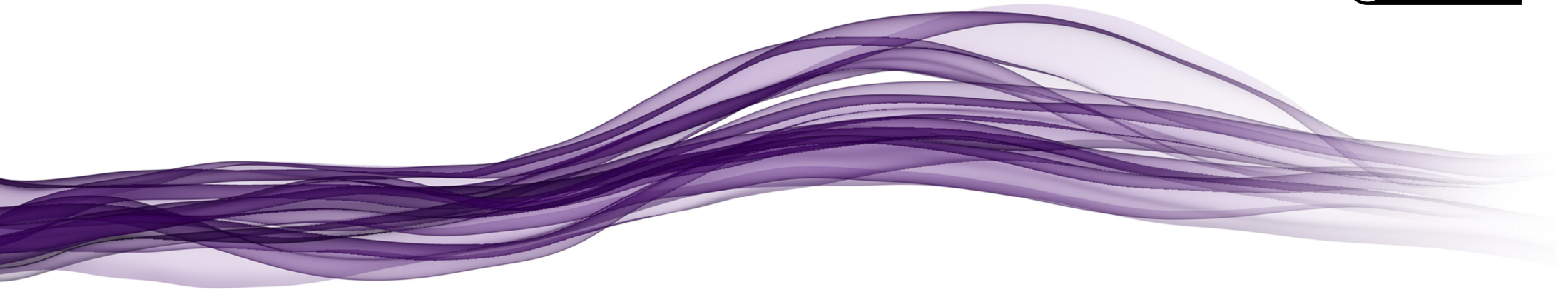


For professional clients only, not suitable for retail clients. This is a marketing communication.

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 Diversified Trust

Quarterly Investment Report

30 September 2025



Quarterly Report

The fund as at 30 September 2025

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

The Fund's sustainability objective is to invest in companies or issuers 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 September 2025	3,486.64

Asset Mix

	Holdings	Weight
Equity	50	59.70%
Fixed Income	253	38.58%
Cash	61	1.72%

Fund analytics

	Fund
Fund launch date	24 July 2009
Fund base currency	GBP

Performance and activity

Performance

	Fund (%)
Quarter	2.43
YTD	5.92
1 Year	6.86
3 Years (p.a.)	11.16
5 Years (p.a.)	5.15
10 Years (p.a.)	8.63
Since inception (p.a.)	9.36

Past performance is not a guarantee or reliable indicator of future returns. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on C Inc GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 24 July 2009.

Performance commentary

The Trust produced a positive return over the quarter, with both the equity and fixed income parts of the portfolio contributing to returns.

The banking sector benefited from the fact that interest rates have remained higher than expectations at the start of the year, which has been positive for lenders. Companies with exposure to Asia have performed particularly well. The Trust's holding in Prudential benefited from the comparative strength of the region.

Broadcom, a global leading networking semiconductors and enterprise software company, was one of the main contributors to performance, benefiting from a multi-year cycle in AI and data centre investments.

Alphabet continues to perform well as it is one of the perceived winners in the AI era, supported by underlying demand that is already materialising in strong earnings and cash flow growth. We remain positive on Alphabet's investment case. Its current valuation offers a significant margin of safety, while the company boasts a strong balance sheet and offers multiple drivers for future wealth creation.

The holding in London Stock Exchange had negative impact on returns. Investors became increasingly concerned that its data services could be disrupted by AI-powered rivals. Similar concerns hit Sage Group, with investors worried that the software company's products and services could be replicated by competing AI solutions, leading to a potential drop in demand.

The fixed income holdings generated a positive return during the quarter, benefiting from the overweight position in insurance and our longstanding underweight in supranational bonds. Credit selection in the insurance sector was also positive, with strong contributions from bulk annuity players Rothesay and Pension Insurance Corporation. Stock selection within the structured sector also contributed positively, with strong performance from student accommodation provider UPP.

Performance and activity

Top 10 holdings

	Weighting (%)
STANDARD CHARTERED PLC	2.07
MICROSOFT CORP	2.00
PRUDENTIAL PLC	1.94
BROADCOM INC	1.93
SCHNEIDER ELECTRIC	1.89
CORE & MAIN INC CLASS A	1.89
TESCO PLC	1.87
HSBC HOLDINGS PLC	1.80
WESTINGHOUSE AIR BRAKE TECHNOLOGIE	1.78
LINDE PLC	1.78
Total	18.95

Fund activity

Given our expectations 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.

