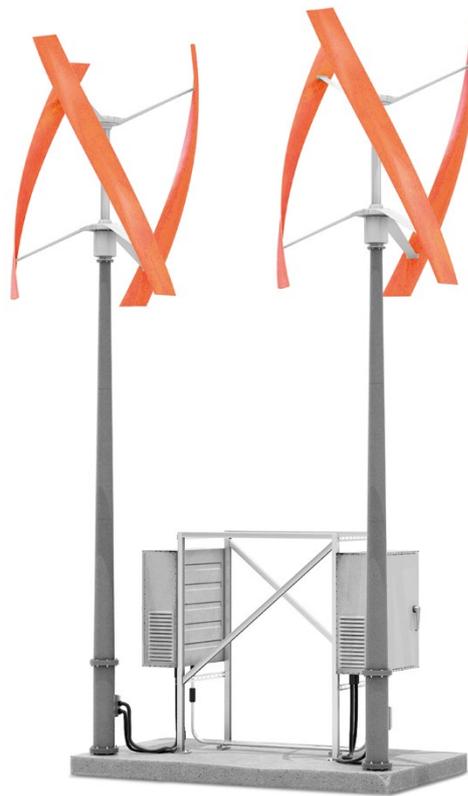


# Global Sustainable Equity Fund



**FOR PROFESSIONAL  
CLIENTS ONLY,  
NOT SUITABLE FOR  
RETAIL INVESTORS.**

## Sustainable investing at Royal London Asset Management

With more than 20 years' industry experience, in 2019 Mike Fox celebrated ten years managing the RL Sustainable World Trust and the RL Sustainable Diversified Trust. In fact, Mike has been managing the RL Sustainable Leaders Trust since 2003, making him one of only two fund managers in the UK to have managed the same sustainable fund for more than 15 years.

A review of all three funds shows the performance to have been top quartile against their sector for 1, 3 and 5 year periods.



**Mike Fox**  
Head of Sustainable  
Investments

### Our existing sustainable fund range

At Royal London Asset Management (RLAM) we provide a risk-rated suite of five sustainable funds offering a range of options to meet your clients' risk profiles, with both income and growth options available.

Our range of sustainable funds has an explicit mandate to invest only in companies that provide a positive net benefit to society or are ESG leaders relative to their peers.

ESG analysis evaluates each firm, for example, in terms of whether it pollutes the environment (E), has a negative social influence (S), or has proper governance (G), e.g. oversight from its Board.

We integrate ESG analysis alongside financial analysis with the aim of providing positive contributions to your clients' portfolios.

The funds are designed to work both as single funds and as a suite which spans the risk spectrum, ranging from 100% fixed interest to 100% equity, with three mixed asset funds.

	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Fund Size (£m)	Inception Date
<b>Royal London Sustainable Leaders Trust</b> IA UK All Companies Median	<b>25.27</b> 13.35	<b>13.86</b> 6.38	<b>10.77</b> 6.49	1,055.43	29.05.90
<b>Quartile</b>	<b>1</b>	<b>1</b>	<b>1</b>		
<b>Royal London Sustainable World Trust</b> IA Mixed 40%-85% Shares Median	<b>27.04</b> 11.89	<b>14.68</b> 5.88	<b>13.12</b> 6.25		
<b>Quartile</b>	<b>1</b>	<b>1</b>	<b>1</b>		
<b>Royal London Sustainable Diversified Trust</b> IA Mixed 20%-60% Shares Median	<b>20.27</b> 9.16	<b>10.98</b> 4.37	<b>9.18</b> 4.55	1,210.96	24.07.09
<b>Quartile</b>	<b>1</b>	<b>1</b>	<b>1</b>		
<b>Royal London Sustainable Managed Growth</b> IA Mixed 0%-35% Shares Median	<b>12.93</b> 7.80	<b>7.30</b> 3.61	<b>5.95</b> 3.46		
<b>Quartile</b>	<b>1</b>	<b>1</b>	<b>1</b>		
<b>Royal London Sustainable Managed Income</b> IA Sterling Corporate Bond TR	<b>10.45</b> 10.31	<b>5.63</b> 5.07	<b>4.23</b> 3.81	102.55	07.12.12
<b>Quartile</b>	<b>3</b>	<b>2</b>	<b>2</b>		

Source: FE as at 31 January 2020. Returns are net of fees and tax, for the C Acc share class, except for RL Sustainable Diversified, which uses C Inc share class.

Past performance is not a reliable indicator of future results. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested.

