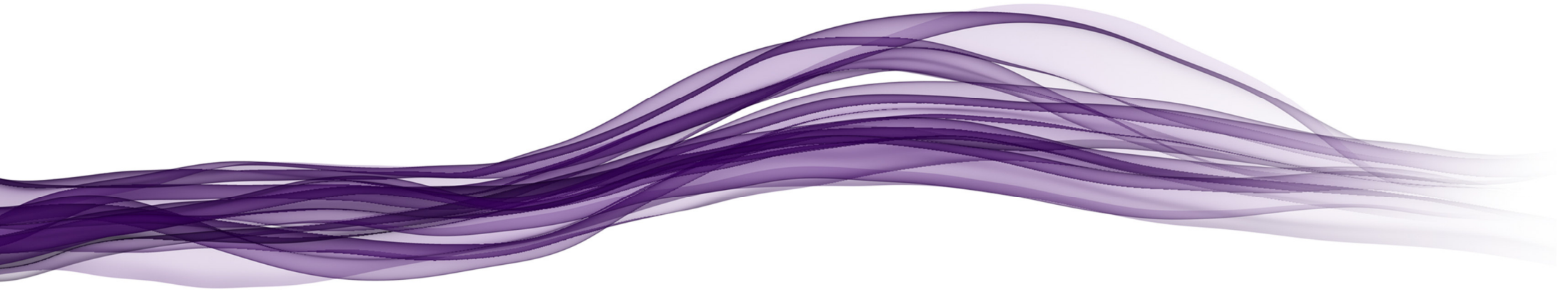


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Royal London Sustainable World Trust

Quarterly Investment Report

31 March 2025

Quarterly Report

The fund as at 31 March 2025

The purpose of this report is to provide an update on the Royal London Sustainable World 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 investment objective is to achieve capital growth over the medium term (3-5 years) by investing mainly in the shares of companies globally listed on stock exchanges that are deemed to make a positive contribution to society. Investments in the Fund will adhere to the Investment Adviser's ethical and sustainable investment policy. The IA Mixed Investments 40-85% Shares sector is considered an appropriate benchmark for performance comparison.

Fund value

	Total £m
31 March 2025	3,178.45

Asset Mix

	Holdings	Weight
Equity	48	84.61%
Fixed Income	202	14.72%
Cash	64	0.67%

Fund analytics

	Fund
Fund launch date	21 September 2009
Fund base currency	GBP

Performance and activity

Performance

	Fund (%)
Quarter	(4.20)
1 Year	0.50
3 Years (p.a.)	4.24
5 Years (p.a.)	10.09
10 Years (p.a.)	10.52
Since inception (p.a.)	11.77

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 21 September 2009.

Performance commentary

The fund produced a negative return over the quarter, with a positive return from our allocation to sterling corporate bonds partially offsetting the negative return from our equity exposure.

Financial companies were the most notable positive contributors. W. R. Berkley, a new position for the fund, proved resilient as full year financial results showed strong growth in its underwriting volumes and improving returns from the investment portfolio which it holds to pay future claims. Standard Chartered, a pan-Asian UK-listed bank continued to do well, benefiting from the higher rate environment. Solid economic growth in Asia has supported loan and earnings growth for the business, while its wealth management franchise has seen continued successes. The management team are also continuing to execute on a restructuring plan for the business.

Another positive included HCA, a leading US hospital chain. The share price outperformed during the quarter that reflected both a solid set of financial results and the perceived resilience of the business model during a more uncertain economic backdrop.

The fund was generally negatively impacted by its exposure to technology names despite being slightly underweight the technology sector, while our industrial names (particularly those where an element of their future growth was expected to come from areas such as data centres) also underperformed. A lack of exposure towards utilities and energy sectors also impacted the fund.

We have a portfolio exposed to some exciting and powerful multi-year structural growth themes – the key ones being the ongoing digitalisation of society through things such as cloud computing and AI, which we think we're incredibly early in. We also have exposure to companies enabling the development of a more sustainable and resilient physical world. These include areas such as HVAC (heating, ventilation, and air conditioning), building electrification and more sustainable transport such as rail. We also continue to be excited by the opportunities in the healthcare sector where we observe advancements in computing are accelerating new drug discovery combined with large disease categories such as obesity emerging.

The fixed income exposure saw a positive return during the quarter, despite a small move higher in gilt yields and the widening in credit spreads, outperforming broad sterling corporate bond markets. Exposure to the banking and insurance sectors was helpful, with subordinated bonds from HSBC performing well, as did bulk annuities players Legal & General and Rothesay Life, which carry out pension risk-transfers by taking on the liabilities of pension schemes and committing to secure the retirement benefits of scheme members.

