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.

Sustainability Focus

Royal London Sustainable Managed Growth 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 Managed Growth 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

Fund performance objective

The Fund's financial objective is to achieve a total return 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
31 March 2026	651.67

Asset Mix

	Holdings	Weight
Fixed Income	220	72.92%
Equity	54	26.33%
Cash	59	0.75%

Fund analytics

	Fund
Fund launch date	4 December 2012
Fund base currency	GBP

Performance and activity

Performance

	Fund (%)
Quarter	(2.31)
1 Year	6.01
3 Years (p.a.)	7.00
5 Years (p.a.)	2.66
10 Years (p.a.)	5.24
Since inception (p.a.)	5.62

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 4 December 2012.

Performance commentary

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, and inclusive. Our sustainable credit funds combine our long-standing credit philosophy with our heritage in sustainable investing, and most notably provide access to critical sectors that are not available via equity markets. These areas can include non-for-profit UK housing associations providing homes at social and affordable rents, building societies providing basic financial services to households, and privately held regulated utilities enabling the transition to a lower-carbon economy. Our sustainable funds have no exposure to bonds of oil & gas companies or extractive industries. We are also underweight in the general industrial and consumer goods sectors, and to a lesser extent in consumer services.

Our credit exposure saw negative returns for the quarter, but outperformed broad sterling credit markets. Our bias towards longer duration was a slight negative for relative performance over the quarter. At the same time, the fund's bias towards medium and longer dated bonds was helpful over the quarter as the short-dated part of the market performed poorly due to weakness in underlying gilts, which moved to reprice Bank of England interest rate expectations.

Stock selection was positive over the quarter. Sector selection was broadly neutral, with the positive impact of our bias towards structured bonds offset by the negative impact of our underweight in supranationals. Stock selection instead made a positive contribution, with strong performance from our structured bond exposure. Many of these bonds lagged the broader market during the spread-tightening environment of 2025, meaning they entered 2026 with greater scope to outperform. In addition, as macro-driven uncertainty has increased, the greater visibility of cashflows and security underpinning these bonds has become more attractive. Key holdings such as ICSL (student loans) and Telereal (backed by BT telephone exchanges) saw positive returns in a quarter where most bonds generated negative performance. With regards to ICSL, our exposure remains to two securitisations comprising Plan 1 student loans – which offered more favourable borrowing terms relative to the more recent plans that are subject to increasing headlines.

The fund's equity exposure produced negative returns over the period. The holdings in HDFC Bank and Mercado Libre were among the main detractors. Indian bank HDFC share price fell due to macroeconomic concerns in India, while MercadoLibre shares fell amid concerns over competitive pressures and margin compression in Brazil's e-commerce sector. Looking at positive equity contributors, the holding in ASML produced strong returns, benefiting from accelerating AI-driven demand for semiconductors. The company benefits from a substantial backlog for the advanced semiconductor manufacturing tools that is sells.

Performance and activity

Top 10 holdings

	Weighting (%)
AVIVA PLC 6.875 20 May 2058	1.35
M&G PLC 6.34 19 Dec 2063	1.35
HSBC BANK FUNDING STERLING LP 5.844 31 Dec 2079	1.11
UK CONV GILT 3.75 22 Oct 2053	1.03
ROTHESAY LIFE PLC 3.375 12 Jul 2026	1.00
VIRGIN MONEY UK PLC 2.625 19 Aug 2031	0.95
BRITISH LAND CO PLC 5.264 24 Sep 2035	0.90
CHELTENHAM & GLOUCESTER PLC 11.75 31 Dec 2079	0.86
HSBC HOLDINGS PLC 8.201 16 Nov 2034	0.85
CORE & MAIN INC CLASS A	0.85
Total	**10.25**

Fund activity

New issue activity is typically high in the first quarter of the year, with this one no exception, despite the pace of overall issuance falling sharply in March. We continued to find attractive opportunities across the market – both in established, larger sectors such as financials, areas that we have historically favoured such as structured bonds, and newer areas that add diversification in terms of sector and underlying currency.

