

RLUM and Royal London Unit Trust Managers

# Assessment of Value 2025



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# Introduction

Welcome to your 2025 Assessment of Value report for RLUM Limited (RLUM) and Royal London Unit Trust Managers Limited (RLUTM). This report aims to give you an update on the funds we manage on your behalf, any issues that we have identified, and appropriate actions to rectify those issues, all with a view to ensure that you receive value for money.

Each year, we gather data on the funds and their competitors, hear from fund managers and report our findings to investors in this annual report. This report covers the 12 months to 31 March 2025, but given the long-term nature of many investments, we also look at the longer-term picture.

funds for both RLUM and RLUTM. Previously, we reported separately on each range. In 2024, we aligned the Directors of the two companies reflecting that the companies perform a very similar role. Having common Boards meant that we could monitor the funds more efficiently ensuring a consistent approach, with both RLUM and RLUTM offering funds that are managed by Royal London Asset Management using similar investment processes and run by the same investment teams. In addition, we know that there are customers who have invested in funds from both RLUM and RLUTM, and we believe it is more convenient to be able to see these in the same report.

You can continue to find previous years' reports for both ranges at [www.rlam.com](http://www.rlam.com).

## Independence and experience

As the management companies for the funds, RLUM and RLUTM bear ultimate responsibility for the overall administration and management of your investment.

Both companies have appointed Royal London Asset Management Limited as the Investment Manager for the funds, a separate company from both RLUM and RLUTM, but with all ultimately owned by the Royal London Mutual Insurance Society Limited (RLMIS) – the UK's largest mutual pensions, protection and investment provider.

The funds in both the RLUM and RLUTM ranges are managed by fund managers from Royal London Asset Management according to objectives and guidelines set out in the official fund documents. It is the duty of the Boards of Directors of RLUM and RLUTM to ensure the funds are being managed as investors would expect and are delivering value for investors.

This is a key role – on a day-to-day basis individual investors cannot do this, and the Boards therefore represent their interests.

To ensure that, the Boards have a mix of skills and are made up of directors from Royal London Asset Management, RLMIS and two external independent directors. Having independent directors brings a different perspective and ensures that investors' interests are fully represented. You can find out more about our Directors on page 19.

## Two management companies, one report

One change of note from last year is that this Assessment of Value report is now a combined one that covers the

## Regular insight and focus on good outcomes for investors

The Assessment of Value report is an annual one. However, the Boards meet formally four times each year, reviewing and discussing information on how the funds are performing and the quality of our service to investors.

## Increasing trust in sustainable investments

A particular focus over the past 12 months has been 'SDR' – or the Sustainability Disclosure Requirements regulations. These were designed to achieve two key outcomes: first, to improve the trust and transparency of sustainable investment products and second, to reduce greenwashing. In short, it was to help customers make better-informed investment decisions.

This created two distinct elements for the RLUM and RLUTM fund ranges. The first was around 'labelled funds', where all eight sustainable funds in our range have officially adopted the SDR Sustainability Focus label from 20 June 2025. These funds follow a consistent sustainable investing approach and sustainability objectives, designed to invest in companies and issuers that contribute positively to environmental and/or social outcomes.

The second item was for a number of the funds to be recognised as 'non-labelled' status. This means that the funds have some ESG (Environmental, Social, Governance) characteristics in how they are managed.

More information is available in the SDR consumer-facing documents for each of the labelled and non-labelled funds, which are available via the fund centre at [www.rlam.com](http://www.rlam.com).

## Our findings this year

The 12 months covered by this report were quite demanding for investors. Most notably, the US elections led to uncertainty around economic policy – particularly on tariffs – that have led to much more volatile stock and bond markets. This continued into April and beyond, and so we expect these to remain a factor for next year's report as well.

Last year, we were pleased that most RLUM and RLUTM funds performed well in our assessment and the same is the case this year. While performance is not the only measure we look at, it is obviously one of the more important, and performance across the range over the past year and longer has generally been good. The tables on pages 6 to 10 list all the funds covered by this report and shows their ratings, followed by further information where we have identified an issue. Some of the issues are already being addressed, as our regular review process highlighted these before the formal Assessment of Value process started.

For more details on the criteria that we judge the funds against and the methodology used, please see pages 17 to 18.

## What we can provide next year

We hope you find this report useful, and we continue to look for ways we can make it more helpful and understandable. If you have questions or suggestions, please contact us at [AssessmentofValue@rlam.co.uk](mailto:AssessmentofValue@rlam.co.uk)



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# Fund-by-fund results

In the tables set out over the following pages, you can find our Assessment of Value ratings for each of the funds, as at 31 March 2025. The funds are listed by name in alphabetical order.

## Understanding the results

We have assessed our funds against seven criteria, broadly split across service, performance and cost. The seven criteria are those defined by the Financial Conduct Authority (FCA). You can find more details on our methodology on pages 17 to 18 and a glossary of the more technical terms is provided at the end of this report. For each of the criteria assessed we assign either a Green, Amber or Red rating, denoting that we identified either no issue in that category, a potential/minor issue, or a more significant issue.

Fund name	Management company	OVERALL	Quality of Service	Performance	Costs					Further information
					AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	
Name of Fund	RLUTM or RLUM	●	●	●	●	●	●	●	●	See page 7

## Overall conclusion

We have also presented an overall rating which blends the results across the different criteria to give an ‘at a glance’ view of whether a fund is doing what it should for our investors.