Performance and activity

Top 10 holdings

	Weighting (%)
VISA INC CLASS A	3.13
AMAZON COM INC	3.11
MERCADOLIBRE INC	3.03
CORE & MAIN INC CLASS A	3.01
HCA HEALTHCARE INC	3.00
STANDARD CHARTERED PLC	2.98
ALPHABET INC CLASS A	2.84
LINDE PLC	2.80
BROADCOM INC	2.66
IMCD NV	2.65
Total	29.22

Fund activity

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.

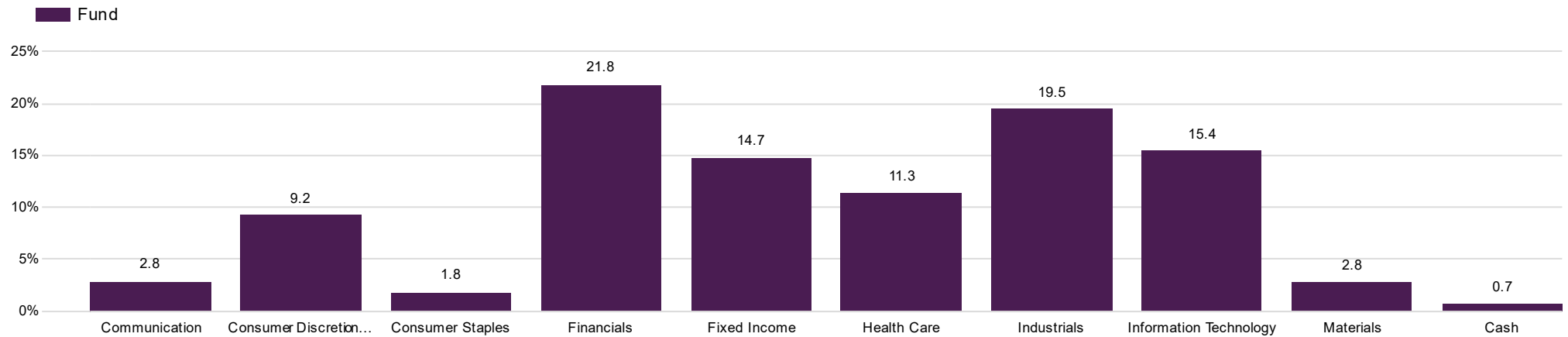
Given our expectation for ongoing market volatility, effective portfolio construction remains our focus and we have made a number of changes to our fund to ensure it is appropriately diversified and resilient across a range of potential market outcomes.

During the quarter, we began positions in five new companies including two US financial companies, specialty property & casualty insurance provider W. R. Berkley and student loan provider SLM Corporation. We also began to build small positions in financial technology and payments processor Fiserv, and in Broadcom, a diversified software and semiconductor company. These sales were funded through exiting positions in two of our industrial businesses, Nordson and Trane Technologies, along with sterilisation specialist Steris, pharmaceutical company GSK and consumer cosmetics giant L'Oreal.

Within our fixed income exposure, financials are a major part of credit indices. Earlier in the quarter we added new issues of senior bonds from Credit Agricole, Leeds Building Society and Nationwide Building Society. We also bought new tier 2 bonds from Legal & General at a very attractive spread level and new AT1 issues from Lloyds Bank and NatWest Bank at very attractive yields. The fund also added a new issue from frequent sterling issuer Motability Operations Group plc. As the organisation in charge of delivering the Motability Scheme, Motability Operations enables disabled people who receive a qualifying mobility allowance to lease a vehicle at favourable terms.

Fund breakdown

Sector weights



Characteristics and climate

ESG characteristics 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. Further details of the Funds Sustainable Investment process can be found in the ethical and sustainable investment policy at www.royallondon.com/existing-customers/your-products/manage-your-isa-or-unit-trust/rlum-isa-overview/

ESG characteristics












Royal London Asset Management has a controversial weapons exclusion across all investments. Our full policy can be found on our website:

www.rlam.com/globalassets/media/literature/policies/controversial-weapons-policy.pdf

	Yes	No
ESG integration	✓	
Promotes environmental or social characteristics	✓	
Sustainable fund objective	✓	
Additional exclusions	✓	