Banks and financials remain the largest part of the index. Our portfolios have a long-standing high level of exposure to the sector as we believe that credit spreads looked very attractive for the risk taken. At the margin, we have been happy to allow exposure to the sector to fall modestly as holdings mature, but we also continue to be active in this area. An example over the quarter included senior bonds from French cooperative group BPCE.

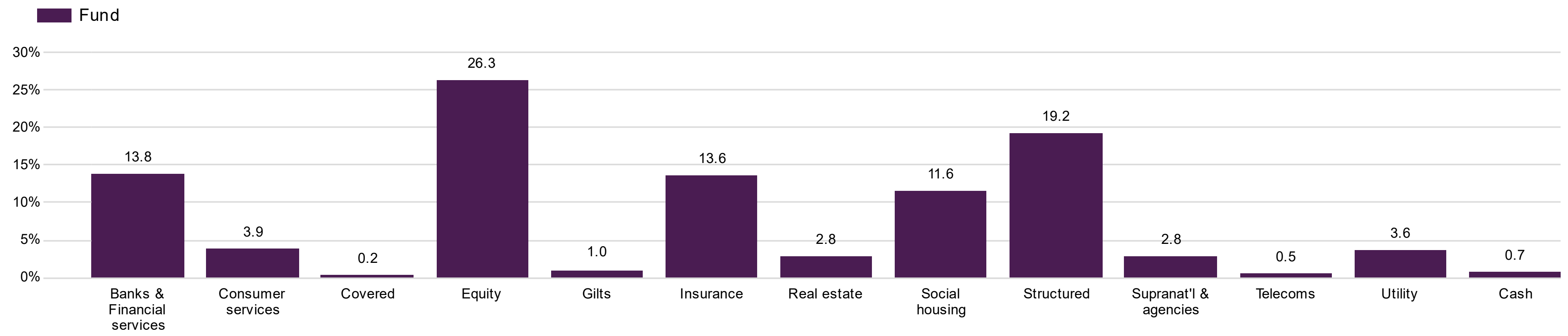
Technology and the growth in AI has been the trend of note in the past few years. One significant change in the past few months has been US hyperscalers looking beyond the US dollar market to raise capital. We added new issues of both 100-year and six-year bonds from Google parent company Alphabet at an attractive spread. This adds diversification to the portfolio, although a significant proportion of our exposure to this area remains secured – for instance adding an ABS new issue in February from Ramsgate (sponsored by data centre company Yondr), backed by two new data centres in Slough and a lengthy rental agreement to a highly rated technology company. This type of transactions provides us with exposure to the tech sector but with the added benefit of security over the underlying asset.

Structured bonds remain a key element in our portfolios. We believe that the market continues to overlook these attractive issues that give investors greater certainty over cashflows and a higher yield. During the quarter we added an AAA rated new issue from Sirius – backed by a portfolio of UK logistics assets at a material spread premium to the market with a floating rate structure that helps manage overall interest rate risk. We also added a new issue from Telereal – backed by BT telephone exchanges– whose bonds offered an attractive above-market spread. Telephone exchanges continue to be a piece of critical infrastructure in BT's network, enabling the delivery of communications services across the UK.