## Actions

Where we believe an aspect of a given fund or any of the individual unit/share classes merits a Red or Amber rating, we have noted the relevant page where we provide more details of the issue and our approach to dealing with it.

If you want to know more about your fund or see the latest information on how it is performing, you can go to the ‘Our Funds’ section of our website at [www.rlam.com](http://www.rlam.com)

# Fund-by-fund results

Fund name	Management company	OVERALL	Quality of Service	Performance	Costs					Further information
					AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	
Royal London Asia Pacific Ex Japan Equity Tilt Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Cautious Managed Fund	RLUTM	●	●	●	●	●	●	N/A	N/A	
Royal London Corporate Bond Fund	RLUTM	●	●	●	●	●	●	●	●	
Royal London Corporate Bond Monthly Income Trust	RLUM	●	●	●	●	●	●	●	N/A	
Royal London Diversified Asset-Backed Securities Fund	RLUTM	●	●	●	●	●	●	N/A	●	See page 11
Royal London Emerging Markets Equity Tilt Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Ethical Bond Fund	RLUTM	●	●	●	●	●	●	●	●	
Royal London Europe Ex UK Equity Tilt Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London European Growth Fund	RLUTM	●	●	●	●	●	●	N/A	●	See page 11
Royal London European Growth Trust	RLUM	●	●	●	●	●	●	N/A	N/A	See page 11
Royal London Global Equity Diversified Fund	RLUTM	●	●	●	●	●	●	●	●	

**Green**

A Green rating indicates that no issue has been identified.

**Amber**

An Amber rating means our assessment has captured a potential issue and flagged it for review. We will let you know what we are doing to monitor or address the issue.

**Red**

A Red rating indicates that our review has identified a more serious issue, and we will set out what actions we are taking to resolve this.

Fund name	Management company	OVERALL	Quality of Service	Performance	Costs					Further information
					AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	
Royal London Global Equity Income Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Global Equity Select Fund	RLUTM	●	●	●	●	●	●	●	●	
Royal London Global Index Linked Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Global Sustainable Equity Fund	RLUTM	●	●	●	●	●	●	●	●	See page 12
Royal London GMAP Adventurous Fund	RLUTM	●	●	●	●	●	●	●	●	
Royal London GMAP Balanced Fund	RLUTM	●	●	●	●	●	●	●	●	
Royal London GMAP Defensive Fund	RLUTM	●	●	●	●	●	●	●	●	
Royal London GMAP Diversified Bond Fund	RLUTM	●	●	●	●	●	●	N/A	●	See page 12
Royal London GMAP Dynamic Equity Fund	RLUTM	●	●	●	●	●	●	N/A	●	See page 12
Royal London GMAP Growth Fund	RLUTM	●	●	●	●	●	●	●	●	
Royal London GMAP Moderate Growth Fund	RLUTM	●	●	< 12 Months*	●	●	●	N/A	●	*Fund launched on 25 July 2024
Royal London Index Linked Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London International Government Bond Fund	RLUTM	●	●	●	●	●	●	N/A	●	

Green

A Green rating indicates that no issue has been identified.

Amber

An Amber rating means our assessment has captured a potential issue and flagged it for review. We will let you know what we are doing to monitor or address the issue.

Red

A Red rating indicates that our review has identified a more serious issue, and we will set out what actions we are taking to resolve this.

Fund name	Management company	OVERALL	Quality of Service	Performance	Costs					Further information
					AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	
Royal London Investment Grade Short Dated Credit Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Japan Equity Tilt Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Japan Equity Tilt TTF (tax-transparent fund)	RLUTM	●	●	●	●	●	N/A	N/A	N/A	
Royal London Multi Asset Strategies Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Property Fund (& Feeder Trust)	RLUTM	●	●	●	●	●	●	N/A	N/A	
Royal London Short Duration Credit Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Short Duration Gilts Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Short Duration Global Index Linked Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Short Term Fixed Income Enhanced Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Short Term Fixed Income Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Short Term Money Market Fund	RLUTM	●	●	●	●	●	●	N/A	●	
Royal London Sterling Credit Fund	RLUTM	●	●	●	●	●	●	●	●	
Royal London Sustainable Corporate Bond Trust	RLUM	●	●	●	●	●	●	N/A	●	

Green

A Green rating indicates that no issue has been identified.

Amber

An Amber rating means our assessment has captured a potential issue and flagged it for review. We will let you know what we are doing to monitor or address the issue.

Red

A Red rating indicates that our review has identified a more serious issue, and we will set out what actions we are taking to resolve this.

Fund name	Management company	OVERALL	Quality of Service	Performance	Costs					Further information
					AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	
Royal London Sustainable Diversified Trust	RLUM							N/A		See page 13
Royal London Sustainable Growth Fund	RLUTM							N/A		
Royal London Sustainable Leaders Trust	RLUM									
Royal London Sustainable Managed Growth Trust	RLUM							N/A		
Royal London Sustainable Short Duration Corporate Bond Fund	RLUTM							N/A		
Royal London Sustainable World Trust	RLUM							N/A		See page 13
Royal London UK Broad Equity Tilt Fund	RLUTM							N/A		
Royal London UK Core Equity Tilt Fund	RLUTM							N/A		
Royal London UK Dividend Growth Fund	RLUTM							N/A		
Royal London UK Equity Fund	RLUTM							N/A		See page 13
Royal London UK Equity Income Fund	RLUTM							N/A		
Royal London UK Equity Tracker Trust	RLUM							N/A	N/A	See page 14
Royal London UK Government Bond Fund	RLUTM							N/A		

Green















































A Green rating indicates that no issue has been identified.

