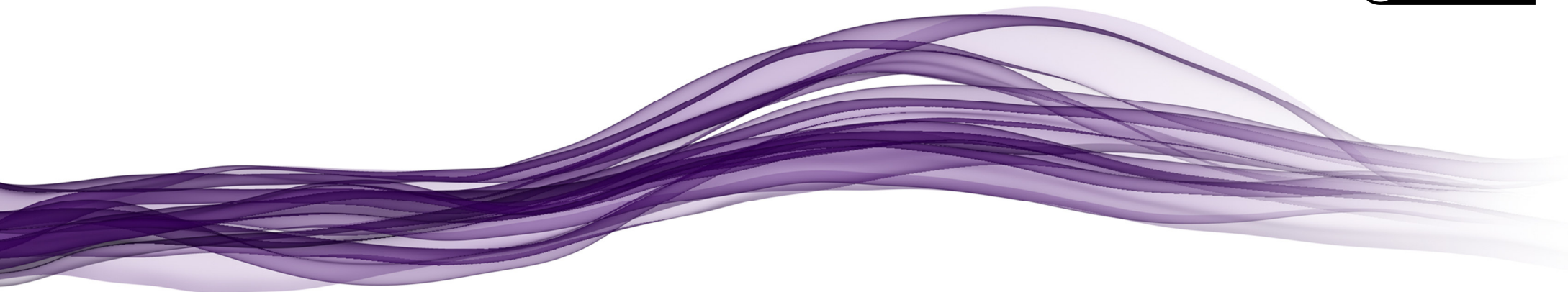


For professional clients only, not suitable for retail clients.

This fund uses the Sustainability Focus label which is for funds that invest mainly in assets that focus on sustainability for people or the planet.



Royal London Sustainable Leaders Trust

Quarterly Investment Report

30 June 2025



Quarterly Report

The fund as at 30 June 2025

The purpose of this report is to provide an update on the Royal London Sustainable Leaders Trust. 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.

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The fund

Fund performance objective and benchmark

The Fund's financial objective is to achieve capital growth over the medium term, which should be considered as a period of 3-5 years, and to outperform the FTSE All-Share Index (the "Index") over a rolling 5-year periods.

The Fund's sustainability objective is to invest in companies that make a positive contribution to one or more of the "Sustainability Themes" (Clean, Healthy, Safe, Inclusive), through their products or services as determined by the Investment Adviser using its "Sustainability Standard".

Fund value

	Total £m
30 June 2025	2,807.27

Fund analytics

	Fund
Fund launch date	29 May 1990
Fund base currency	GBP
Benchmark	FTSE All Share (Total Return)
Number of holdings	40

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	6.55	4.39	2.17
YTD	7.30	9.09	(1.79)
1 Year	10.06	11.16	(1.10)
3 Years (p.a.)	11.46	10.65	0.81
5 Years (p.a.)	9.08	10.83	(1.75)
10 Years (p.a.)	10.08	6.77	3.31
Since inception (p.a.)	9.07	7.97	1.10

Past performance is not a guide to future performance. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on C Acc GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 29 May 1990.

Performance commentary

The fund produced a positive return over the quarter, benefiting from its overweight position in the industrial sector, as well as the lack of exposure to the energy sector.

Positive contributors were spread across sectors and included Diploma, Tesco and Prudential. Diploma is a leading distributor of industrial components and medical equipment and continues to execute well in the current environment. Tesco shares have outperformed as the risk of a price war initiated by Asda is receding and they continue to gain market share. Meanwhile, shares in Prudential Group benefited from its exposure to Asian and African markets. The company has successfully captured new business in these regions.

Negative contributors included holdings in Bunzl and London Stock Exchange Holdings as well as lack of exposure to defence companies Rolls Royce and BAE Systems, which rose on the expectations of higher defence spending. Shares of the distributor of essential products producer Bunzl fell after the company reported results that fell short of expectations. Shares of financial services provider London Stock Exchange underperformed as investors rotated from defensives towards more cyclical companies.

We continue to apply our tried and tested investment process focusing on finding the most attractive companies from a sustainability and financial standpoint as we believe these companies can offer high and more durable long-term growth as well as being more resilient.