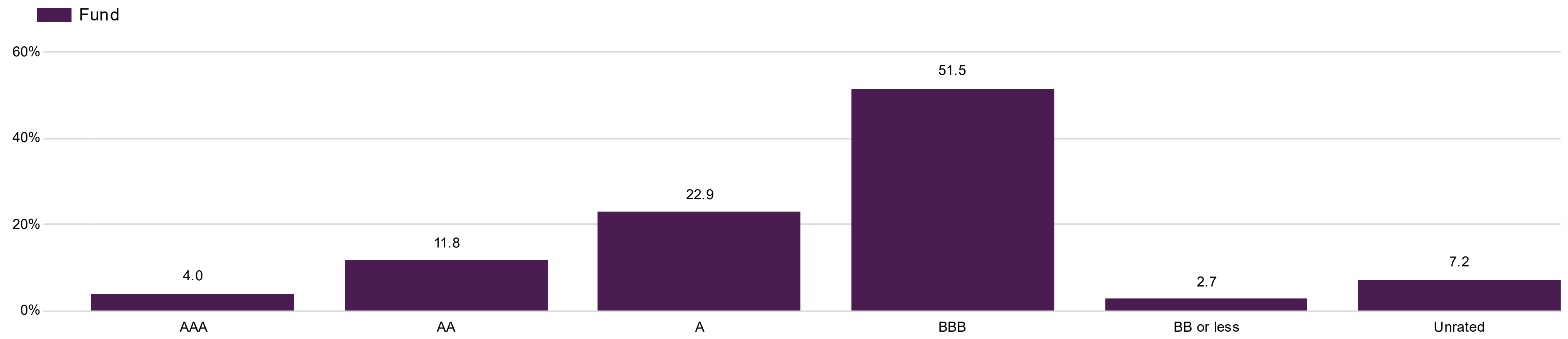
In the equity exposure of the fund, we initiated new positions in US solar energy equipment provider NextPower and Hong Kong transport infrastructure provider MTR – each selected for their strategic fit and growth prospects. NextPower benefits from a structural increase in demand for more localised energy production and a desire to reduce reliance on fossil fuel energy sources.. MTR offers exposure to increased economic activity in the Hong Kong region.

Fund breakdown

Sector weights



Credit ratings



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

Climate metrics

	Fund	Benchmark	Difference (%)
Financed emissions (tCO2e)	8,494	n/a	n/a
Financed emissions coverage	66.07%	n/a	n/a
Carbon footprint (tCO2e/$M invested)	10.03	25.72	(61.00)
Carbon footprint coverage	66.07%	87.29%	(24.32)
Weighted average carbon intensity (tCO2e/$M sales)	33.37	62.91	(46.96)
Weighted average carbon intensity coverage	93.27%	95.63%	(2.47)

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	64.01	71.34	(10.28)
% of portfolio below 2°C ITR	37.99	42.75	(11.15)
% of portfolio below 1.5°C ITR	20.70	21.80	(5.04)

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	13.03	13.09	(0.42)
SBTi Near-Term committed	2.85	3.19	(10.73)
SBTi Near-Term targets set	21.83	25.89	(15.66)

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	20	60
Number of engagements	28	143

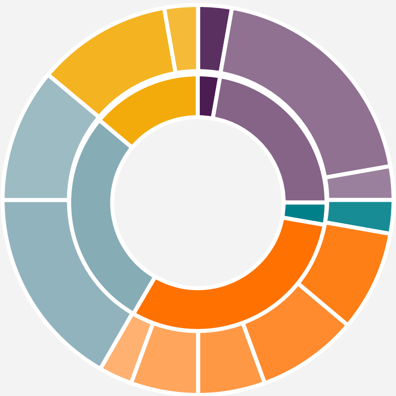
This is an estimate. Some engagements at the issuer level may not have been attributed to the specific bond held in the fund, resulting in a lower number of engagement activities.

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.

Total engagements by theme and topic



Theme / topic	Engagements
Biodiversity	1
Climate	8
Climate - Transition Risk	7
Climate - Physical Risk	1
Environment	1
Governance	11
Corporate Governance	3
Strategy	3
Board	2
Remuneration	2
Reputational Risks	1
Social & Financial Inclusion	10
Labour & Human Rights	6
Just transition	4
Technology, Innovation & Society	5
Technology & Society	4
Cybersecurity	1

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.

John Lewis PLC – Human Rights

Purpose:

We engaged John Lewis Partnership PLC, a UK retailer, to discuss how it identifies and manages human rights risks in its food and agricultural supply chains, how these risks inform business decision-making, and how the effectiveness of due-diligence processes is monitored over time. The discussion focused in particular on remediation practices, grievance mechanisms, audit effectiveness, land rights, including Free and Prior Informed Consent (FPIC), and supply-chain health and safety.