Amber

An Amber rating means our assessment has captured a potential issue and flagged it for review. We will let you know what we are doing to monitor or address the issue.

Red

A Red rating indicates that our review has identified a more serious issue, and we will set out what actions we are taking to resolve this.

Fund name	Management company	OVERALL	Quality of Service	Performance	Costs					Further information
					AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	
Royal London UK Growth Trust	RLUM							N/A	N/A	See page 14
Royal London UK Income With Growth Trust	RLUM							N/A	N/A	
Royal London UK Mid Cap Growth Fund	RLUTM							N/A		See page 14
Royal London UK Opportunities Fund	RLUTM							N/A		See page 15
Royal London UK Real Estate Fund (& Feeder)	RLUTM						N/A	N/A	N/A	See page 15
Royal London UK Smaller Companies Fund	RLUTM							N/A		See page 15
Royal London US Equity Tilt Fund	RLUTM							N/A		
Royal London US Equity Tilt TTF (tax-transparent fund)	RLUTM						N/A	N/A	N/A	
Royal London US Growth Trust	RLUM									See page 16

Green

A Green rating indicates that no issue has been identified.

Amber

An Amber rating means our assessment has captured a potential issue and flagged it for review. We will let you know what we are doing to monitor or address the issue.

Red

A Red rating indicates that our review has identified a more serious issue, and we will set out what actions we are taking to resolve this.

# Fund findings and actions

This section provides further information on those funds where our assessment this year has identified an issue, or a potential issue, in relation to one or more of the criteria that we look at.

## Royal London Diversified Asset-Backed Securities Fund

Criterion - Quality of service

Rating ●



### Specific findings

An accounting error meant that shares of the fund were mispriced for a period of time during the review period.



### What actions did we take?

Once the error was discovered, the prices of shares in the fund were immediately corrected and a full investigation took place. Any investors suffering a loss as a result of the error have been compensated, and underlying procedures around pricing have been reviewed and enhanced to the RLUTM Board's satisfaction.

## Royal London European Growth Fund

Criterion - Performance

Rating ●



### Specific findings

The fund has underperformed its target benchmark, which is measured over rolling five-year periods. The fund is therefore rated Amber for Performance.



### What actions are we taking?

Noting that this is the fund's third successive Amber rating for performance, the RLUTM Board has requested additional information from the Investment Manager on the steps being taken to address that. Also, an adjustment we have recently made to the fund's benchmark will provide us a more accurate basis for judging the returns being delivered. The fund was previously being compared to a benchmark that did not include the impact of withholding taxes (taxes on dividends paid at source), while the fund does have to pay these taxes. We have altered the benchmark calculation so that comparison is now on a like-for-like basis.

## Royal London European Growth Trust

Criterion - Performance

Rating ●



### Specific findings

The fund has underperformed its target benchmark which is measured over rolling seven-year periods. The fund is therefore rated Amber for Performance.



### What actions are we taking?

The RLUM Board will continue to monitor the fund's performance and an adjustment we have made to the fund's benchmark since the end of this assessment period will provide us a more accurate basis for judging the returns being delivered. The fund was previously being compared to a benchmark that did not include the impact of withholding taxes (taxes on dividends paid at source), while the fund does have to pay these taxes. We have altered the benchmark calculation so that comparison is now on a like-for-like basis.

## Royal London Global Sustainable Equity Fund

Criterion - Performance

Rating ●



### Specific findings

In addition to its sustainability objective, this fund has a financial objective of beating its benchmark index by 2.5% per annum (after deducting fees) measured over rolling three-year periods. In recent periods, its returns have been significantly behind the benchmark, and hence is rated Red for Performance.



### What actions are we taking?

The RLUTM Board recognises that since the fund launched in 2020 there have been headwinds against achieving that financial objective that were not in the Investment Manager's control. For instance, following the Russian invasion of Ukraine, oil and gas prices rose significantly, leading to strong performance from companies that extract or refine those commodities. The fund will not invest in these companies (which are included in the benchmark) due to its sustainability objective.

This fund, and the other sustainable funds will often have different exposures to certain companies and sectors compared to the benchmark due to sustainable considerations, for example, little or no exposure to mining or oil and gas, or a greater exposure to areas such as technology and healthcare. The RLUTM board is satisfied that the fund has delivered against its sustainable objectives, and that the process and philosophy used by the Investment Manager's Sustainable Team is sound. The fund has recently adopted the FCA's 'Sustainability Focus' label. Over the long term we continue to believe that the biases towards companies that contribute to a clean, safe, healthy and inclusive society will ultimately deliver good returns for investors. The Board will continue to closely monitor the fund's financial performance to determine if it is improving or whether action is required.