# SUSTAINABLE FUND LAUNCH

## Royal London Global Sustainable Equity Fund

### Investment objective

The fund aims to deliver capital growth over the medium term (3 - 5 years) by investing in what the fund managers believe to be the world's most attractive sustainable investment opportunities. In this concentrated portfolio the fund management team can invest in both emerging and developed markets.

After charges, the fund seeks to outperform the MSCI All Countries World Index GBP by 2.5% over three-year rolling periods.

### Key points

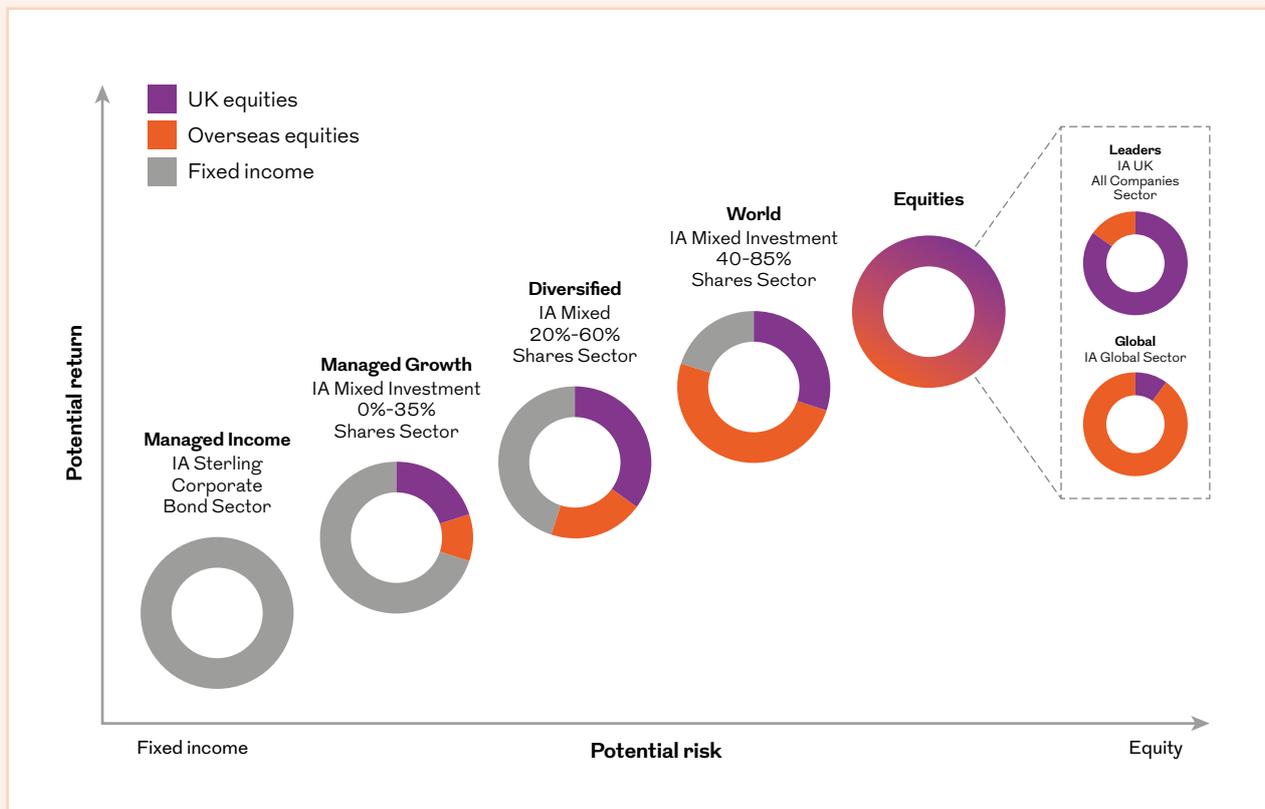
- High conviction portfolio aiming to invest in the best global sustainable companies – investing in companies providing solutions to long-term environmental and social challenges.
- Long-term active ownership – engagement and voting used to support and encourage positive corporate behaviour.
- Low carbon portfolio – actively avoiding carbon intensive industries while investing in companies at the forefront of the low carbon energy transition.
- Established and proven process – we have been doing this for over 15 years.
- Deep and broad internal sustainable investment expertise supported by an external advisory committee.

### Fund facts

<b>Launch date</b>	25.02.2020
<b>Typical number of holdings</b>	30–50
<b>Base currency</b>	GBP Sterling

<b>Minimum initial investment</b>	Class M shares £100,000
<b>Fund management fee</b>	0.72% p.a. (Class M)
<b>Managers</b>	Mike Fox and George Crowdy

The chart below shows how the new Global Sustainable Equity Fund complements and extends our existing sustainable fund range.