Outcome:

John Lewis shared updates on its approach to human rights due diligence, including how it refreshes its assessment of key risks and uses a combination of internal reporting, supplier information and external sources to guide its engagement. The company emphasised a remediation-first approach, working with suppliers to address issues rather than defaulting to contract termination. The company outlined its processes for tracking worker concerns, reviewing audit findings, and engaging suppliers to implement corrective actions over time. The company highlighted ongoing programmes aimed at improving worker livelihoods and addressing salient risks in sectors such as agriculture and fisheries. John Lewis acknowledged that investor-facing reporting on health and safety metrics and grievance outcomes, and the effectiveness of its programmes could be clearer. The company indicated it would consider how reporting could be strengthened and we agreed to continue engagement to monitor progress and encourage greater transparency over time.

Fund Engagement

Engagement outcomes

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.

RELX PLC – Sustainable and Ethical AI

Purpose:

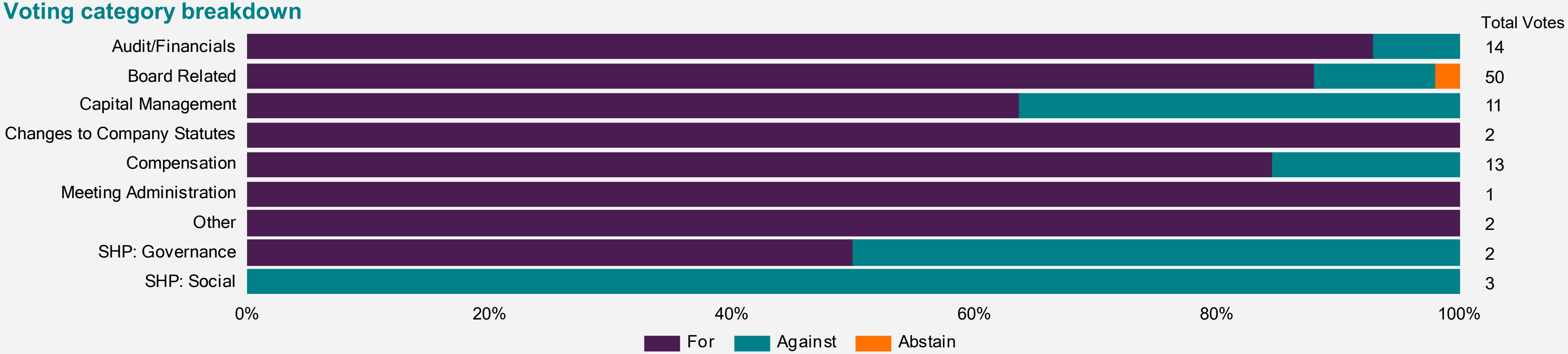
RELX PLC, an information and analytics company, was engaged to discuss its approach to ethical and sustainable AI, with a particular focus on governance, customer due diligence for sensitive use cases (including government contracts), safeguards against misuse, and emerging environmental impacts of AI. 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.

Fund Voting

Voting category breakdown



Notable votes

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.
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

Equities made a steady start to the year as investors focused on the path of disinflation, the timing of policy easing, and the resilience of economic activity. However, the return of geopolitics with the US-Israel offensive against Iran led to a quick deterioration and reversal of performance for financial assets. The escalation added an additional layer of uncertainty and triggered concerns over oil and gas supplies, energy prices and near-term inflation risks. Brent crude hit more than US $118 per barrel at the end of March as supply through the Strait of Hormuz was restricted and gas prices also surged. March was the worst month for global equities since the start of the Ukraine conflict in 2022.

The start of the year saw a continuation of the trends seen in 2025. US equities underperformed the rest of the world, particularly emerging market and Japanese equities. However, that trend reversed following the start of the war with investors favouring again US equities as Artificial Intelligence (AI) trends reaccelerated. The US is in a stronger position to weather higher energy prices as the largest oil-producing country.

Despite this reversal, US equities underperformed during the quarter with investors concerned about the returns of the large capital deployment being made in AI by US mega-cap technology companies.

European equities also gave back January and February's gains as rising energy prices led to concerns that inflation could remain above target. Markets in the region had previously benefited from falling inflation, raising hopes that European policy rates are near their peak. Energy and defence stocks provided pockets of relative strength during March. This helped to support the UK market, which was slightly more resilient.