## Royal London Global Multi Asset Portfolios (GMAPs)

Criterion - Performance

Rating

GMAP Diversified Bond Fund ●

GMAP Dynamic Equity Fund ●



### Specific findings

As in previous years, our review of the GMAPs range has combined consideration of the funds' performance versus their investment objectives, which are to achieve capital growth over the course of a market cycle, targeting a risk/return level that is relative to that of the other funds in the range, and performance versus the funds' comparator benchmarks. The GMAP Diversified Bond fund is rated Amber for Performance, improving from a Red rating last year. Its returns over the last three-to-five years have been impacted by the higher than usual level of volatility in fixed income markets in this period. With this fund entirely invested in fixed income (whereas most of the other GMAPs have only a proportion of total assets), that volatility has had a larger impact on the risk/return delivered.

The GMAP Dynamic Equity fund has lagged its benchmark over a number of time periods and is also rated Amber for Performance, as it was last year.



### What actions are we taking?

The RLUTM Board will continue to closely monitor the performance of both funds. For GMAP Dynamic, noting that the underperformance of its benchmark is persisting, the Board has requested additional information from the Investment Manager on the reasons for this and the steps it is taking to address it.

## Royal London Sustainable Diversified Trust - 'A' unit class

Criterion - AFM Costs

Rating ●



### Specific findings

Comparison between the charge for this fund's 'A' unit class and the costs we incur in managing the fund indicate that there is potential scope for reducing the charge. The RLUM Board therefore rated this unit class Amber on AFM costs.



### What actions are we taking?

In April 2024, we reduced the annual management charge for this unit class from 1.15% to 1.00%. As the Board is anticipating further increases over the next few years in the costs associated with running the fund, no further action will be taken immediately. We will, however, reassess the position again within the next 12 months.

## Royal London Sustainable World Trust - 'A' unit class

Criterion - AFM Costs

Rating ●



### Specific findings

Comparison between the charge for this fund's 'A' unit class and the costs we incur in managing the fund indicate that there is potential scope for reducing the charge. The RLUM Board therefore rated this unit class Amber on AFM costs.



### What actions are we taking?

In April 2024, we reduced the annual management charge for this unit class from 1.15% to 1.00%. As the Board is anticipating further increases over the next few years in the costs associated with running the fund, no further action will be taken immediately. We will, however, reassess the position again within the next 12 months.

## Royal London UK Equity Fund

Criterion - Performance

Rating ●



### Specific findings

The fund has underperformed its target which is assessed over rolling five-year periods. The RLUTM Board has therefore rated the fund Amber on Performance.



### What actions are we taking?

No immediate changes will be made. The Investment Manager outperformed through most of 2022, 2023 and 2024, before a period of underperformance in the second half of 2024. As such, this rating reflects a relatively short-term concern rather than something more fundamental.

The Board will continue to review updates from the Investment Manager on the fund over the next 12 months.

## Royal London UK Equity Tracker Trust

Criterion - Comparable market rates

Rating ●



### Specific findings

Until December 2024, this fund was named the Royal London UK FTSE4Good Tracker Trust.

Our comparison of our charges for this fund indicates that they are considerably higher than the market average for funds with similar objectives. As a result, we have given the fund a Red rating for comparable market rates.



### What actions have we taken?

As detailed in last year's report, a continuing contraction in the size of this fund due to the largest investor steadily redeeming its holding has made it hard to adjust our charges to a level that investors would expect compared with similar funds.

As the fund is expected to become too small to manage against its stated objective, and having considered other options, the RLUM Board has concluded that is in investors' best interests to close the fund. Investors have been notified that the fund will close on 31 July 2025.

## Royal London UK Growth Trust

Criterion - Performance

Rating ●



### Specific findings

The fund has underperformed its target benchmark which is measured over rolling five-year periods. The RLUTM Board has therefore rated the fund Amber on Performance.



### What actions are we taking?

The amount of the underperformance is relatively small. However, noting that it has persisted for several years now, with three successive Amber ratings, the Board has requested further information from the Investment Manager on how performance will be improved.

## Royal London UK Mid Cap Growth Fund

Criterion - Performance

Rating ●



### Specific findings

This fund aims to deliver returns greater than its benchmark index measured over rolling five-year periods. The fund was rated Amber for Performance in last year's report, and with returns lagging those of the benchmark in the most recent 12 months, as well as over longer time periods, it continues to be rated Amber.



### What actions are we taking?

The RLUTM Board recognises that the fund has a medium-term investment objective and that the process and philosophy being used reflect that objective. Equally, after two years, the Board believes it is appropriate to request further information and therefore the Investment Manager will report to the Board shortly on the steps being taken to improve performance.

## Royal London UK Opportunities Fund

Criterion - Performance

Rating ●



### Specific findings

The fund has underperformed its target – to deliver returns greater than its benchmark index over a five-year period – in recent years. The scale of the underperformance meant that the fund was rated Red for Performance.



### What actions have we taken?

This is the fund's third successive Red performance rating, and in our previous reports we have detailed actions taken by the Investment Manager to seek to address this. The underperformance has continued, however, and in light of the decision by the investor holding a large proportion of the fund to disinvest, the RLUTM Board concluded that it was in the best interests of all investors that the fund should be closed. The fund was closed on 6 June 2025.

## Royal London UK Real Estate Fund (and Feeder)

Criterion - Performance

Rating ●



### Specific findings

This fund has underperformed its benchmark over 12 months, which is the review period stated in the objective. The fund is therefore rated Amber for Performance.



