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# Royal London Asset Management

## Sustainable Fund Commentary

**30 November 2025**



Funds that have a Sustainability Focus Label investing mainly in assets that focus on sustainability for people or the planet. Excluding RL European Sustainable Credit Fund, RL Global Sustainable Credit Fund & RL Global Sustainable Equity Fund (IRL).



# Fund Commentary

**30 November 2025**

The purpose of this report is to provide an update on the Royal London Sustainable Funds. The report has been produced by Royal London Asset Management. All content within this report is at the report date unless otherwise stated.

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# Sustainable

## Royal London European Sustainable Credit Fund

The fund saw a negative return over the month in euro terms, and was slightly behind the benchmark index. November was a mixed month for global credit investors – driven more by underlying government bond yields than credit factors. US yields were marginally lower, UK yields ended roughly flat, while eurozone yields edged higher. Credit spreads were marginally wider. As a result, US credit outperformed UK and euro equivalents, with euro credit seeing a small negative return for the month.

We continued to add to holdings using the new issue market. Financials remain a key element, with the purchase of Nordea Bank, but also seeing us able 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 US communications operator Verizon.

Risk markets generally, including global credit markets, have continued to produce attractive returns. While there remain concerns over factors such as geopolitics, strong credit fundamentals and attractive all-in yields should provide support for credit investors.

## Royal London Global Sustainable Credit Fund

The fund saw a positive return over the month in dollar terms, and was ahead of the benchmark index. November was a mixed month for global credit investors – driven more by underlying government bond yields than credit factors. US yields were marginally lower, UK yields ended roughly flat, while eurozone yields edged higher. Credit spreads were marginally wider. As a result, US credit outperformed UK and euro equivalents, with euro credit seeing a small negative return for the month.

We continued to add to holdings using the new issue market. Financials remain a key element, with the purchase of Nordea Bank, but also seeing us able 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 US communications operator Verizon.

Risk markets generally, including global credit markets, have continued to produce attractive returns. While there remain concerns over factors such as geopolitics, strong credit fundamentals and attractive all-in yields should provide support for credit investors.

## Royal London Global Sustainable Equity Fund

Equity markets stumbled in November with global equity markets falling in sterling terms. Technology was the weakest sector, driven by concerns over stretched valuations. Healthcare outperformed against a stabilising regulatory environment.

The fund outperformed the index during November. Top contributors included HCA, a US hospital provider, which continues to demonstrate resilience to regulatory changes with growth in both admissions and revenue per admission. The main detractor was MercadoLibre, a Latin American e-commerce and fintech platform, which declined due to Brazilian ecommerce competition concerns.

The Fund started a new position in Alibaba, a Chinese e-commerce and cloud computing provider, which stands to benefit from improvements in Chinese consumption and is a leader in cloud computing and AI in China.

# Sustainable

## Royal London Global Sustainable Equity Fund (IRL)

Equity markets stumbled in November with global equity markets falling in sterling terms. Technology was the weakest sector, driven by concerns over stretched valuations. Healthcare outperformed against a stabilising regulatory environment.

The fund outperformed the index during November and was positioned in the 2nd quartile. Top contributors included HCA, a US hospital provider, which continues to demonstrate resilience to regulatory changes with growth in both admissions and revenue per admission. The main detractor was MercadoLibre, a Latin American e-commerce and fintech platform, which declined due to Brazilian ecommerce competition concerns.

The Fund started a new position in Alibaba, a Chinese e-commerce and cloud computing provider, which stands to benefit from improvements in Chinese consumption and is a leader in cloud computing and AI in China.

## Royal London Sustainable Corporate Bond Trust

The standout event in November was the much-anticipated Budget. Markets initially saw volatility after the economic and fiscal outlook were inadvertently published before the event. However, gilts rallied strongly throughout the day and sterling strengthened. Gilt yields subsequently edged up slightly, though this reflects a broader global trend.

The fund saw positive returns for November, although it marginally underperformed its benchmark. The longer duration positioning of the fund was the main contributor to the slight underperformance, while security selection continued to be positive, helped by strong performance of holdings in the social housing and banks and financial sectors.

Despite the ongoing macro uncertainty, credit markets continue to be driven by current fundamentals. In a diversified portfolio with an emphasis on security, we believe that our sterling credit strategies continue to benefit from attractive all-in yields available in the asset class.

## Royal London Sustainable Diversified Trust

Equity markets stumbled in November with global equity markets falling in sterling terms. Technology was the weakest sector, driven by concerns over stretched valuations. Healthcare outperformed against a stabilising regulatory environment. The sterling credit market saw modest positive returns in November.

The trust delivered a positive absolute return in November. Top contributors included Alphabet and Broadcom, a semiconductor developer, which bucked the recent sector weakness. The competitive advantages of both companies in AI are becoming increasingly clear, driven by innovation. The main detractor was MercadoLibre, a Latin American e-commerce and fintech platform, which declined due to Brazilian ecommerce competition concerns.

The trust started a new position in Alibaba, a Chinese e-commerce and cloud computing company, as well as API Group, a US safety and inspection device and services provider.

# Sustainable

## Royal London Sustainable Growth Fund

Equity markets stumbled in November with global equity markets falling in sterling terms. Technology was the weakest sector, driven by concerns over stretched valuations. Healthcare outperformed against a stabilising regulatory environment. The sterling credit market saw modest positive returns in November.