Additional 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	✓		

Climate metrics

	Fund	Benchmark	Difference (%)
Financed emissions (tCO2e)	23,083	n/a	n/a
Financed emissions coverage	90.07%	n/a	n/a
Carbon footprint (tCO2e/\$M invested)	5.67	n/a	n/a
Carbon footprint coverage	90.07%	n/a	n/a
Weighted average carbon intensity (tCO2e/\$M sales)	23.54	n/a	n/a
Weighted average carbon intensity coverage	95.26%	n/a	n/a

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	89.89	n/a	n/a
% of portfolio below 2°C ITR	49.45	n/a	n/a
% of portfolio below 1.5°C ITR	28.39	n/a	n/a

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	20.41	n/a	n/a
SBTi Near-Term committed	8.89	n/a	n/a

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	24	56
Number of engagements	34	154

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



Biodiversity	2
Climate	9
Climate - Transition Risk	7
Climate - Physical Risk	2
Environment	1
Governance	17
Corporate Governance	9
Remuneration	4
Strategy	3
Board	1
Health	3
Health - Community	3

Social & Financial Inclusion	6
Just transition	3
Social & Financial inclusion	3
Technology, Innovation & Society	3
Technology & Society	2
Cybersecurity	1
Other	1

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.

The numbers of engagements and themes/topics discussed may differ where a single engagement covers multiple themes/topics.

Fund Engagement

Engagement outcomes

AT&T Inc - Cybersecurity

Purpose:

We attended an ESG investor event hosted by AT&T, an American telecommunications company, to gain insights into its updated business strategy. During the event, we posed questions to better understand the company's approach to managing cybersecurity risks.

Outcome:

The company shows a strong commitment to cybersecurity, collaborating with federal agencies in the USA and securing \$650 million in cyber insurance. Governance is overseen by the AT&T Board's Audit Committee, which regularly discusses cybersecurity risks and measures with the Chief Information Security Officer and Chief Technology Officer. AT&T's security policies align with various standards and frameworks and privacy laws like the California Consumer Privacy Act. The company also completes annual third-party audits to ensure compliance with global ISO/IEC 27001 certifications. We were satisfied with AT&T's approach to cybersecurity and will continue to monitor the company's activity.

Ferguson Enterprises Inc – Net zero

Purpose:

We met with Ferguson, a US distributor of plumbing, heating, ventilation and air conditioning (HVAC) appliances, as part of RLAM's net zero engagement programme to discuss its climate transition strategy.

Outcome:

We asked the company to disclose Scope 3 emissions for additional categories beyond the four currently published. Despite tracking these emissions internally, the company initially withheld disclosure, citing accuracy concerns. We followed up with a letter to Ferguson's Chair, reiterating the importance of comprehensive Scope 3 GHG emissions reporting. In response, Ferguson confirmed refining its Scope 3 data collection processes and calculation methodologies. The company expects to include additional categories, such as Category 11 (use of sold products), in its next Sustainability Report.

Fund Engagement

Engagement outcomes

Steris Plc – Environment

Purpose:

We met with Steris, a global provider of products and services focused on infection prevention and sterilisation, to gain more information on the Ethylene Oxide lawsuit, understand its management processes, and discuss alternatives to ethylene oxide in sterilisation.

Outcome:

Overall, the call with Steris gave us confidence that its monitoring of Ethylene Oxide exceeded the US' Environmental Protection Agency (EPA) requirements. In response to new EPA requirements, the company has further enhanced its operations to meet these standards. Steris engages with regulators and lobbies for better industry practices, although the company noted pushback from Original Equipment Manufacturers to design products compatible with alternative sterilisation techniques. Despite this, Steris has invested in other methods, such as x-ray sterilisation, and estimates that approximately 15% of items currently sterilised with Ethylene Oxide could transition to x-ray sterilisation.

Visa Inc – Ethical and sustainable AI

Purpose:

We initiated an engagement with Visa, a global payments company, to better understand its approach to sustainable and ethical AI. This meeting was in response to a questionnaire we sent to the company.

Outcome:

From the meeting, we gained confidence in Visa's approach to sustainable and ethical AI. Visa demonstrated its expertise in AI governance, aligning with the EU AI Act and US National Institute of Standards and Technology (NIST) standards. Since 2017, the company has tracked generative AI and enhanced its governance to ensure safety and compliance. The company's AI systems undergo thorough reviews and encourage experimentation within secure zones. Its governance process includes regular assessments and a dedicated model risk management team. Visa also regularly tests AI system security and robustness. The company is committed to transparency and fairness, conducting safety testing for bias and ensuring compliance with ethical standards. Additionally, Visa aims to achieve net zero targets by 2040, using clean electricity for data centres and partnering with suppliers to meet sustainability goals and monitor its environmental footprint.