### What actions are we taking?

No immediate changes will be made. The long-term performance record remains very strong, and some of the recent underperformance reflects costs incurred to develop a number of properties owned by the fund, which the RLUTM Board expects to be reflected in higher valuations (and therefore better performance) for these buildings over the medium term.

## Royal London UK Smaller Companies Fund

Criterion - Performance

Rating ●



### Specific findings

This fund aims to deliver returns greater than its benchmark index measured over five-year rolling periods. The fund was rated Red for Performance in last year's report, and with returns significantly lagging those of the benchmark in the most recent 12 months, as well as over longer time periods, the Red Performance rating has been retained.



### What actions are we taking?

The RLUTM Board has requested information from the Investment Manager on the steps it is taking to address the issue and the Investment Manager has undertaken a review of its approach and process. As we highlighted in last year's report, the Investment Manager is applying an investment strategy that has been in place for some years, which has produced strong returns in the past based on a long-term approach that favours buying companies with strong growth prospects.

This can produce a portfolio that looks quite different to the benchmark – this reflects the active approach taken by the fund's investment team but does increase scope for performance of the fund and benchmark to look different over certain time periods. The Investment Manager believes the team's approach can still succeed and the team is also now benefiting from new perspectives following changes last year within the Investment Manager's broader teams who manage the equities fund ranges. The Board is understanding of that view; however, it has determined that if improvement is not evident over the next year, it will request more significant action.

## Royal London US Growth Trust

Criterion - Performance

Rating 



### Specific findings

Performance over the fund's seven-year assessment period was behind target, and hence was marked Amber for further review. This result was mainly due to the performance over the last year or so.



### What actions are we taking?

No immediate action will be taken and the RLUM Board will continue to monitor performance. Although short-term performance was behind expectations, over the longer term the fund's returns have generally been very close to the target.

# How we assessed the funds

## Introduction

Throughout the year, we look at how our business is adding value for our clients and focus on the areas where we can do better.

Annually, we report back to you in this report so you can see the progress from both last year's report and the other work which we have done as part of our ongoing reviews of our funds.

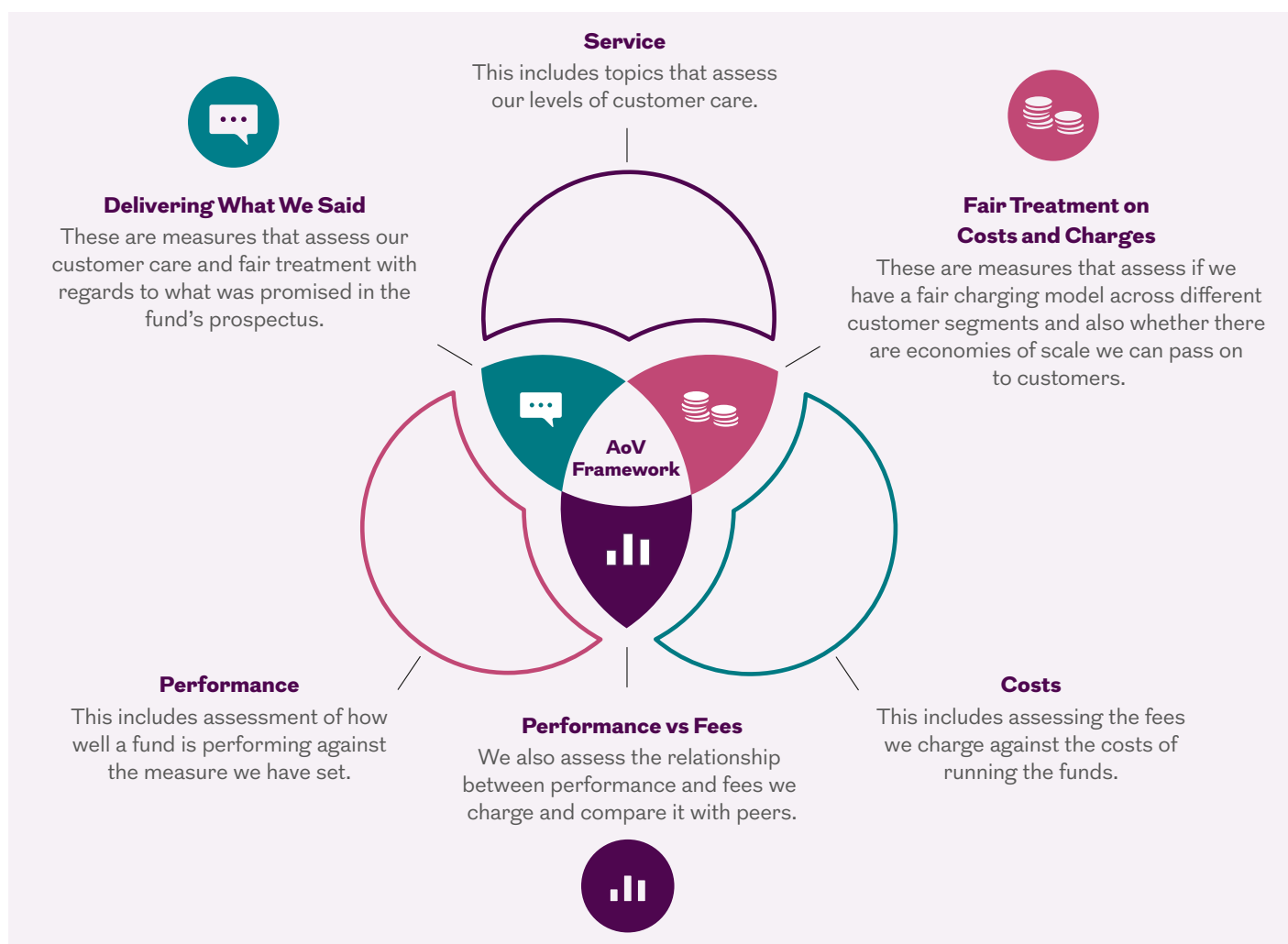
Here we provide you with an overview about the issues we are investigating, our methodology and how you can interpret our findings.

