

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 Leaders Trust

Quarterly Investment Report

31 March 2026



Quarterly Report

The fund as at 31 March 2026

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.

Contents

The fund	3
Performance and activity	4
Fund breakdown	6
ESG	7
Market commentary	13
Further information	14
Disclaimers	15
Performance net and gross	17
Glossary	18

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 period. 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
31 March 2026	2,430.91

Fund analytics

	Fund
Fund launch date	29 May 1990
Fund base currency	GBP
Benchmark	FTSE All-Share Index (Total Return, GBP)
Number of holdings	35

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	(3.76)	2.41	(6.17)
1 Year	12.05	21.54	(9.48)
3 Years (p.a.)	9.61	13.32	(3.71)
5 Years (p.a.)	8.64	11.10	(2.47)
10 Years (p.a.)	10.37	8.67	1.70
Since inception (p.a.)	9.03	8.26	0.77

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on 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 underperformed the benchmark over the quarter and ranked in the third quartile versus the peer group. This largely reflected the portfolio's lack of exposure to the energy and materials sectors during a period in which commodity and oil & gas prices rose sharply. Similarly, the absence of defence stocks, consistent with our sustainable investment approach, weighed on relative returns during a quarter when these areas performed strongly.

Among our holdings, detractors included Standard Chartered, which gave back some of its recent gains amid a wider sell-off in the banking sector. Investors were also concerned about its exposure to the Middle East.

Shifting sentiment towards the digital economy - especially worries that AI could disrupt software and data providers such as RELX and Experian - weighed on returns. However, we believe these concerns are overstated as most firms are a long way from replacing complex, business-critical systems with AI. Instead, these vendors are using AI to enhance products and reduce their own costs.

On the positive side, Diploma Group was one of the main contributors. The company provides a range of specialised technical products and services to industry and continues to benefit from the successful integration of acquisitions made in recent years, supporting earnings momentum.

The holding in Scottish and Southern Energy also contributed positively to performance. The company is benefiting from expectations of increased demand for domestically sourced and renewable energy amid ongoing geopolitical uncertainty.

Performance and activity

Top 10 holdings

	Weighting (%)
HSBC HOLDINGS PLC	6.95
ASTRAZENECA PLC	6.64
STANDARD CHARTERED PLC	5.72
PRUDENTIAL PLC	5.48
RENTOKIL INITIAL PLC	4.75
DIPLOMA PLC	4.58
TESCO PLC	4.45
RELX PLC	4.37
LONDON STOCK EXCHANGE GROUP PLC	4.26
LLOYDS BANKING GROUP PLC	4.14
Total	51.33

Fund activity

We purchased Broadcom, a US semiconductor company experiencing strong demand growth driven by rising AI adoption. While this is not a UK-listed company, it provides exposure to an area of the AI value chain that is under-represented in the UK market.

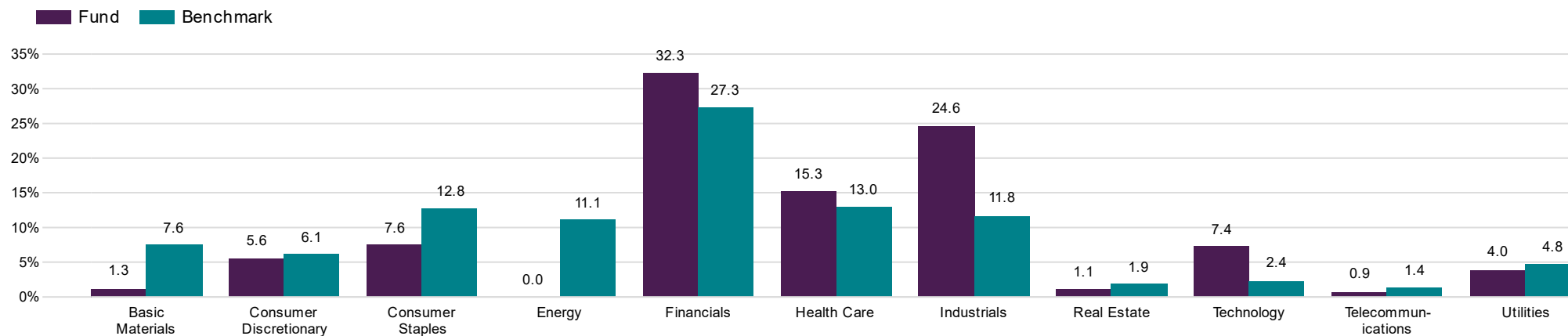
The other major purchase was online estate agent Rightmove. Shares have come under pressure due to concerns that users may increasingly switch to AI-driven alternatives. However, the company retains significant structural advantages through its network of property listings and strong brand position. We believe Rightmove is well placed to incorporate AI into its own platform and could ultimately prove to be a beneficiary of these developments.