Performance and activity

Top 10 holdings

	Weighting (%)
STANDARD CHARTERED PLC	5.68
RELX PLC	5.53
PRUDENTIAL PLC	5.16
LONDON STOCK EXCHANGE GROUP PLC	5.13
HSBC HOLDINGS PLC	5.09
EXPERIAN PLC	5.06
ASTRAZENECA PLC	4.92
COMPASS GROUP PLC	4.53
LLOYDS BANKING GROUP PLC	4.27
THE SAGE GROUP PLC	4.24
Total	49.61

Fund activity

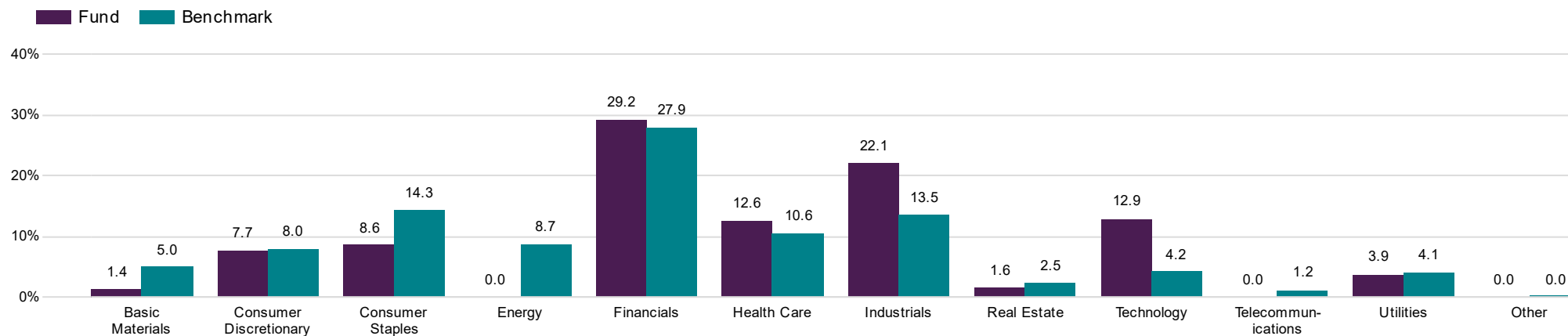
We started a new position in Pearson, a leading global education provider which we expect to start getting the benefits of its restructuring.

We exited the holding in Thermo Fisher Scientific, a US life sciences company, which was affected by negative news flow around tariffs and healthcare sector concerns in the US, leading to its underperformance.

Our sustainable strategies are orientated to those companies that have a net benefit to society and create value for investors through their products and services and the way they manage environmental, social and governance (ESG) issues. Areas such as healthcare and technology remain at the core of the equity portfolios, complemented by engineering, utilities, selected financial services, and companies that lead their industries in ESG performance. This means that we do not invest in some sectors, such as oil & gas, extractive industries, or tobacco. We believe that the exposure to those sectors which offer a positive contribution to society is consistent with outperformance over the medium term.

Fund breakdown

Sector weights



Characteristics and climate








Sustainability approach

The Fund's sustainability objective is to invest in companies that make a positive contribution to one or more of the "Sustainability Themes" (Clean, Healthy, Safe, Inclusive), through their products or services as determined by the Investment Manager using its "Sustainability Standard". The Sustainability Standard requires 50% of a company's revenues to be derived from product or services aligned to one or more of the four Sustainability themes.

Overall, at least 70% of the Fund is invested in sustainable companies. Up to 30% may be held in non-sustainable companies that do not conflict with the sustainability objective for any of the four sustainability themes of the Fund.

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.

 Pornography production	✓	 Nuclear-power generation	✓
 Non-health animal testing	✓	 Tobacco manufacturing	✓
 Armament manufacturing	✓		
 Fossil fuel extraction	✓		
 Gambling establishments	✓		

Climate metrics

	Fund	Benchmark	Difference (%)
Financed emissions (tCO2e)	34,521	n/a	n/a
Financed emissions coverage	99.01%	n/a	n/a
Carbon footprint (tCO2e/\$M invested)	9.03	51.06	(82.31)
Carbon footprint coverage	99.01%	94.22%	5.08
Weighted average carbon intensity (tCO2e/\$M sales)	26.76	76.48	(65.01)
Weighted average carbon intensity coverage	94.74%	93.29%	1.55

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	99.01	94.23	5.07
% of portfolio below 2°C ITR	64.56	62.07	4.01
% of portfolio below 1.5°C ITR	33.31	34.81	(4.32)

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	34.18	32.83	4.13
SBTi Near-Term committed	1.56	4.20	(62.94)
SBTi Near-Term targets set	67.86	53.29	27.34