## Understanding this report

We believe that trust and good service are, in part, achieved through transparency. Being transparent means giving investors the information they require in the simplest form possible – allowing them to make informed decisions about their investments and finances.

Our approach continues to be based around using the three broad categories of performance, service and cost to determine where we are adding value and where we are falling short, evaluated against each of the seven criteria specifically defined by the FCA for such assessment.

The **Fund-by-Fund Results** section of this report uses a traffic light system that lets you see at a glance, whether your fund is delivering good value, or if it is falling short under each of performance, service or cost – and, if there are any Amber or Red traffic lights, the page where you can find further information.



## Performance

### What do we mean by good performance?

This sounds straightforward but this is not always the case. When we launch a fund, we state in the prospectus what the investment objective is. This may be to produce a return that is better than cash, a group of competitor funds, or a market index such as the FTSE 100.

You will be able to clearly see if our independent process has identified any concerns around underperformance that need to be investigated.

We'll let you know what measures are being put in place if your fund is significantly underperforming its benchmark or objective. It's important to remember that although we report to you every 12 months, when we look at performance we mainly focus on the longer-term picture. By that we mean a period usually of at least three-to-five years, which is the minimum length of time that most of our funds are designed to be held for.

## Service

### What do we mean by good service?

Here we are assessing our levels of care and whether we are being fair to customers. Service in asset management is, in many ways, about transparency – do we action customer requests and provide transparent information on an accurate and timely basis? By assessing our level of service, we wanted to ensure that customers continue to receive the range and quality of the information they need.

On behalf of customers, we also review the levels of service being provided to the funds by our key partners: Royal London Asset Management (who provide investment management services), HSBC (who provide fund accounting, trustee, depositary and custody services), SS&C (the registrar for the RLUTM funds), and Capita (the RLUM funds' registrar). This includes reviewing information on the quality of the processes operated by each of these service providers.

To gauge our service, we also look closely at feedback from advisers and other financial professionals because we know that most investors in Royal London funds use an adviser.

We'll let you know what measures we are putting in place if complaints or other measures indicate poor customer service outcomes. We'll also let you know if you are eligible for a lower fee unit/share class.

## Cost

While the amount we charge plays a significant part in determining whether our funds are delivering value for investors, we do not believe it should be the only factor, and that driving down costs is not always in the best interests of investors. For example, the fees we charge enable us to continue to invest in improving the technology and infrastructure that underpins the delivery of our services. This includes making sure that the business is prepared for unforeseen events and can continue to operate without any business interruptions as it did during the pandemic.

### What questions are we asking on costs?

- **AFM Costs:** as the authorised fund manager (AFM), we compare what has been charged by the fund against the cost of providing the services that are paid for from the charge and ask are our fee levels reasonable by reference to the costs involved with managing the funds, and the services provided to investors? Are we as efficient as we can be in managing our costs? How do we compare to other firms in this industry?
- **Economies of scale:** we assess whether we can achieve savings and benefits for customers relating to the costs of managing a fund and considering the size of the fund and whether it has grown or contracted in size as a result of flows.
- **Comparable market rates:** how do the fees we charge compare with similar funds available from our competitors?
- **Comparable services:** how do the fees we charge for the funds compare with the fees paid for investment mandates managed for customers in other segments of our business, if those mandates are similar to the funds?
- **Classes of units:** where there are different fee rates for different types of units/shares in a particular fund, are those differences fair? We assess whether it is appropriate for investors to hold units/shares in classes subject to higher charges than those applying to other unit/share classes of the same fund.

# RLUM and RLUTM Boards



**John Brett**  
Independent  
Non-Executive  
Director and  
Chair

John joined RLUM and RLUTM in September 2019 as an independent non-executive director. He has held a number of senior roles in asset management over the last 20 years including CEO of a wealth management firm, Head of Distribution for Aberdeen Asset Management and Sales & Marketing Director for Scottish Widows Investments. He is a qualified lawyer and has held senior positions responsible for legal, risk, governance, products and strategy. He is currently the non-executive chair of a wealth management business.



**Jill Jackson**  
Independent  
Non-Executive  
Director

Jill joined RLUM and RLUTM in April 2022 as an independent non-executive director. Jill has over 25 years' experience in the asset management industry and has held a number of senior positions for large asset managers during that time. Prior to joining the RLUTM and RLUM Boards, Jill was the Chief Executive Officer of The Big Exchange, a direct to consumer impact investing platform. Jill currently chairs an advisory council on responsible investing for a family-owned asset management firm and is also the Trustee of a cancer charity.