Sales during the quarter included several overseas holdings, notably Microsoft and Spanish bank BBVA, as well as disposals of Greggs and Bunzl. These sales reflected a combination of valuation discipline, and a reassessment of long-term return potential relative to alternative opportunities.

Our sustainable strategies are orientated to those companies that contribute to the core themes of Clean, Healthy, Safe, Inclusive, as well as those companies which manage their operations in a responsible way. As a result, sectors such as industrials and financials are at the core of the equity portfolio, complemented by healthcare, utilities, selected technology businesses, and companies that lead their industries in terms of operations. Conversely, environmentally and socially damaging areas such as armaments, tobacco and mining are avoided.

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)	31,222	n/a	n/a
Financed emissions coverage	100.00%	n/a	n/a
Carbon footprint (tCO2e/\$M invested)	10.15	58.38	(82.61)
Carbon footprint coverage	100.00%	94.92%	5.35
Weighted average carbon intensity (tCO2e/\$M sales)	28.76	89.54	(67.88)
Weighted average carbon intensity coverage	100.00%	94.92%	5.35

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	96.65	94.93	1.81
% of portfolio below 2°C ITR	51.61	52.47	(1.65)
% of portfolio below 1.5°C ITR	29.60	33.56	(11.80)

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	30.23	35.21	(14.13)
SBTi Near-Term committed	-	4.26	n/a
SBTi Near-Term targets set	55.36	49.71	11.36

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	14	29
Number of engagements	22	89

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	1
Climate	7
Climate - Transition Risk	7
Environment	2
Governance	5
Board	2
Corporate Governance	2
Strategy	1
Health	1
Health - Community	1
Social & Financial Inclusion	6
Just transition	3
Labour & Human Rights	3
Technology, Innovation & Society	3
Technology & Society	3

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

HSBC Holdings PLC – Just Transition

Purpose:

We engaged HSBC Holdings PLC, a UK-listed bank, to understand how it integrates social considerations into its climate transition strategy, including impacts on workers, communities, and regional economies.

Outcome:

HSBC now formally acknowledges the importance of a just transition and has taken initial steps to embed it into its strategy, such as updating internal governance and including social factors in its sector and regional engagement frameworks. While no single 'best-in-class' mechanism has emerged, the bank's development of inclusive product design and regional support for small and medium sized businesses demonstrates clear progress. Further work is needed to ensure these commitments are consistently applied across its financing activities.

Lloyds Banking Group PLC – Just Transition

Purpose:

Lloyds Banking Group PLC, a UK-listed bank, was engaged to explore how it is considering social risks, such as community resilience and customer inclusivity, as it transitions to a low-carbon economy.

Outcome:

Lloyds has begun integrating just transition principles into its climate strategy, highlighted through early implementation of region- and sector-focused lending criteria that reflect social and customer considerations. Through its lending to Community Development Financial Institutions, Lloyds demonstrates core just transition principles, fairness, inclusion and place-based support, within its community lending activity. Through our engagement, Lloyds has demonstrated meaningful improvements in product design and regional support initiatives. It acknowledges the need to further align these efforts across all financing activities.

NatWest Group PLC – Just Transition

Purpose:

NatWest Group PLC, a UK-listed bank, was engaged to explore how it considers the broader social impact, on workers and regions, when providing finance to clients through its transition strategy.

Outcome:

NatWest formally recognises the need for a just transition approach in its climate planning and has taken initial steps to reflect social aspects in lending and client engagement strategies. In particular, its Human Rights Report, an early version of which RLAM provided feedback on, demonstrates how financial institutions can align climate strategy with human rights principles. The bank illustrated improvements such as regional analysis and product design aligned with just transition goals. We will monitor how these considerations are scaled.

Fund Engagement

Engagement outcomes

RELX PLC – Sustainable and Ethical AI

Purpose:

RELX PLC, an information and analytics company, was engaged to discuss its approach to ethical and sustainable AI, with a particular focus on governance, customer due diligence for sensitive use cases (including government contracts), safeguards against misuse, and emerging environmental impacts of AI. The engagement sought to understand how responsible AI principles are operationalised across the business, how human rights risks are assessed, and how oversight is exercised at senior and board level, in line with our expectations on responsible and ethical AI.

