

This fund is adopting the Sustainability Focus label. We are updating the relevant fund material and will publish these once ready.

Royal London Sustainable Short Duration Corporate Bond Fund

Key points

- Combines our strong heritage in sustainable investing and our market-leading sterling credit franchise.
- Access to a diverse set of borrowers with attractive sustainable characteristics across a variety of economic sectors.
- Enhanced lending position through secured debt bias.
- Lower interest rate sensitivity than longer duration credit funds, whilst sharing the same philosophy and process of our wider sustainable credit range.
- High quality portfolio that seeks to deliver a yield premium versus its benchmark.

Fund facts

Launch date	23.11.2022
Benchmark	ICE BoA ML 1-5 Year Sterling Non-Gilt Index
Sector	IA £ Corporate Bond
Duration	2.8 years
Average Credit Rating	A-
Number of holdings	> 200
Fund Management Fee	0.35% p.a. (Class M) 0.31% p.a. (Class Z)
Fund structure	UCITS
Minimum investment	Class M: £100,000 Class Z: £3,000,000
Gross yield	6.0%

Source Royal London Asset Management as at 31 August 2024.

Investment process

The fund provides access to a diverse choice of investment opportunities, with a well-established investment process with sustainability at its heart. We have a market-leading sustainable team who use proprietary, bottom-up research to analyse and understand the Environmental, Social and Governance (ESG) profile of bonds, proactively assessing credit issuers against clear sustainability criteria. Our sustainable process has evolved over 20 years, making Royal London Asset Management one of the most experienced sustainable asset managers in this area. Our sustainable investment expertise is further supported by an independent External Advisory Committee.

As well as a rigorous assessment of the sustainability of a potential bond, returns are further underpinned by focusing on issuers offering additional bondholder protections wherever possible. These legal enhancements, such as security over assets, can help mitigate downside risk if borrowers do find themselves in difficulty. The fund is also highly diversified, helping to minimise the impact if any one company deteriorates.

Despite the fund focusing on shorter maturity bonds to reduce interest

rate sensitivity, our long-established approach to identifying the most attractive sustainable bond opportunities is common across our existing sustainable credit funds.

In addition to an attractive yield, sustainable credit offers investors access to a variety of socially impactful sectors that are often out of reach of public equity investors, such as charities, government agencies or privately owned businesses. Figure 1 highlights the current fund exposures, extending from social housing charities providing affordable rents to those in need, to utilities playing a vital role in the energy transition.

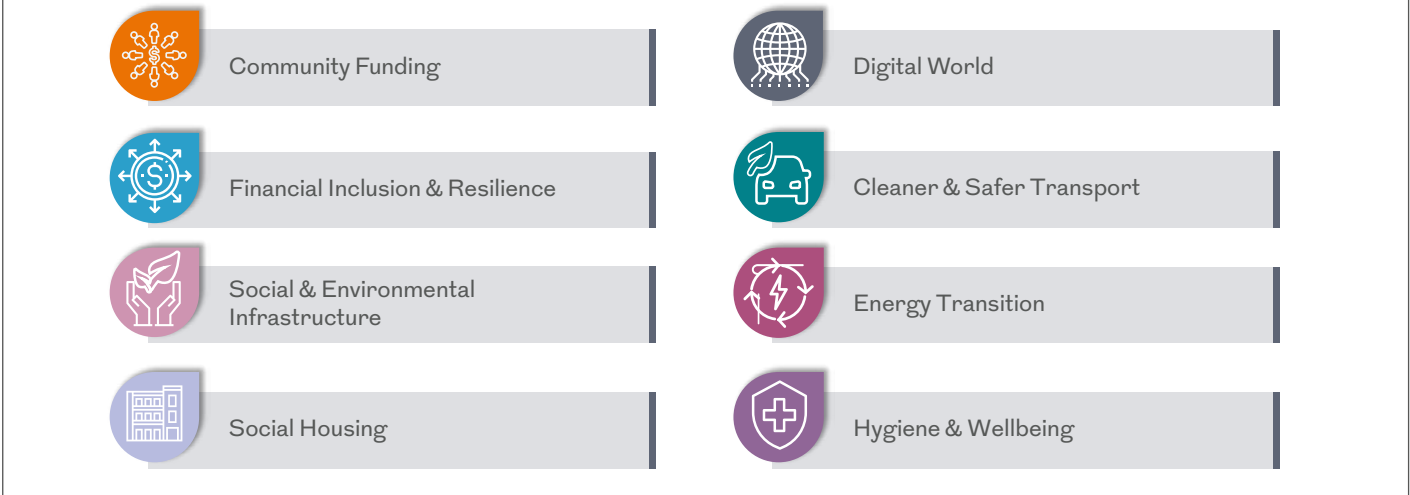
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Shalin Shah, Senior Fund Manager