**Jon Glen**  
Non-Executive  
Director

Jon was appointed to the RLUM board in January 2023 and the RLUTM board in April 2024. Jon has more than 20 years' experience in financial services and has held a number of senior roles within Royal London. After spending several years as commercial director for the UK protection business he was appointed Managing Director of Royal London Ireland. After four years in Ireland, he returned to the UK in 2016 and soon after joined the Group Executive Committee as Group Operations Director. He is currently a director of a number of Royal London's subsidiary companies, including Director and Chairman of Royal London Marketing Limited and Royal London Savings Limited.



**Hans Georgeson**  
Executive  
Director

Hans joined Royal London Asset Management as Chief Executive Officer in April 2021. He started his financial services career in 1996 as an equity analyst at BZW Investment Management, the asset management arm of Barclays. Hans remained with Barclays until 2010, progressing through a number of executive roles at Barclays Wealth, Gerrard Investment Management and Barclays Stockbrokers. In 2010 Hans joined Architas, and under his tenure the business grew to over £40bn assets, operating across 13 countries. Hans graduated from Oxford University with a degree in Politics, Philosophy & Economics and a Masters degree in Economics. He completed his MBA at INSEAD in 2000.



**Andrew Hunt**  
Executive  
Director

Andrew joined Royal London Asset Management in December 2015, becoming Chief Financial Officer in January 2018. He has responsibility for all aspects of finance including business performance, statutory and regulatory reporting, and the ICARA. Andrew is also Client Money Oversight Officer for RLUM, RLUTM and Royal London Asset Management, responsible for the protection of client money and assets.



**Rakesh Kumar**  
Executive  
Director

Rakesh joined Royal London Asset Management in April 2011, and is Royal London Asset Management's Operations Director. He is responsible for the management and oversight of the investment and operational aspects of Royal London Asset Management's business. He has expertise in providing leadership, influencing business growth and implementing and managing change to drive organisational performance. Rakesh holds a BSc in Management from the University of St Andrews along with an Executive MBA from Cass Business School. He has over 10 years' experience in the global financial sector.



**Susan Spiller**  
Executive  
Director

Susan is Head of Product at Royal London Asset Management where she is responsible for product strategy and development, product governance, and product management. She joined Royal London Asset Management in March 2002. Prior to this she has built up a strong background in a wide variety of sales, marketing, product development, and investment management activities. Her experience includes 15 years' experience working at Charles Schwab & Co, Fidelity Investments, and State Street Bank & Trust Co. Susan has a BA degree in Economics from Duke University and an MBA from Stanford University.

# Glossary

**Absolute return:** an investment approach that aims to achieve a return that is not benchmarked against any index and aims to provide positive returns regardless of financial conditions.

**Active management:** an investment style that is designed to exceed the return of a benchmark index. Active managers base their decisions to deviate from a benchmark's composition on their judgment and analysis. Contrast with passive strategy.

**AFM:** authorised fund manager. The officially designated manager of an authorised fund (unit trust, OEIC or ICVC), who is obliged to comply with FCA regulations. Can also be referred to as a fund's 'management company'.

**Assessment of Value (AoV):** introduced by the Financial Conduct Authority in 2019, the Assessment of Value rules require fund management companies to assess the value of each of their funds, take corrective action on any funds that do not offer good value, and explain their fund assessments annually in a publicly available report.

**Asset backed securities (ABS):** Bonds that are based on a claim over specific assets or cashflows and are sometimes therefore seen as lower risk than unsecured bonds.

**Asset class:** a category of investments, such as shares or bonds, that display similar characteristics.

**Benchmark:** a performance target or comparator for investments. This is usually an index or a peer group (an acknowledged selection of similar investments).

**Bonds:** sometimes referred to as fixed income, bonds represent loans made by investors to corporations or public bodies (the bond issuers). Bonds pay out a previously agreed interest payment (or coupon) on their debt to investors until a maturity date, when the initial investment (or principal) is repaid.

**Bond fund:** a portfolio composed of fixed income investments.

**Capital growth:** the rise over time of an investment's value.

**Capital preservation/protection:** investment techniques/approaches that aim to prevent loss of an investment's original capital value.

**Capital return:** the measured performance of an investment according to its change in value over time, without factoring in dividends or any other income.

**Classes of units/shares:** funds can offer different classes of units or shares to different types of investors that charge different fees and expenses, while still giving exposure to the same underlying set of investments.

**Commodities:** resources-related physical investments like oil, gold or wheat.

**Corporate bonds:** a bond (loan) issued by a company, typically offering a higher yield than government bonds.

**Depository:** for OEIC/ICVC funds, the depository is responsible for the safekeeping of the fund's assets including cash, shares and bonds. For funds that are unit trusts, the Trustee performs this function.

**Derivatives:** investments that derive their value from another closely related underlying investment.

**Developed markets:** countries with more advanced economies. Developed markets according to MSCI classification include the UK, US, Hong Kong and most eurozone countries.

**Domicile:** the country where a fund was first set up, and the jurisdiction that applies for tax and regulation purposes.

**Diversification:** investing in multiple asset classes or sectors in order to reduce risk.

**Duration:** an investment's sensitivity to interest rate changes.

**Emerging markets:** markets in the developing world that are more advanced than frontier markets. Emerging markets according to MSCI classification include China, Russia, India and Brazil.