Outcome:

The engagement provided greater insight into RELX's responsible AI governance, including a combination of senior-level oversight and distributed operational responsibility across teams, as well as ongoing updates to its responsible AI principles. The company described training, due diligence processes, and technical safeguards, and outlined emerging work on human rights impact assessments and AI-related emissions accounting. However, concerns remain around customer due diligence outcomes, measures to ensure products are not misused, and public disclosure of how AI-related risks are managed in practice. We will continue engagement to seek clearer evidence of how these risks are identified, mitigated and overseen, and to encourage alignment with evolving best practice on responsible AI governance, human rights due diligence, and sustainable AI.

Unilever – Nature

Purpose:

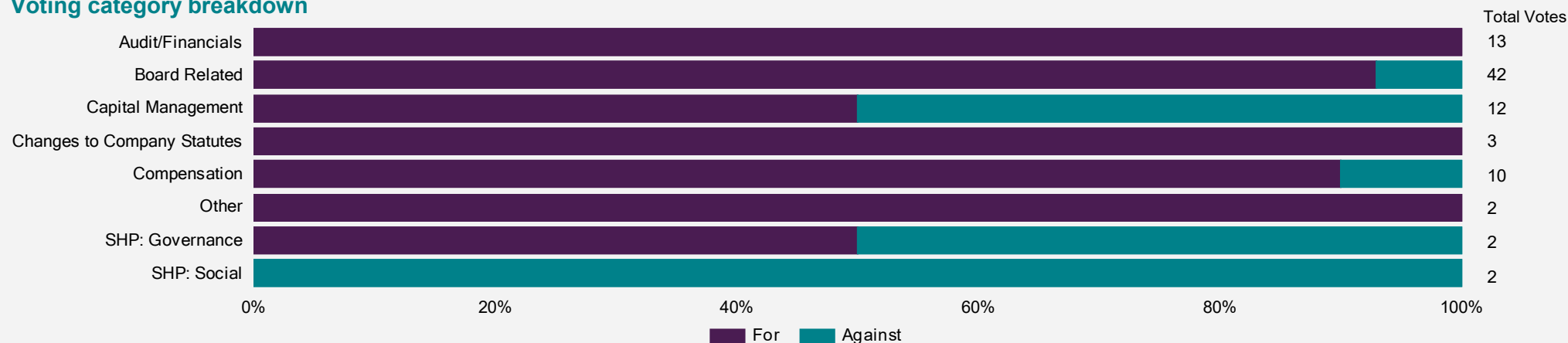
Unilever PLC, a consumer goods company, shared information on how it identifies and manages nature- and climate-related risks across its operations and supply chains. The information focused on areas where nature impacts are most material, including regenerative agriculture, deforestation-free sourcing and water stewardship.

Outcome:

Unilever outlined how its sustainability commitments are being translated into action through programmes focused on landscape protection, regenerative agriculture and water stewardship. The company described progress in scaling regenerative farming practices and using basin-level water risk assessments to inform sourcing and product innovation, including the development of water-efficient products. It also acknowledged that measuring and reporting outcomes remains an evolving area, with more robust data expected over the coming years. We will endeavour to continue engagement to monitor progress, encourage clearer disclosure on outcomes and methodologies, and assess how nature-related risks are reflected in longer-term planning.

Fund Voting

Voting category breakdown



Notable votes

Diploma Plc

Authority to Issue Shares w/o Preemptive Rights - against:

We voted against due to concerns regarding potential dilution, particularly when considered alongside related issuance authorities.

Authority to Issue Shares w/o Preemptive Rights (Specified Capital Investment) - against:

We voted against for the same reason, reflecting cumulative dilution risk.

Visa Inc

Elect Denise M. Morrison - against: We opposed due to the nominee's role on the remuneration committee and our longstanding concerns regarding remuneration.

Elect William J. Ready - against: We opposed due to concerns regarding the nominee's time commitments, given other positions held.

Advisory Vote on Executive Compensation - against:

We voted against as, despite engagement, key concerns remain-particularly regarding bonus discretion and short performance periods-and have not been sufficiently addressed.

Amendment to Certificate of Incorporation to Limit the Liability of Certain Officers - against:

We voted against as the amendment may reduce accountability by limiting liability for breaches of the duty of care, and the board has not demonstrated a compelling need.

