

RLAM ETHICAL BOND FUND POLICY

Companies and organisations with significant exposure to the following sectors are excluded from the fund:

- Alcohol – involvement in brewing, distillation or sale of alcoholic drinks
- Armaments – manufacture of armaments or nuclear weapons or associated products
- Gambling – investments in betting shops, casinos or amusement arcades
- Tobacco – growing, processing or sale of tobacco products
- Pornography – euphemistically called ‘adult entertainment services’
- Fossil fuels – the exploration, extraction or refining of oil, or gas, or coal, plus any activity relating to thermal coal.

(Significant exposure is defined as 10% or more of revenue originating from these sectors in aggregate.)

Additionally RLAM screens investments in the fund to ensure appropriate focus on the following areas, excluding investments where;

- Environment – companies have a high environmental impact, but have ‘no evidence’ of appropriate environmental management systems
- Human rights – companies have a strategic presence operating in countries of concern, but have ‘no evidence’ of policies or systems to manage human rights risks
- Animal testing – Companies that conduct animal testing (other than for purposes of human or animal health and/or where it is required by law or regulation).

As a consequence of the ethical constraints of the Fund, and also of RLAM’s investment philosophy for bond fund management, sector and stock positions may differ significantly from those of its benchmark. Asset allocation, interest rate views and stock / sector selection are the key risks within the Fund. Diversification is deemed important in reducing single name credit risk.

The Fund is a sub-fund of Royal London Bond Funds II ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC001128. The Company is a UCITS umbrella fund. 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. 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.co.uk. Issued in September 2021 by Royal London Asset Management Limited, 55 Gracechurch Street, London, EC3V 0RL. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited. Our ref: PO RLAM W 0005