Figure 1: Key Sterling Credit sustainable investment themes

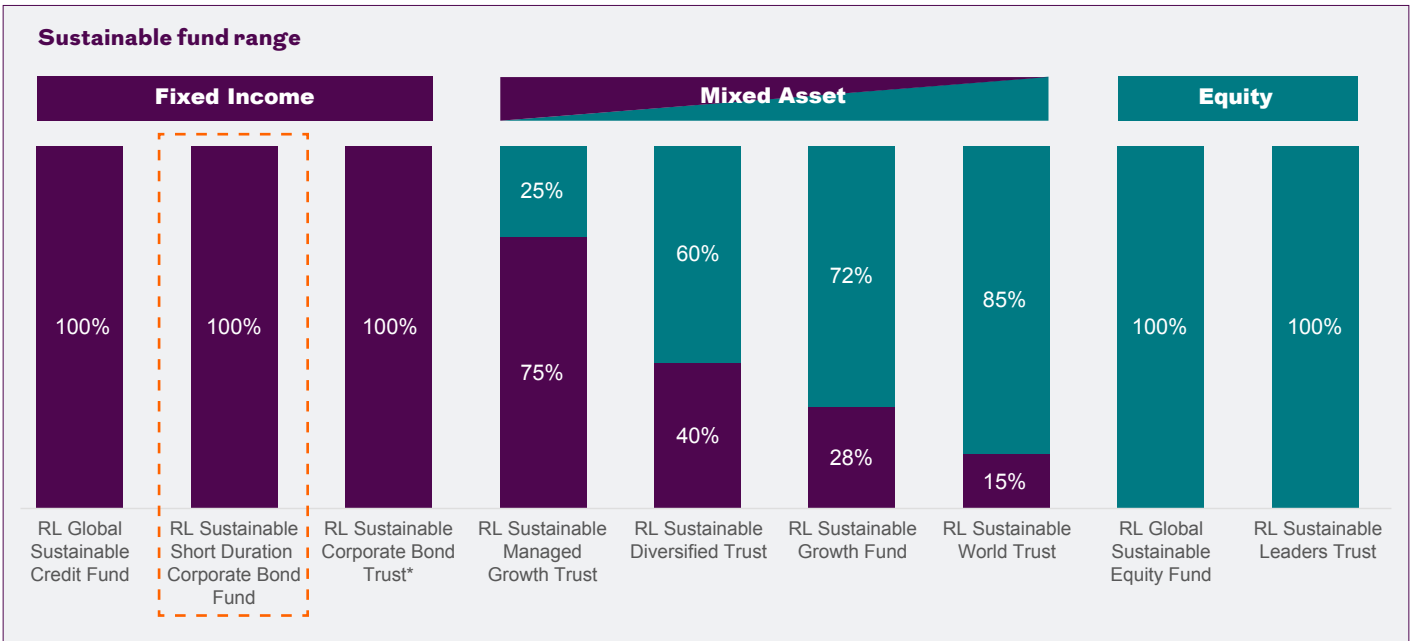


Source Royal London Asset Management. For illustrative purposes only.

We believe the RL Sustainable Short Duration Corporate Bond Fund provides an excellent addition to our existing Sustainable range of funds. The fund builds directly upon our existing sustainable and fixed income funds, utilising the same philosophies, collaboration and deep research capabilities that have made them so successful.

Our Sustainable fund range

The chart below shows how the RL Sustainable Short Duration Corporate Bond Fund fits into our sustainable fund range.



For illustrative purposes – reflects approximate percentage asset allocation, weightings may vary.

* Fund name changed from Royal London Sustainable Managed Income Trust on 27 March 2024.

Investment risks

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.

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.

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

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.

Fund managers



Shalin Shah
Senior Fund Manager



Matt Franklin
Fund Manager

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.

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

Responsible Investment Style Risk: The Fund can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number of 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.

Contact us

For more information about our range of products and services, please contact us.

Royal London Asset Management

80 Fenchurch Street,
London EC3M 4BY

For advisers and wealth managers

bdsupport@rlam.co.uk
020 3272 5950

For institutional client queries

institutional@rlam.co.uk
020 7506 6500

www.rlam.com

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RL Sustainable Corporate Bond Trust, RL Sustainable Managed Growth Trust, RL Sustainable Diversified Trust, RL Sustainable World Trust and RL Sustainable Leaders Trust are held within RLUM Limited Unit Trusts, which is an authorised unit trust scheme.

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

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

The RL Global Sustainable Credit Fund is a subfund of Royal London Asset Management Funds plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds. Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. It is a recognised scheme under section 264 of the Financial Services and Markets Act 2000. The Investment Manager is Royal London Asset Management Limited. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available.

For more information on the fund or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on www.rlam.com

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