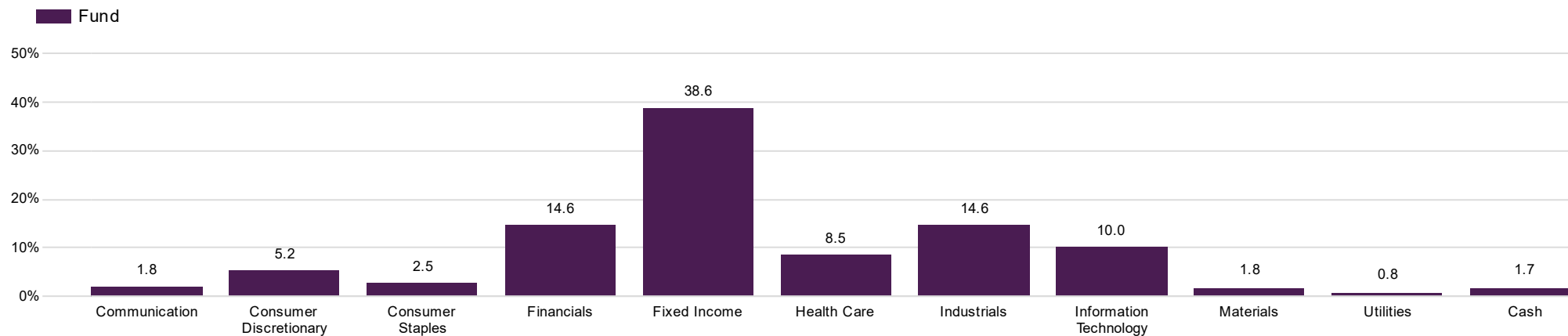
We started a position in Baycurrent, a Japanese IT services and consulting company, which stands to benefit as it helps enable digitalisation of the Japanese corporate sector. We also initiated a new position in TopBuild, a US-based installer and distributor of insulation and building materials, and in Eurofins Scientific, a global leader in scientific testing and diagnostics.

To fund these new positions sold Fiserv, a payment processing company, as well as Shimano, a Japanese provider of bike components, following disappointing performance.

Within the sustainable credit holdings, we have looked at areas that would usually be seen as offering lower value. An example in the government guaranteed area was Saltaire Finance, a special purpose vehicle established to support the Affordable Homes Guarantee Scheme by issuing secured bonds and on-lending the proceeds to registered providers of social housing for affordable housing development and energy efficiency improvements. The bonds came to market at an attractive valuation compared to the wider market and with very low credit risk given the UK government guarantee.

Fund breakdown

Sector weights



Characteristics and climate

Sustainability approach

The Fund's sustainability objective is to invest in companies or issuers 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 or issuer'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 or issuers. Up to 30% may be held in non-sustainable companies or issuers 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)	32,442	n/a	n/a
Financed emissions coverage	80.91%	n/a	n/a
Carbon footprint (tCO2e/\$M invested)	7.06	n/a	n/a
Carbon footprint coverage	80.91%	n/a	n/a
Weighted average carbon intensity (tCO2e/\$M sales)	25.82	n/a	n/a
Weighted average carbon intensity coverage	95.22%	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	80.61	n/a	n/a
% of portfolio below 2°C ITR	45.77	n/a	n/a
% of portfolio below 1.5°C ITR	24.64	n/a	n/a

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	20.28	n/a	n/a
SBTi Near-Term committed	7.04	n/a	n/a
SBTi Near-Term targets set	33.08	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	28	59
Number of engagements	36	157

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	4
Climate - Physical Risk	2
Climate - Transition Risk	2
Diversity	4
Ethnic Diversity	2
Gender Diversity	2
Environment	4
Governance	17
Corporate Governance	13
Remuneration	3
Board	1

Social & Financial Inclusion	9
Just transition	6
Social & Financial inclusion	2
Labour & Human Rights	1
Technology, Innovation & Society	11
Technology & Society	9
Cybersecurity	2

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

Compass Group Plc - Workplace culture

Purpose:

The purpose of our follow-up with Compass Group PLC, a global foodservice, to seek further clarity on two points: the availability of comparable misconduct data for FY2023 to enable year-on-year comparison, and further insight into the substantiation rate for retaliation cases, which appeared slightly higher than the external benchmark.

Outcome:

Compass Group PLC confirmed that comparable data for FY2023 and FY2024 has been collected and analysed and shared a detailed table with RLAM illustrating key indicators across both years. The company acknowledged our suggestion to include year on year comparisons in future disclosures and indicated that this is under review.