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

## Truly global

In recognition of the ongoing shift in the global economy from developed markets towards emerging markets, the fund is taking a truly global perspective enabling investors to benefit from the opportunities in markets such as China, India, Korea, Brazil and Argentina, alongside the developed markets of the US, UK, etc. As we see these emerging economies grow and mature, we're also witnessing the rise of the sustainable sector in both emerging and developed markets. At the moment developed markets account for around 90% of the sustainable opportunity set, but this will surely decline over the next 5–15 years and the fund is therefore future proofed to take advantage of this shift. A key differentiator, therefore, is the decision for the fund to use the MSCI All Countries World Index as its benchmark, bringing into play 26 emerging markets countries as well the 23 existing developed markets.

This is far more than a technicality: it creates a much larger opportunity set to seek out the best sustainable companies globally, including technology-rich, high-growth countries like South Korea, China and India. It also reduces the dominance of the US from 64% to 56% of the index, giving a more balanced portfolio that properly reflects global equity weightings. The world is changing and how emerging markets develop is crucial for its sustainability. It has become increasingly clear that emerging market countries will no longer follow the traditional development path of their developed counterparts, and this dynamic is creating new risks and new opportunities for companies and investors.

## Sustainable investment team

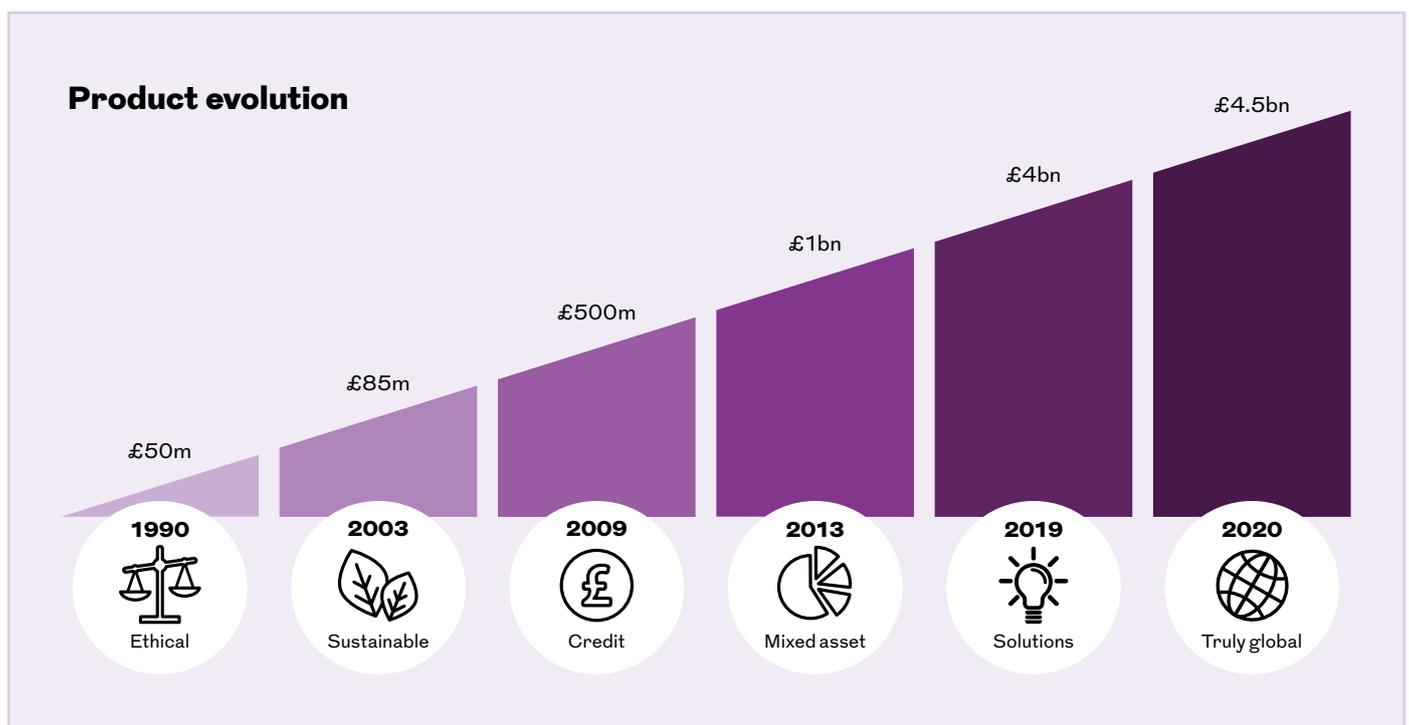
The sustainable investment team is an integral part of RLAM's wider investment capability and draws on expertise from across the business. It has a disciplined approach to investing, based around clear principles and a framework that aims to ensure consistently high quality investment decisions.