Emerging market equities were relatively resilient, though performances varied greatly. Taiwanese and Korean stocks had produced strong double-digit returns prior to the Middle East conflict but came under pressure as investors assessed Asia's dependence on energy imports. Japanese equities outperformed, benefiting from yen weakness and expectations of increased fiscal support following the ruling Liberal Democratic Party's snap election victory.

In sterling credit markets, the spread in yield over equivalent government bonds widened as prices fell. Investors' concerns over US private credit actually had a greater influence than developments in the Middle East. The sterling investment grade credit market (iBoxx non-gilt index) returned -1.6% over the period under review. Sector returns were negative across the board, with more defensive areas such as covered bonds and supranationals less affected than areas with longer duration such as consumer services, telecoms and utilities.

Outlook

Recent events in the Middle East have increased uncertainty, but we believe they are more likely to reinforce the inflationary and more fragmented investment environment that has existed since 2021 than fundamentally alter it. In that context, the key determinant of market outcomes over the next year is still likely to be the pace and direction of AI adoption, and whether current fears around disruption create opportunities in durable, high-quality businesses whose long-term competitive positions remain intact.

Sustainable companies may stand to relatively benefit from recent market events. Companies that have proactively improved energy efficiency and reduced reliance on fossil fuels should be relatively better placed if energy prices remain elevated, while renewable technologies that support localised and renewable energy production are also becoming increasingly important

We have maintained our discipline and long-term approach and have used periods of market weakness to add selectively to quality companies at more attractive valuations. Given the uncertain geopolitical backdrop, we have also been broadening our geographic exposure, most notably adding to South America which has a number of structural tailwinds.

As always, we will keep an open mind as events evolve, but we continue to believe that periods of volatility can create attractive opportunities for long-term investors.

Further Information

Please click on the links below for further information:

Stewardship and Responsible Investment at RLAM

Responsible Investment

Royal London Credit & ESG Activity Report

Royal London Voting and Engagement

TCFD climate report

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.

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

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.

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.

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 (%)

	3 Month	6 Month	1 Year	3 Years	5 Years
Fund (gross)	(2.31)	0.85	6.01	22.54	14.04
Fund (net)	(2.46)	0.53	5.32	20.18	10.40

Annualised (%)

3 Years (p.a.)	5 Years (p.a.)
7.00	2.66
6.31	2.00

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)	6.01	3.64	11.54	(7.91)	1.06
Fund (net)	5.32	2.97	10.82	(8.51)	0.41

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 Managed Growth Trust C Acc GBP share class.

Glossary

Asset allocation

Breakdown of the assets by asset classes. Based on RLAM asset classification scheme.

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.

Credit ratings

Credit ratings are based on RLAM composite ratings which uses a hierarchy of S&P, Moody's and then the Fitch rating.

Duration

Measure of sensitivity of a Fixed Income instrument to changes in interest rates, indicating the potential impact of interest rate fluctuations on the value of the investment.

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.

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.

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 analytics

All figures exclude cash. Credit bonds include non-sterling bonds and CDs where held within the fund or benchmark.
This is applicable to the following sections: fund Asset Allocation, Duration, Yield curve, Sector breakdown, Financial holdings, Credit ratings.

Fund restrictions definitions

Alcohol: Companies which have involvement in brewing, distillation or sale of alcoholic drinks.

Fund restrictions definitions

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.

Glossary

Fund restrictions definitions

Adult Entertainment: Companies which own or produce adult entertainment services, or engage in the distribution or sale of adult entertainment services.

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.

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.

Total return

A total return is a combination of capital growth and income. Capital growth is defined as the rise in an investment's value over time and income as the payment an investment generates, such as dividends or bond coupons.

Weighted Average Carbon Intensity (WACI)

Portfolio's exposure to carbon-intensive companies, expressed in tCO_2e / \$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.

Weighted Average Carbon Intensity (WACI)

In line with our bespoke and targeted approach to credit analysis, we have developed an in-house carbon data tool that addresses coverage and mapping issues with third party systems. The development of this tool has been a critical element of RLAM's ESG integration into our credit process, addressing coverage and mapping issues with third party systems. This enhanced coverage is reflected in the WACI figures provided in this report, with all other metrics instead being based on data from MSCI.