Shareholder Proposals:

Independent Chair - against: We voted against as the company already meets the intent of the proposal.

Right to Act by Written Consent - for: We supported as written consent can enable shareholders to act on important matters between annual meetings.

Fund Voting

Notable votes

Visa Inc

Report on Risk Management Concerning Deepfake Content - against: We voted against as the proponent did not provide a sufficiently compelling rationale and we have no material concerns at this time.

Report on ROI of Inclusion Programs - against: We voted against as there was insufficient evidence that the company's approach to inclusion programs has been contrary to shareholder interests.

Market commentary

Market commentary

The year started positively, supported by a backdrop of resilient corporate earnings and an improvement in investor risk appetite. However, UK equities came under pressure later in the quarter following the outbreak of war in the Middle East, with direct US intervention being met with escalation from Iran. Oil and gas prices rose sharply following attacks on key infrastructure assets and heightened disruption risks around key shipping routes, including the Strait of Hormuz, which further restricted the flow of supply from the region. This raised concerns about renewed inflationary pressures, scuppering earlier expectations of interest rate cuts and driving bond yields higher.

Alongside these macro developments, investors became increasingly focused on the potential risks posed by AI disruption across a wide range of sectors, prompting share price weakness among some UK-listed technology, data and information services companies. While developments are fast-evolving, investor concerns centre on how future value creation will be shared between owners of proprietary data and emerging AI platforms. High-profile product launches, most notably from Anthropic, triggered valuation de-rating across software, data and information services businesses, with concerns even extending into professional services such as insurance and wealth management.

Against this backdrop, energy stocks dominated market returns over the quarter while consumer-facing sectors came under pressure as households faced the risk of renewed inflationary headwinds. At the same time, investors seeking refuge from AI disruption risk rotated towards more capital-intensive industries with tangible asset backing, with sectors such as energy, materials, utilities and telecoms outperforming.

Outlook

Recent strength in fossil-fuel energy stocks reflects a spike in oil prices driven by geopolitical events. Over the long term, however, we expect returns in this area to revert as prices normalise. Moreover, ongoing geopolitical tensions are likely to accelerate the global transition towards more secure and sustainable energy systems, reinforcing our focus on renewable and low-carbon solutions.

A similar argument applies to defence stocks. Recent outperformance increasingly assumes a structurally higher and permanent level of global defence spending. While geopolitical risks have clearly increased, we believe that over time returns are likely to normalise as market expectations converge with long-term fundamentals.

The world is experiencing an unprecedented period of innovation, which we describe through the concepts of atoms, bytes and genes. These structural trends are closely aligned with sustainability objectives and the transition towards a cleaner, healthier, safer and more inclusive global economy. When combined with rigorous financial analysis, we believe exposure to these themes can deliver attractive long-term investment returns and support durable cash-flow compounding for investors over the next 20 years and beyond.

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.

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

Issued in April 2026 by Royal London Asset Management Limited, 80 Fenchurch Street, London EC3M 4BY. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

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.

FTSE indexes and data are an intellectual property of FTSE International Limited ("FTSE"). "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. The Index is calculated by FTSE or its agent.

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

Investing in assets denominated in a currency other than the base currency of the Fund means the value of the investment can be affected by changes in exchange rates.

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 2026

Cumulative (%)

Annualised (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	(3.76)	3.02	12.05	31.72	51.35	9.61	8.64
Fund (net)	(3.94)	2.64	11.22	28.80	45.80	8.79	7.83

Year on year performance (%)

	31/03/2025 - 31/03/2026	31/03/2024 - 31/03/2025	31/03/2023 - 31/03/2024	31/03/2022 - 31/03/2023	31/03/2021 - 31/03/2022
Fund (gross)	12.05	4.60	12.39	(0.37)	15.33
Fund (net)	11.22	3.82	11.55	(1.11)	14.47

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment.

Source: RLAM as at 31 March 2026. 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.

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.

Efficient Portfolio Management (EPM) techniques

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

Environmental, social and governance

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

Exclusions

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

Financed emissions

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

Fund 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.

Fund restrictions definitions

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.

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, while the index performance is priced at close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons.

Glossary

Pricing

The Fund's price may swing to bid or offer to protect existing investors from the costs associated with buying or selling the fund's underlying assets when other investors are entering or leaving the fund. Performance is based on this pricing.

Promotes environmental or social factors

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

Rolling 5-Year Period

A rolling 5-year period is any period of five years, no matter which day you start on.

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 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.