in terms of sustainability and overall corporate governance.

Exclusions

Explicitly prohibits investing in a particular company, sector, business activity, country or region.

Financed emissions

The emissions from activities in the real economy that are financed through lending and investment portfolios, expressed in tCO2e. Emissions are attributed to a portfolio based on the portion of the company's value the portfolio holds, and using different accounting values for public and private corporates. We provide financed emissions for scope 1 and 2 emissions.

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.

Glossary

Fund restrictions definitions

Adult Entertainment: Companies which own or produce adult entertainment services, or engage in the distribution or sale of adult entertainment services.

Alcohol: Companies which have involvement in brewing, distillation or sale of alcoholic drinks.

Animal Welfare: Companies that conduct animal testing (other than for purposes of human or animal health and/or where it is required by law or regulation).

Armaments: Companies who manufacture armaments or nuclear weapons or associated products.

Controversial Weapons: Weapons which have an indiscriminate and disproportional impact on civilians or weapons that are illegal and prohibited by international conventions and treaties.

Fossil Fuels: Companies involved in the exploration, extraction or refining of oil, or gas, or coal, plus any activity relating to thermal coal.

Gambling: Companies who promote irresponsible gambling which includes betting shops, casinos or amusement arcades.

High Environmental Impact: Companies which have a high environmental impact, and which have 'no evidence' of appropriate environmental management systems.

Human Rights Risks: Companies with a strategic presence operating in countries of concern and which have 'no evidence' of policies or systems to manage human rights risks.

Nuclear Power: Companies who generate energy from Nuclear Power.

Nuclear Weapons: Companies that manufacture, nuclear; or are involved in the production of intended-use parts, whole weapons systems, or exclusive delivery platforms.

Fund restrictions definitions

Tobacco: Companies which are growing, processing or selling tobacco products.

Implied temperature rise (ITR)

ITR aims to measure the global warming outcome from the emissions trajectory of a company, if the whole economy followed the same trajectory.

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 may 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.

Promotes environmental or social factors

An ESG Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

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 excluding cash, in each case calculated to the point in time at which each is expected to redeem, equates to its current price, gross of relevant fund management costs and gross of tax. For funds that are sold in various hedged currency share classes, yield is adjusted to reflect the impact of FX hedging and excludes the impact of cash.

SBTi

The Science-Based Targets initiative is a consortium of organisations that set up the definition and promotion of science-based target setting.

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.

Sustainable fund objective

A product that has sustainable investment or a reduction in carbon emissions as its objective.

Weighted Average Carbon Intensity (WACI)

Portfolio's exposure to carbon-intensive companies, expressed in tCO_2e / $M revenue. Scope 1 and scope 2 GHG emissions are divided by companies revenues, then multiplied based on portfolio weights (the current value of the investment relative to the current portfolio value). The WACI is calculated as a weighted average sum of the holdings with carbon intensity coverage.

Glossary

Weighted Average Carbon Intensity (WACI)

In line with our bespoke and targeted approach to credit analysis, we have developed an in-house carbon data tool that addresses coverage and mapping issues with third party systems. The development of this tool has been a critical element of RLAM's ESG integration into our credit process, addressing coverage and mapping issues with third party systems. This enhanced coverage is reflected in the WACI figures provided in this report, with all other metrics instead being based on data from MSCI.