Fund Engagement

Engagement definition

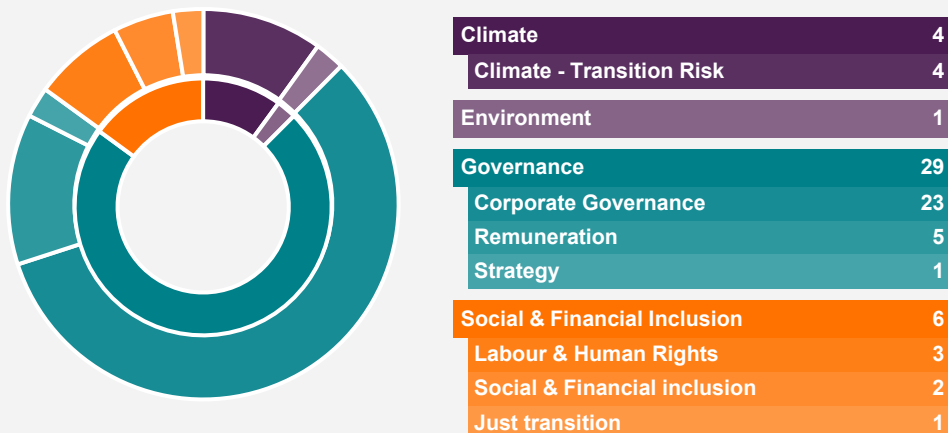
Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence positive change, with defined objectives and demonstrable outcomes.

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	21	38
Number of engagements	33	139

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



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

MercadoLibre Inc - Multi-thematic

Purpose:

The engagement aimed to better understand the sustainability strategy of MercadoLibre, a Latin American e-commerce and fintech company, with a particular focus on workforce development, operational improvements, and leadership transition planning.

Outcome:

MercadoLibre demonstrated meaningful progress in its logistics operations since internalising its warehouse workforce in 2019. Employee approval ratings have risen from 63% to 91%, and workplace accidents have decreased by 95%. The company has also introduced structured career development pathways, enabling employees to pursue further education and access advancement opportunities, including fast-track promotions. Additionally, the planned leadership transition from the founder and CEO to an internal successor is being managed as a gradual, strategic shift, ensuring continuity in the company's culture, strategy, and capital allocation.

Natwest Group Plc - Net zero

Purpose:

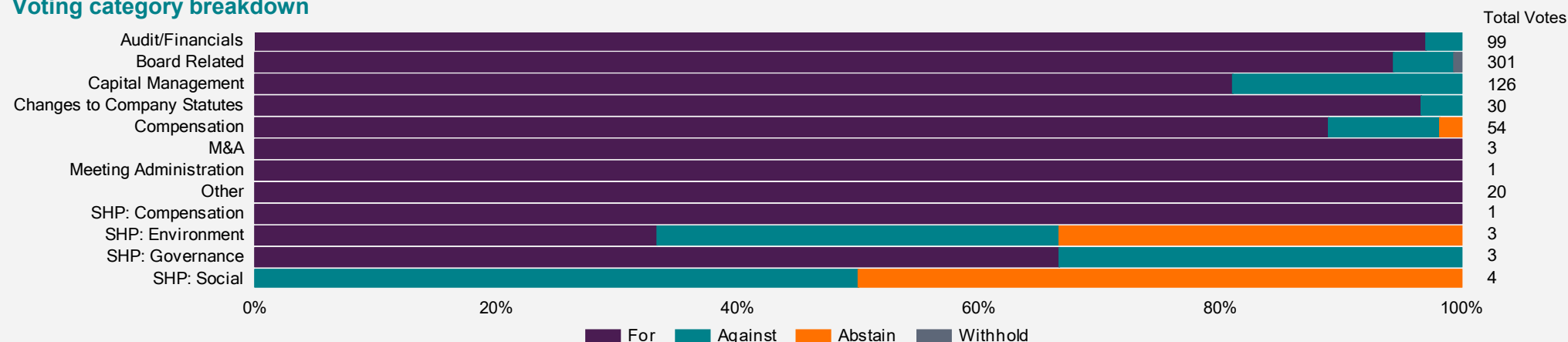
We met with NatWest's Climate team and Investor Relations to discuss the bank's latest climate-related disclosures and transition strategy. The engagement aimed to understand how NatWest, a UK based banking group, is implementing its sustainability ambitions and responding to external policy and sector-specific challenges.

Outcome:

The meeting clarified NatWest's current climate strategy and highlighted areas of progress and ongoing challenge. The bank reaffirmed its commitment to aligning sustainability with customer needs and embedding it into day-to-day decision-making. It plans to review its climate ambition and sectoral financed emissions targets in 2025, using the UK's 7th Carbon Budget as a reference point. While NatWest has taken steps to support residential decarbonisation-such as green mortgages, EPC targets, and its Home Energy Hub-it acknowledged barriers like skills shortages and low retrofit uptake. The bank is also reviewing its oil and gas risk acceptance criteria and welcomed feedback on the sector. We will continue to monitor NatWest's disclosures and progress.

Fund Voting

Voting category breakdown



Notable votes

MercadoLibre Inc

Elect Marcos Galperin - against: We oppose the combined Chair and CEO roles and recommend appointing an independent Chair to better serve shareholder interests.

Elect Emiliano Calemzuk - against: We raise concerns over the nominee's leadership on gender diversity and remuneration, given the board's declining gender balance and longstanding pay structure issues.

