

RLAM launches Royal London UK Ethical Equity Fund

Royal London Asset Management (RLAM) announces the launch of the Royal London UK Ethical Equity Fund (the Fund). The Fund is designed to meet client demand for an ethical equity vehicle to complement RLAM's existing Royal London Ethical Bond Fund. It will invest primarily in UK-listed companies and will consist of a concentrated portfolio of 40-60 holdings, aiming to deliver a combination of capital growth and income over the medium to long term. The Fund seeks to achieve annualised returns of 2-3% per annum in excess of its benchmark, the FTSE All-Share Index.

The Fund will be managed by Bradley Mitchell, who has more than 20 years' experience of UK equities and has been the manager of the Scottish Life Ethical Equity Pension Fund since March 2004. Under his tenure this fund has performed strongly, returning 42% over the five years to 31 March 2011, almost 20% ahead of the FTSE All-Share Index and more than 25% ahead of the ABI UK All Companies Sector (source: Financial Express, bid to bid, total return, GBP).

In support of the Fund's investment research process, ethical screening will be provided by EIRiS, a leading independent provider of investment research into the environmental, social, governance and ethical impact of companies. The Fund's ethical framework combines avoidance of companies involved in excluded activities with a scoring system to identify best-of-breed companies in permitted sectors. From this universe, the manager will select out-of-favour companies where he believes there is a catalyst to drive the market to reflect their true value over the longer term.

Bradley Mitchell commented:

"There is increasing demand from investors for a range of solutions to help them align their ethical and social priorities with the need for investment returns. Having run an ethical portfolio that has consistently outperformed its benchmark, it is clear to us that the former does not have to come at the expense of the latter. With the support of EIRiS, we are confident that we can identify excellent investment opportunities to deliver outperformance within clearly defined ethical parameters."

Robert Talbut, RLAM's Chief Investment Officer, added:

"At RLAM we have a long tradition of offering ethical solutions to clients and are well-known for our fixed income capabilities in this area. The launch of the Royal London UK Ethical Equity Fund is a natural extension of this. The Fund will allow investors to benefit from the experience of our award-winning equity team and its record of outperformance, whilst also exercising their ethical preferences."

- ENDS -

Key Features

IMA sector:	IMA UK All Companies
Structure:	UK authorised UCITS III; sub-fund of Royal London Equity Funds ICVC
Domicile:	UK

Initial charge:	Class A: 4%; Class B: 0%
Commission:	Class A: 3%; Class B: 0%
AMC:	Class A: 1.40%; Class B: 0.70%
Minimum investment:	Class A: £1,000; Class B: £1,000,000

Ethical Criteria

The Fund will exclude companies with more than 10% turnover generated from any one or combination of the following five categories:

- Alcohol - involvement in brewing, distillation or sale of alcoholic drinks
- Armaments - manufacture of armaments or nuclear weapons or associated strategic products
- Gambling - investments in betting shops, casinos or amusement arcades
- Tobacco - growing, processing or sale of tobacco products
- Pornography - adult entertainment services

The Fund will apply screening in three areas where it believes that companies have the opportunity to make a positive impact:

- Environment - companies which have a high environmental impact and which have 'no evidence' of appropriate environmental management systems
- Human rights - companies in a strategic sector operating in countries of concern and which have 'no evidence' of policies or systems to manage human rights risks
- Animal testing - companies that test cosmetics on animals or provide animal testing services

Companies that do not have appropriate or adequate policies or systems in these areas will be ineligible.

Notes for Editors

Royal London Asset Management (RLAM) was established in 1988 and specialises in providing investment management solutions for both the Royal London Group and a range of external institutions. These include FTSE 250 companies, local authorities, universities, charities, wealth managers, financial advisers and private clients. RLAM manages over £40bn of assets, employing more than 50 experienced investment professionals in our London based office.

Royal London Group is a specialist financial service provider. Its businesses focus on those sectors of the market which value quality propositions, operating through a number of brands:

- Scottish Life – UK pensions market
- Bright Grey – UK protection market
- Scottish Provident – UK protection market
- Royal London 360° – offshore investment markets
- RLAM – fund management
- RLCM – specialist cash and liquidity management for UK onshore clients
- RLAM (CI) – specialist cash and liquidity management for offshore clients
- Royal London Plus – life and pensions administration
- Ascentric / IFDL – Wrap platform
- Royal London (retail) distributes life and pensions products through Santander's UK branch networks.

Royal London is the largest mutual life and pensions company in the UK with Group funds under management of £42.2 billion. Group businesses serve around 3.1 million customers and employ 2,790 people. Figures quoted are as at 31 December 2010.

For further information:

RLAM
 Quentin Smith
 Tel: 020 7506 6582
 Quentin.Smith@rlam.co.uk

Quill PR
 Jo Stonier
 Tel: 020 7758 2236
 Jo@quillpr.com
 For further information:

Source: rlam as at April 2011 unless otherwise stated.

rlam is a marketing brand including the following companies: Royal London Asset Management Limited, registered in England & Wales number 2244297; FSA register number 141665. Royal London Pooled Pensions Company Limited, registered in Scotland number SC048729; FSA register number 110456. Royal London Unit Trust Managers Limited, registered in England & Wales number 2372439; FSA register number 144037. Royal London Cash Management Limited, registered in England & Wales number 19632; FSA register number 121844. All of the above are authorised and regulated by the Financial Services Authority.

It also includes Royal London Asset Management Bond Funds Plc, registered in Ireland number 364259 and regulated by the Central Bank of Ireland.

All these companies are subsidiaries of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 0099064; FSA register number 117672. Head office: 55 Gracechurch Street, London EC3V 0RL.

Our reference: 158-PRESS-04/2011-SS