Mike Fox, Head of Sustainable Investments and George Crowdy, Fund Manager, are supported by a nine-strong responsible investing team with an average of 13 years in the industry. This experienced team has an established process, with additional expert oversight provided by an independent external advisory committee.

The team is truly diverse, with a mix of cultures, nationalities, gender and age, which provides the team with intellectual and experiential diversity of thought and a broad range of perspectives when considering potential investments.

## Independent Advisory Committee

The team works alongside an external Independent Advisory Committee in assessing and monitoring existing and potential holdings within the fund. The committee consists of members from the charity, academic, corporate and investment worlds, each an expert in sustainability and how it is applied in their respective professional environments. Alongside our internal team of analysts, the committee provides perspectives on a whole range of issues that are important to our investors and, we believe, enhance the decision-making process of the team.



## Global sustainable equities – core principles

RLAM's sustainable team employs a distinctive and long established approach, integrating the consideration of ESG issues, alongside financial analysis, throughout the investment process. Every holding has to meet key criteria and the team actively engages with the companies in which it invests to champion both financial and sustainable criteria best practice on behalf of our clients, challenging companies on issues such as environmental policy and corporate governance standards.

### SUSTAINABLE



#### Products and services

Cleaner, healthier, safer, more inclusive society



#### ESG leadership

Encouraging good corporate behaviour

### FINANCIAL



#### Value creation

Returns ahead of cost of capital



#### Valuation

Paying a fair price

## Investment process

- Focus on long-term themes and trends such as the low carbon energy transition or changing demographics.
- Emphasis on active management across focused, high conviction 'best ideas' portfolios.
- Valuation driven approach aimed at identifying mispriced opportunities.
- Low turnover with companies held within portfolios for typically 3–5 years.
- Thorough analysis of company specific factors e.g. management, strategy, financials, etc.
- Full integration of financial and ESG considerations throughout the investment process.

### Knowledge and systems

#### 3,000+ companies

- Our philosophy
- CSFB Holt (valuation metrics)
- MSCI (ESG review)

### Differentiated analysis

#### 600 companies

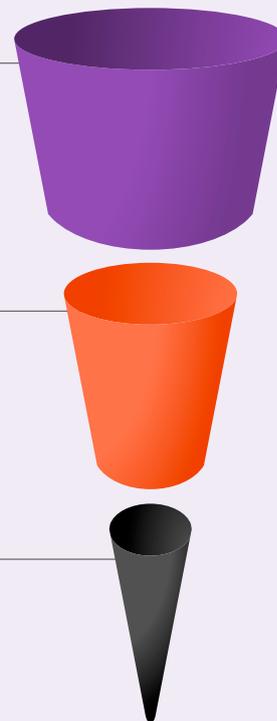
- Financial and sustainable
- Our investment process
- Quantifiable metrics

### Portfolio construction

#### 30-50 companies

- Aligning portfolio with opportunities
- Managing risk

Overseen by an external advisory committee



## Fund managers



### Mike Fox

Mike joined Royal London Asset Management in August 2013 following the acquisition of The Co-operative Asset Management by the Royal London Group. He is Head of Sustainable Investments at RLAM. Mike became a fund manager in November 2003 when he took over managing the RL Sustainable Leaders Trust. Mike originally trained and qualified as a chartered accountant with Ernst & Young in Manchester.

FE Alpha Manager 2020 and Citywire AAA rated\*, Mike has more than 20 years' industry experience.



### George Crowdy CFA

George joined Royal London Asset Management in February 2020 as a fund manager on the sustainable investment team and is co-managing the Global Sustainable Equity Fund alongside Mike. Prior to this, George worked as an investment manager on the Global Sustainable Equity Team at Janus Henderson having joined Janus Henderson in 2010 as a graduate. George is a CFA Charterholder and has a BSc Economics and Finance from the University of Southampton.

## CONTACT US

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

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[www.rlam.co.uk](http://www.rlam.co.uk)

### For professional clients only

Past performance is not a reliable indicator of future results. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested.

For more information on the fund or the risks of investing, please refer to the fund factsheet, Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on [www.rlam.co.uk](http://www.rlam.co.uk)

\* Citywire rating as at February 2020. Citywire Fund Manager Ratings and Citywire Rankings are proprietary to Citywire Financial Publishers Ltd ("Citywire") and © Citywire 2020. All rights reserved.

All information is correct at January 2020 unless otherwise stated.

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