The fund delivered a positive absolute return in November. Top contributors included Alphabet and Broadcom, a semiconductor developer, which bucked the recent sector weakness. The competitive advantages of both companies in AI are becoming increasingly clear, driven by innovation. The main detractor was MercadoLibre, a Latin American e-commerce and fintech platform, which declined due to Brazilian ecommerce competition concerns.

The fund started a new position in Alibaba, a Chinese e-commerce and cloud computing company, as well as API Group, a US safety and inspection device and services provider.

## Royal London Sustainable Leaders Trust

While several worldwide equity markets stumbled in November, the UK continued its upward trend with the FTSE All-Share Index making small gains. Healthcare and consumer staples outperformed in a more defensive market while industrials underperformed.

The trust underperformed the index during the month. The top contributors included SSE, a power utility, which after an equity raise was seen to have de-risked its balance sheet and continues to benefit from the expansion of UK power networks. RELX, a professional services data provider, continued to underperform driven by AI disruption fears.

A new position was initiated in Informa, which is a UK media company that is set to continue to compound earnings through its market leading position in live B2B events.

## Royal London Sustainable Managed Growth Trust

The standout event in November was the much-anticipated Budget. Markets initially saw volatility after the economic and fiscal outlook were inadvertently published before the event. However, gilts rallied strongly throughout the day and sterling strengthened. Gilt yields subsequently edged up slightly, though this reflects a broader global trend.

The fund saw positive returns for November, outperforming its benchmark. The fixed income exposure saw positive relative performance – helped by our positioning in the structured and insurance sectors. In equities, we recorded positive returns and our holdings in Alphabet and Broadcom boosted performance.

Despite the ongoing macro uncertainty, credit markets continue to be driven by current fundamentals. In a diversified portfolio with an emphasis on security, we believe that our sterling credit strategies continue to benefit from attractive all-in yields available in the asset class.

# Sustainable

## Royal London Sustainable Short Duration Corporate Bond Fund

The standout event in November was the much-anticipated Budget. Markets initially saw volatility after the economic and fiscal outlook were inadvertently published before the event. However, gilts rallied strongly throughout the day and sterling strengthened. Gilt yields subsequently edged up slightly, though this reflects a broader global trend.

The fund saw marginally positive returns for November, performing in line with its benchmark. While duration and curve positioning of the fund had a negative impact on relative performance, our security selection was overall positive for the month, helped by holdings in the banks and financial sector.

Despite the ongoing macro uncertainty, credit markets continue to be driven by current fundamentals. In a diversified portfolio with an emphasis on security, we believe that our sterling credit strategies continue to benefit from attractive all-in yields available in the asset class.

## Royal London Sustainable World Trust

Equity markets stumbled in November with global equity markets falling in sterling terms. Technology was the weakest sector, driven by concerns over stretched valuations. Healthcare outperformed against a stabilising regulatory environment. The sterling credit market saw modest positive returns in November.

The trust delivered a positive absolute return in November and was positioned in the first quartile against its peer group. Top contributors included Alphabet and Broadcom, a semiconductor developer, which bucked the recent sector weakness. The competitive advantages of both companies in AI are becoming increasingly clear, driven by innovation. The main detractor was MercadoLibre, a Latin American e-commerce and fintech platform, which declined due to Brazilian ecommerce competition concerns.

The trust started a new position in Alibaba, a Chinese e-commerce and cloud computing company, as well as API Group, a US safety and inspection device and services provider.

# Disclaimers

## Important information

For professional investors only, not suitable for retail clients. This marketing communication is a financial promotion and is not investment advice.

The views expressed are those of Royal London Asset Management at the date of publication unless otherwise indicated, which are subject to change, and is not investment advice. Telephone calls may be recorded. For further information please see the privacy policy at [www.rlam.com](http://www.rlam.com).

**RL Sustainable Leaders Trust, RL Sustainable World Trust, RL Sustainable Diversified Trust, RL Sustainable Managed Growth Trust, RL Sustainable Corporate Bond Trust.**

The Trusts are authorised unit trust schemes. The Manager is RLUM Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144032.

**RL Global Sustainable Equity Fund, RL Sustainable Growth Fund**

The Funds are sub-funds of Royal London Equity Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC000807. The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037.

**RL European Sustainable Credit, RL Global Sustainable Credit Fund, RL Global Sustainable Equity (IRL):**

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 Fund Rock 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. A summary of investor rights is also available in English. RLAM may terminate the arrangements made for marketing of the fund pursuant to Article 93a of Directive 2009/65/EC.

**RL Sustainable Short Duration Corporate Bond Fund**

The Fund is a sub-fund of Royal London Bond Funds II ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC001128. The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037.

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](http://www.rlam.com).

### 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.

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# Risk 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 stock market 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

Derivatives are highly sensitive to changes in the value of the underlying asset which can increase both fund losses and gains. The impact to the fund can be greater where they are used in an extensive or complex manner, where the fund could lose significantly more than the amount invested in derivatives.

## Efficient portfolio management (EPM) techniques

The Fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Fund to increased price volatility.

## Exchange Rate Risk

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.

## 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.

## Emerging markets risk

Investing in Emerging Markets may provide the potential for greater rewards but carries greater risk due to the possibility of high volatility, low liquidity, currency fluctuations, the adverse effect of social, political and economic instability, weak supervisory structures and accounting standards.

## Responsible investment style 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.

## Charges from capital risk

Charges are taken from the capital of the Fund. Whilst this increases the yield, it also has the effect of reducing the potential for capital growth.