Fund Engagement

Engagement outcomes

Wessex Water Ltd – Water project

Purpose:

Wessex Water responded to our request for a meeting following the release of its updated company scores which were derived from our scoring methodology based on public disclosures and company engagement in 2024. The meeting provided an opportunity to discuss areas for improvement, including pollution management, antimicrobial resistance (AMR), biodiversity, and climate-related physical risks.

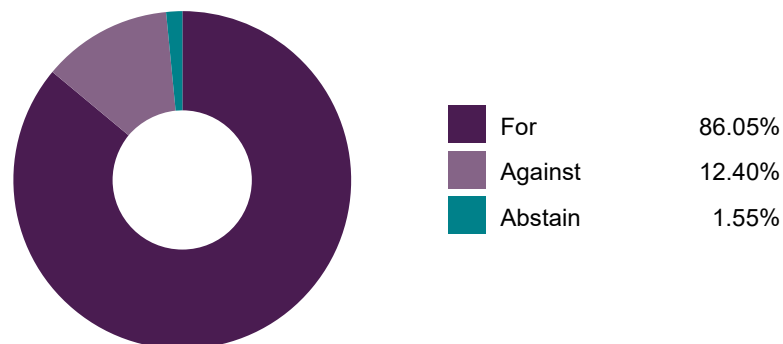
Outcome:

The company highlighted its pollution control efforts, including the use of machine learning to detect sewer changes during rain and the importance of predictive analytics in preventing spills. Wessex Water also addressed antimicrobial resistance (AMR), emphasising its participation in the Chemicals Investigations Programme, a UK water industry initiative that investigates trace chemical substances in the water environment to comply with current and emerging legislation, and the need for green prescribing, which supports people to engage in nature-based interventions and activities to improve their mental and physical health.

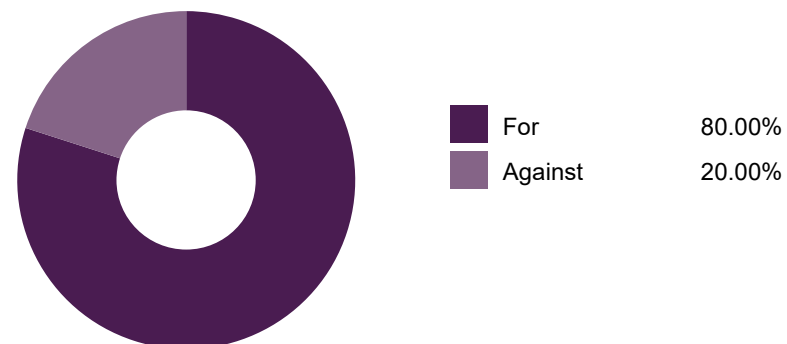
Wessex Water discussed its approach to managing Sites of Special Scientific Interest (SSSIs) and the challenges posed by nutrient programmes. The company outlined the near-term opportunities and risks associated with its £850m total expenditure. The discussion also covered physical climate risks, particularly the importance of sustainable drainage to manage increased rainfall. Wessex Water plans to initiate the funding process for 2025-2030 and conduct a double materiality assessment, with updates to be provided in the next investor roadshow.

Fund Voting

Total proxy voting activity



Executive remuneration voting activity



Notable votes

Visa Inc

Advisory Vote on Executive Compensation - against: There are long-standing concerns over the discretionary nature of the bonus plan, which can call into question the link between pay and performance. We would also prefer to see longer performance periods for performance share awards.

Elect Denise M. Morrison - against: The nominee serves as Chair of the Remuneration Committee, and we have long-standing concerns with remuneration at the company.

Shareholder proposal regarding mandatory director resignation policy - for: The adoption of this proposal would benefit shareholders by promoting board accountability and ensuring responsiveness to shareholder concerns.

Market commentary

Market overview

The year kicked off with relative stability, following a turbulent fourth quarter of 2024, with the global economy seeing modest growth and central banks easing monetary policy. As the quarter progressed, however, we have seen heightened volatility, primarily due to elevated policy uncertainty in the US, with President Donald Trump pivoting away from Europe; the spectre of aggressive tit-for-tat tariffs; and Europe's fiscal regime change, led by Germany looking to alter decades of fiscal policy stability and ramp up spending.

A very uncertain US policy backdrop and related disruptions to global trade seem likely to weigh on growth in the US and beyond. Fiscal stimulus may provide something of a shield in economies like the euro area and China. A few more rate cuts seem likely in major economies (except in Japan), albeit more gradual, careful ones, as the US inflation outlook is uncertain enough that US rate hikes can't be ruled out either.