**Equities:** stocks listed on an exchange, which represent partial ownership of a listed company. Often also referred to as 'shares'.

**Equity fund:** a portfolio that invests in equities.

**ESG:** environmental, social and governance. A list of predefined criteria that determines how a company operates in terms of sustainability and overall corporate governance.

**Ethical criteria:** predefined restrictions on sectors or asset classes that a manager may invest in.

**FCA:** Financial Conduct Authority. The UK's regulator of financial services.

**Fixed income investments:** also known as bonds. Fixed income investments pay out a previously agreed interest payment until that investment reaches maturity.

**FTSE 100:** Financial Times Stock Exchange 100 Index. A list of the top 100 companies listed on the UK stock market, ranked by market capitalisation.

**Government and public bonds:** bonds issued by governments or public bodies, not by corporations.

**Greenwashing:** a fund or strategy that misleads potential investors to believe that it has strong ESG credentials when this may not be the case.

**Growth:** a style of investing that aims to increase the original capital invested.

**Hedging:** reducing risk by protecting an investment with another related investment.

**High yield bonds:** bonds with a lower credit rating than investment grade bonds, typically issued by companies that are seen as higher risk and hence usually offer a higher yield.

**ICVC:** investment company with variable capital. An open-ended investment vehicle that can create new shares to accommodate additional investors.

**Income:** a form of payment generated by an investment, such as dividends or bond coupons.

**Income investing:** investment style that looks for income rather than capital growth.

**Index-linked bonds:** fixed income investments where coupon payments and final principal repayment are tied to an inflation index.

**Inflation:** the average rise in prices of a predetermined list (or 'basket') of goods.

**Interest rates:** the cost of borrowing and using money. These are set by central banks and are expressed as a percentage owed of the amount borrowed.

**Interest rate risks or exchange rate risks:** risks associated with changes in the level of interest rates or the difference between the comparative value of different countries' currencies.

**Investment grade bonds:** bonds that have been assessed by credit ratings agencies, and which are deemed to be higher quality and therefore less likely to default.

**Large-cap stocks:** companies with a large market capitalisation (value). Defined by MSCI as the top 70% of overall market capitalisation, although the proportion varies between different markets and index providers.

**Liquidity:** the availability of money for lending or ease of buying / selling an investment.

**Market capitalisation:** the number of a company's issued public shares multiplied by the share's value. This is the value of a company as determined by the market.

**Maturity:** the time at which the principal and all interest related to a bond are to be paid.

**Mid-cap stocks:** companies with a medium market capitalisation (value). Defined by MSCI as the 15% of the market below 'large cap' market capitalisation, although the proportion varies between different markets and index providers.

**Multi-asset/multi-asset strategies:** investment approaches that use different asset classes such as equities, bonds and cash in one portfolio.

**OEIC:** Open-Ended Investment Company – a UK legal structure for an investment company with variable capital or ICVC.

**Overseas corporate bonds/overseas government bonds:** bonds from countries other than the UK.

**Passive strategy:** a fund that sticks closely to an index in terms of its composition and expected returns. Contrast with active management.

**Prospectus:** a fund prospectus is a legal document setting out details of how a fund will be managed, including information such as the investment objectives, fees and any restrictions.

**RLUM / RLUTM:** as authorised fund managers ('AFMs'), RLUM Limited and Royal London Unit Trust Managers Limited (RLUTM) are each responsible for the administration and management of a range of investment funds.

**SDR:** the Sustainability Disclosure Requirements regulations came into force in the UK in 2024. These are designed as anti-greenwashing rules – laying out criteria for companies that wish to label their funds as having sustainable or green characteristics.

**Securities:** the word 'security' can generally be used interchangeably with bond or equity/stock. It can also be used to mean both at once – 'bond and equity securities'.

**Small-cap stocks:** companies with a small market capitalisation (value). Defined by MSCI as the bottom 5% of overall market capitalisation, although the proportion varies between different markets and index providers.

**Sovereign bonds:** fixed income investments issued by governments.

**Stocks/shares:** another word for an equity security, which represent partial ownership of a listed company.

**Sub-investment grade securities/non-investment grade:** bond with a lower rating than investment grade. A greater risk of default usually means a higher yield.

**Total return:** the capital gain (including income) or loss generated by an investment over a specific period.

**Tracking error:** a measure of risk indicating how closely a portfolio follows an index.

**UK government bonds:** also known as 'gilts' and issued by HM Treasury.

**Unit trust:** an open-ended collective investment vehicle that creates or cancels units to allow new investors into the fund or existing investors to exit. The main contrast with an OEIC or ICVC is the underlying legal status, with unit trusts governed by trust law, and OEICs / ICVCs subject to corporate law.

**Value investing:** an investment style targeting stocks that are being bought and sold at prices lower than their intrinsic value, i.e. that are undervalued by the market.

**Volatility:** usually made in reference to prices, volatility describes the potential for rapid, aggressive and unpredictable change.

**Yield:** a measure of the income return earned on an investment. For a bond, the yield is usually seen as the annual income paid as a percentage of the current market price.

## Contact us

For more information, please contact us.

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We are happy to provide this document  
in braille, large print and audio.

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

All information is correct at March 2025 unless otherwise stated.

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For more information on the funds, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on [www.rlam.com](http://www.rlam.com).

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