Executive Compensation - against: We remain concerned about the company's Remuneration framework. Namely, the lack of performance conditions, a cash-based long-term incentive as opposed to shares, and weak shareholding and hedging/pledging policies.

Reincorporation from Delaware to Texas - against: We believe the governance and legal uncertainties in Texas outweigh the operational and cost benefits of re-domestication.

Market commentary

Market overview

The quarter started with 'Liberation day'. When the US announced a broad range of materially higher tariffs that it would be imposing on almost all countries it traded with. However, these were rapidly postponed for 90 days, partly due to the adverse market reaction to the announcement. Updates on tariffs and whether these would or would not be implemented for one country or another generally had a more muted impact than that initial shock. Geopolitical factors also added to uncertainty, as Israel and the US launched air strikes on Iran.

The UK equity market was up around 4.4% over the second quarter, performing in line with global equity markets, which were driven by a rebound in technology stocks. After losing ground in April, equity markets recovered in May and stabilised in June thanks to robust economic data coupled with easing tariff tensions.

Technology and industrial stocks were the top performers. The former benefited from a global rebound in investor sentiment and some M&A activity; the latter gained ground due to declining fears about global economic slowdown. At the bottom were energy and healthcare. Energy stocks underperformed, affected by lower oil prices and US dollar. Healthcare stocks continue to suffer from US policy uncertainty.

The UK economy continues to face various challenges but grew modestly over the second quarter. The Bank of England cut interest rates as expected at its May meeting, taking UK rates from 4.50% to 4.25%, but kept borrowing costs stable in June. Pay growth measures were weaker than expected and there was a sizeable decline in the May measure of payrolled employees. The unemployment rate rose by a tenth (as expected). Overall, the economy is producing the kind of data consistent with further rate cuts during 2025.

Outlook

Contrary to the general negative consensus, we continue to see many world class businesses in the UK market that we believe will reward shareholders over the long term. We believe the UK markets offers similar risk-adjusted returns than global equities due to their lower risk characteristics and lower valuations.

The outlook for corporate profits depends upon where your operations are. The US naturally feels it offers stronger growth than any other major economy, largely reflecting their strong bias to technology – although uncertainties about the new administration's policies could see a slowdown or in the worst-case scenario a contraction of earnings. Other regions seem to be improving although from a low base.

The environment remains volatile, however the underlying trends driving markets remain powerful. We like to think of the world in terms of atoms, bytes and genes or investments in digital, physical infrastructure and healthcare. These trends are driving corporate earnings and are well aligned with sustainable investing, but a disciplined approach is required to benefit from them. When we look at the fund, we see companies well positioned to benefit from these trends as well as resilient businesses offering attractive risk reward.

Further Information

Please click on the links below for further information:



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

Important information

For professional clients only, not suitable for retail clients.

This is a financial promotion and is not investment advice.

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The Trust is an authorised unit trust scheme. The Manager is RLUM Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144032.

For more information on the Trust 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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FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Royal London Asset Management.

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.

Concentration risk

The price of Funds that invest in a reduced number of holdings, sectors, or geographical areas may be more heavily affected by events that influence the stockmarket and therefore more volatile.

EPM techniques risk

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.

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.

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 30 June 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	6.55	7.30	10.06	38.49	54.45	11.46	9.08
Fund (net)	6.35	6.91	9.24	35.42	48.79	10.63	8.27

Annualised (%)

Year on year performance (%)

	30/06/2024 - 30/06/2025	30/06/2023 - 30/06/2024	30/06/2022 - 30/06/2023	30/06/2021 - 30/06/2022	30/06/2020 - 30/06/2021
Fund (gross)	10.06	11.98	12.37	(5.06)	17.46
Fund (net)	9.24	11.14	11.54	(5.76)	16.59

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.

Source: RLAM as at 30 June 2025. All figures are mid-price to mid-price for the Royal London Sustainable Leaders Trust C Acc GBP share class.

Glossary

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.

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.

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 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.

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

Fund value

Total value of the fund as of the last business day of the calendar month. The fund value is as at close of business and on a mid-price basis.

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.

Performance

Performance is calculated using the daily end of day NAV per share produced by HSBC based on the mid price.

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.

Regional weights

Breakdown of holdings by country of risk relative to the benchmark index and grouped using RLAM's proprietary regional classification scheme.

SBTi

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

Glossary

Sector weights

Breakdown of holdings by FTSE ICB (Industry Classification Benchmark) sector relative to the benchmark index.

Sustainable fund objective

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

Top 10 holdings

Top 10 assets held by market value, excluding derivatives and cash.

Weighted Average Carbon Intensity (WACI)

Portfolio's exposure to carbon-intensive companies, expressed in tCO₂e / \$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.