The result of this environment was global equity indices seeing weaknesses particularly in the US with technology stocks selling-off following the release by Chinese company, DeepSeek, of a large language model, which claimed to have been trained at a significantly lower costs than comparable US models. UK and European stocks gained ground, benefiting from a rotation away from the US and helped also by over indexing towards financial companies. During the quarter, the European Stoxx 600 index delivered a total return of nearly 6%, while the S&P 500 index of the largest US companies fell by 4.6% in local currency terms. Relative weakness in the dollar further lowered returns on US stocks for UK investors.

Government bond markets also saw heightened volatility over the quarter, amid ongoing political noise across Europe and the US. In the US, 10-year treasury yields fell to 4.21% from 4.57%, while German 10-year bunds yields rose to 2.70% from 2.36%. Benchmark 10-year gilt yields increased to 4.68% from 4.57%.

The sterling investment grade credit market (iBoxx non-gilt index) returned 0.70% over the quarter, with the average sterling investment grade credit spread (the average extra yield available from non-gilt bonds compared with government debt of equal maturity) widening over the period from 0.85% to 0.95% (iBoxx). Most sectors saw positive returns, with the exceptions of utilities, consumer services and social housing. These exceptions were driven more by the greater exposure to long-dated bonds than issues with the sectors themselves.

Outlook

The last few weeks have seen a significant dislocation in equity markets from the trends of recent years. This rotation can be thought of as the belief that US exceptionalism and US growth are weakening, at the same time as Europe is awakening from its slumber and China is emerging from a property bust. Most investors are not positioned for a world where Europe and China lead equity returns and were this to continue and will need to make significant adjustments.

We have begun to see this with European equities seeing their biggest weekly inflow in 10 years. 'Will this trend continue?' is the question every investor is trying to answer. No one knows for sure of course but here are some observations which may inform.

The consensus view today is the US is waning, Europe is rising and China is re-emerging. As investors, the questions are what are our views relative to this, and how does this look in the future? A reasonable view would be too much caution is now baked into view on the US economy, but perhaps not enough optimism regarding a real positive change in Europe and China where investment allocations remain low. If true, this suggests that investors are too cautious about all key regions of US, China and Europe over the long term, and that would be a positive thing for future equity returns.

In our view, what we are witnessing is a fundamental re-ordering of the global economy, from which there will be significant investment opportunities. Understanding this re-ordering and the economic framework that will come out from it will be critical. Although it is early days, there are some comments which can be made about this. It would appear we are moving to a multi-polar world, where three economic regions (North America, Europe and Asia) trade more within themselves than with each other. This suggests investors should think about these three regions separately rather than interlinked. Investing regionally as opposed to globally, even if investing globally, will be skillset that many investors will have to learn and relearn. Globalisation isn't completely gone, but it may now matter which markets a company is listed on and operating in, in a way that it hasn't for some time.

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

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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.

The portfolio has no index as a comparison.

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.

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.

Derivative risk

This fund may undertake transactions in derivatives and forward transactions (both on exchange and over the counter (OTC)). These may include interest rate swaps and interest rate futures for the purposes of meeting the investment objective, protecting the risk to capital, duration and credit management, as well as for hedging. While the discerning use of derivatives can be beneficial, derivatives also involve specific risks. These risks relate specifically to market risk, management risk, credit risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices. The use of derivative instruments may from time to time alter the economic exposure of the fund causing it to deviate significantly from the performance of the market as a whole. The use of these derivatives will be within the parameters allowed for linked funds by the Financial Conduct Authority and Prudential Regulation Authority.

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.

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. Unlike the income from a single fixed interest security, the level of income (yield) from a fund is not fixed and may go up and down. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background.

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.

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 March 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	(4.20)	(1.05)	0.50	13.29	61.73	4.24	10.09
Fund (net)	(4.38)	(1.42)	(0.24)	10.77	55.80	3.47	9.27

Annualised (%)

Year on year performance (%)

	31/03/2024 - 31/03/2025	31/03/2023 - 31/03/2024	31/03/2022 - 31/03/2023	31/03/2021 - 31/03/2022	31/03/2020 - 31/03/2021
Fund (gross)	0.50	18.34	(4.75)	11.79	27.71
Fund (net)	(0.24)	17.46	(5.46)	10.96	26.76

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 31 March 2025. All figures are mid-price to mid-price for the Royal London Sustainable World 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.