Regarding retaliation cases, Compass explained that a previously broader definition led to higher volumes and variance in substantiation outcomes. In FY2025, the company refined its triage methodology to align with global best practice, resulting in a significant decrease in both the volume and substantiation rate of retaliation cases year to date. These changes reflect a more targeted and precise approach to case assessment and reporting. The company emphasises that these changes are part of a maturing approach to risk management and reporting, not a reduction in commitment to addressing workplace issues. Next steps include continued monitoring and refinement of reporting processes, with a view to including year on year comparisons in future disclosures.

Tesco Plc - Workplace culture

Purpose:

The purpose of this engagement with Tesco PLC, a multinational retailer, was to follow up on RLAM's workplace culture-related concerns, specifically around the transparency of misconduct reporting. The meeting aimed to understand the company's current approach, recent policy developments, and future plans for data collection and reporting, particularly in light of upcoming regulatory obligations.

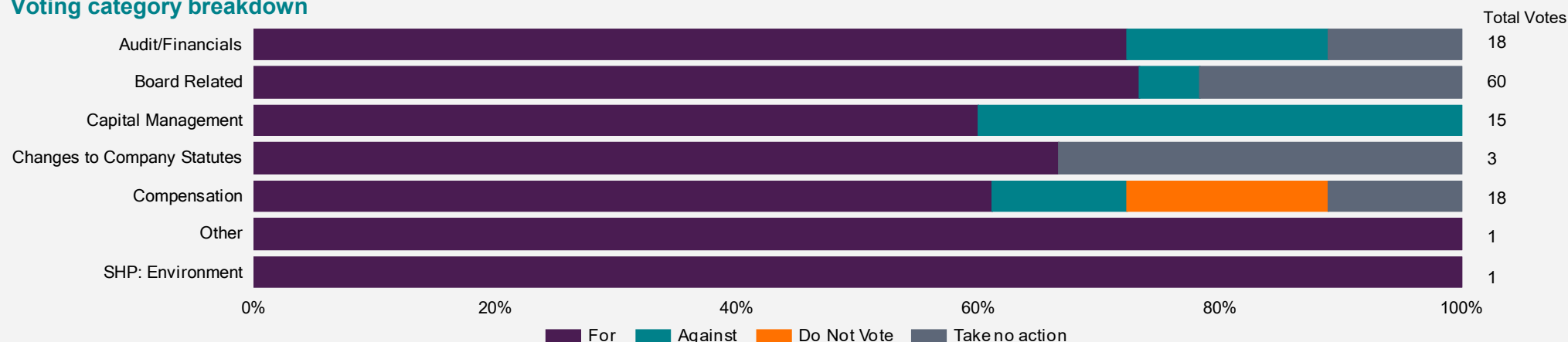
Outcome:

Tesco acknowledged our concerns and confirmed that improving data collection systems is now a strategic priority. The company has introduced new policies and operational protocols covering bullying, harassment and third-party conduct, including customers and contractors. Legal changes around employer responsibility to prevent sexual harassment have prompted Tesco to strengthen its controls and training programmes. While there is no defined timeline for improved disclosures, the company is actively developing mechanisms to support effective reporting and expects greater clarity on timelines later this year.

Tesco confirmed that it will be subject to Corporate Sustainability Reporting Directive (CSRD) obligations by 2027 or 2028 and aims to have a comprehensive dataset in place by then. Current disclosures lack sufficient detail on reported cases of harassment, bullying, racism and other misconduct. The workplace relations team, responsible for policies, redundancies, store closures and union relations, has shaped the company's response to sexual harassment. New policies now cover third party conduct and customer interactions, with a 2024 anti-harassment training refresher planned. Tesco has developed a group wide sexual harassment blueprint and continues to run annual awareness campaigns. Risk assessments are under way to identify higher risk roles, and specialist support is being provided for line managers. The Protector Line whistleblowing service has seen more consistent reporting, attributed to increased awareness. RLAM reiterated its request for improved disclosures and offered to share best practice examples. Further engagement is planned to explore collaborative improvements in workplace culture transparency.

Fund Voting

Voting category breakdown



Notable votes

Ashtead Group Plc

Remuneration Report - against: We continue to oppose the combined LTIP introduced last year due to the level of vesting at threshold performance and poor engagement practices, noting that over one-third of shareholders voted against it. In addition, we have concerns over the choice of some targets under the annual bonus plan.

Linde Plc

Elect Stephen F. Angel - against: We would prefer to see the appointment of a fully independent chair to the board.

Elect Victoria E. Ossadnik - against: We have concerns with this nominee's time commitments given the number and nature of positions held.

Ratification of Auditor - against: We have concerns over the independence of the auditor given the length of tenure.

Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Neutral Goal - for: We support the call for increased information and transparency over the company's lobbying activities in this area.

Steris Plc

Elect Cynthia L. Feldmann - against: We have concerns over the company's limited climate-related disclosures, including the absence of net zero ambitions or a clear transition strategy. As Chair of the Nominating and Governance Committee with oversight on sustainability matters, we would welcome greater transparency in this area. We also note that the board has not appointed a Senior Independent Director or equivalent.

Fund Voting

Notable votes

Steris Plc

Ratification of Auditor - against: The auditors tenure is too long.

Advisory Vote on Executive Compensation - against: We raise concerns over the alignment between pay and performance, particularly the lack of meaningful performance-based vesting in LTIP awards with the reliance on a single absolute share price hurdle, compounded by poor overall incentive metrics.

Market commentary

Market overview

After a volatile second quarter shaped by the initial shock of US trade tariff announcements, markets stabilised over the summer, and several global indices made their way to new highs. In the US, equities were propelled by a robust earnings season and optimistic business surveys. During August there was a brief bout of weakness in markets amid downward revisions to the US labour market data. However, the announcement of this year's first rate cut buoyed sentiment across the board, helping the rally to continue.

Asian equities produced strong returns. Japan performed strongly, benefiting from a favourable US trade deal and better-than-expected economic growth. China's performance has also been particularly strong, supported by an extended trade truce with the US and government initiatives to bolster its domestic technology sector. Emerging markets have benefited from a weaker US dollar and progress on trade talks, although country-specific issues, such as the impact of US tariffs on India, created divergence in performance.

The strongest returns over the quarter were concentrated in large growth names in the US and Asia's more cyclical and technology sectors. However, as we move into the final quarter of the year, external factors, including inflation surprises, political uncertainty, and sector rotations, could reshape the narrative.

A shadow was cast over the UK's economic outlook during the summer quarter. Inflation proved more persistent than expected, prompting the Bank of England to strike a more cautious tone—even as it proceeded with a rate cut in August. Expectations for further easing were dampened and resulted in upward pressure on gilt yields. There were mounting concerns over the government's fiscal health, leading to speculation about potential tax increases or further gilt issuance in the forthcoming autumn Budget.

The sterling investment grade credit market (iBoxx non-gilt index) returned 0.69% over the period under review, outperforming gilts, with the average sterling investment grade credit spread (the average extra yield available from non-gilt bonds compared with government debt of equal maturity) tightening over the period. Spreads narrowed from 0.87% to 0.77% (iBoxx) over the third quarter, continuing the narrowing of spreads seen during the second quarter which had more or less reversed the widening seen in the first quarter. Sector returns were generally positive, led by banks, insurance and structured bonds, while supranationals, utilities and consumer sectors lagged.

Outlook

Over many decades, there's been a strong correlation between innovation and growth. In the last 60 years we've seen the mainframe computer, PC, internet, smartphones and now AI transform the world we live in. Each of these waves of innovation has created significant investment opportunities and risks. In the last 15 years, most of the value creation in global markets has come from the so called Magnificent Seven; the large US technology companies which have innovated to create new markets.

This is important as we live in unusually innovative times. AI has the potential to be much more impactful than the internet and to benefit all businesses and consumers. Obesity drugs have the potential to meaningfully enhance the health and wellbeing of a major segment of society, including reducing addiction to harmful substances as well as lowering the risk of obesity-related diseases. If innovation drives growth, then there are good reasons to be optimistic.

Risk markets generally, including sterling credit, have continued to produce attractive returns. With sterling 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 sterling 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.

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

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This is a financial promotion and is not investment advice.

Telephone calls and written communications may be recorded and monitored. For further information please see the Privacy Policy at www.rlam.com.

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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 30 September 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	2.43	7.16	6.86	37.38	28.56	11.16	5.15
Fund (net)	2.24	6.76	6.07	34.33	23.84	10.33	4.37

Annualised (%)

Year on year performance (%)

	30/09/2024 - 30/09/2025	30/09/2023 - 30/09/2024	30/09/2022 - 30/09/2023	30/09/2021 - 30/09/2022	30/09/2020 - 30/09/2021
Fund (gross)	6.86	14.85	11.93	(16.56)	12.15
Fund (net)	6.07	14.00	11.10	(17.18)	11.31

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.

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

Glossary

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.

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.

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.

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 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.

Fund restrictions definitions

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.

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

The Fund price is taken at mid-day using swing prices where applicable.

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.

Glossary

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.

SBTi

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

Sector weights

Breakdown of holdings by GICS (Global Industry Classification Standard) 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.