

# Royal London Global Sustainable Equity Fund

We support the development of a more sustainable society by investing in companies that make a positive contribution towards a cleaner, healthier, safer and more inclusive society. We achieve this through assessing both the products and services the companies provide (i.e. what they do), as well as their standards of environmental, social and governance (ESG) management (i.e. how they operate). Once invested we encourage continual improvement through voting and active engagement.

We actively avoid companies that undertake business activities deemed to be detrimental to society and that breach our 'do no significant harm principle'. These include areas such as tobacco and armament manufacturers, nuclear power generators, and companies that are unwilling or unable to mitigate the significant negative environmental impacts associated with their business.

We invest in well-managed sustainable companies who are leaders in their fields with durable competitive advantages and who are financially resilient. Our sustainable investing approach identifies companies that we believe will deliver more robust growth and lower operational volatility as a result of strong management of ESG risks. We believe that these types of companies are often undervalued by markets, particularly over a medium to long-term investment horizon.

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We look for companies that help solve the world's social and environmental challenges. The fund aims to invest in the most attractive sustainable investment opportunities on a truly global and unconstrained basis.

**George Crowdy, Sustainable  
Fund Manager**

## Fund objective

The RL Global Sustainable Equity Fund aims to deliver capital growth over the medium term (3-5 years) by investing in 30-50 companies that are deemed to make a positive contribution towards a cleaner, healthier, safer and more inclusive society.

The fund management team can invest in both developed and emerging markets and seek to build a diversified portfolio of the team's best global investment ideas.

The fund's performance target is to outperform, after the deduction of charges, the MSCI All Countries World Net Total Return Index GBP by 2.5% p.a. over rolling 3-year periods.

## Key points

- **High conviction portfolio** – Constructing a high conviction portfolio investing in the most attractive large cap sustainable opportunities with quality bias.
- **Active engagement** – The team use active engagement and voting to encourage positive corporate behaviour.
- **Independent and experienced** – Sustainable investment expertise, supported by an independent external advisory committee.
- **Established and proven process** – Our sustainable process has evolved over time making us one of the longest established sustainable asset managers.
- **Positive screening** – Investing in leading companies that make a positive contribution to society.
- **Avoidance** – We actively avoid companies that undertake business activities deemed to be detrimental to society such as armaments and tobacco manufacture and fossil fuel extraction.

## Fund facts

Launch date	25.02.2020
Size of fund	£256.66m
Typical number of holdings	30-50
Base currency	GBP
Minimum Investment Class M Shares	£100,000
Fund Management Fee (FMF)	0.72% p.a. (Class M)

Source: Royal London Asset Management as at 31 August 2023

## Fund managers



**Mike Fox**  
Head of Sustainable Investments



**ALPHA  
MANAGER 2023**  
Mike Fox



**George Crowdy, CFA**  
Sustainable Fund Manager



**Sebastien Beguelin, CFA**  
Sustainable Fund Manager

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## 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 India, Indonesia, Taiwan, Mexico and Brazil, alongside developed markets such as the US and UK.

As we see these emerging economies grow and mature, we're also witnessing the rise of the sustainable sector. Developed markets currently account for the vast majority of the sustainable

opportunity set, but we expect this to change over the next decade or so, and the fund is therefore set up to take advantage of this shift. We believe that this is a key differentiator of our approach, illustrated by the fund's benchmark, the MSCI All Countries World Index bringing into play 24 emerging markets as well the 23 existing developed markets.

## Our Sustainable themes

When looking at our portfolios, certain themes emerge, and every investment will support one or more themes that drive this change.

It is important to remember that themes are not a top-down portfolio construction tool but are an outcome out of our bottom-up stock selection. Each stock or bond in our sustainable funds has to meet our sustainable and financial criteria – we will not invest in a stock or bond purely on a theme.

Our investment approach aims to support the change to a cleaner, healthier, safer and more inclusive society.

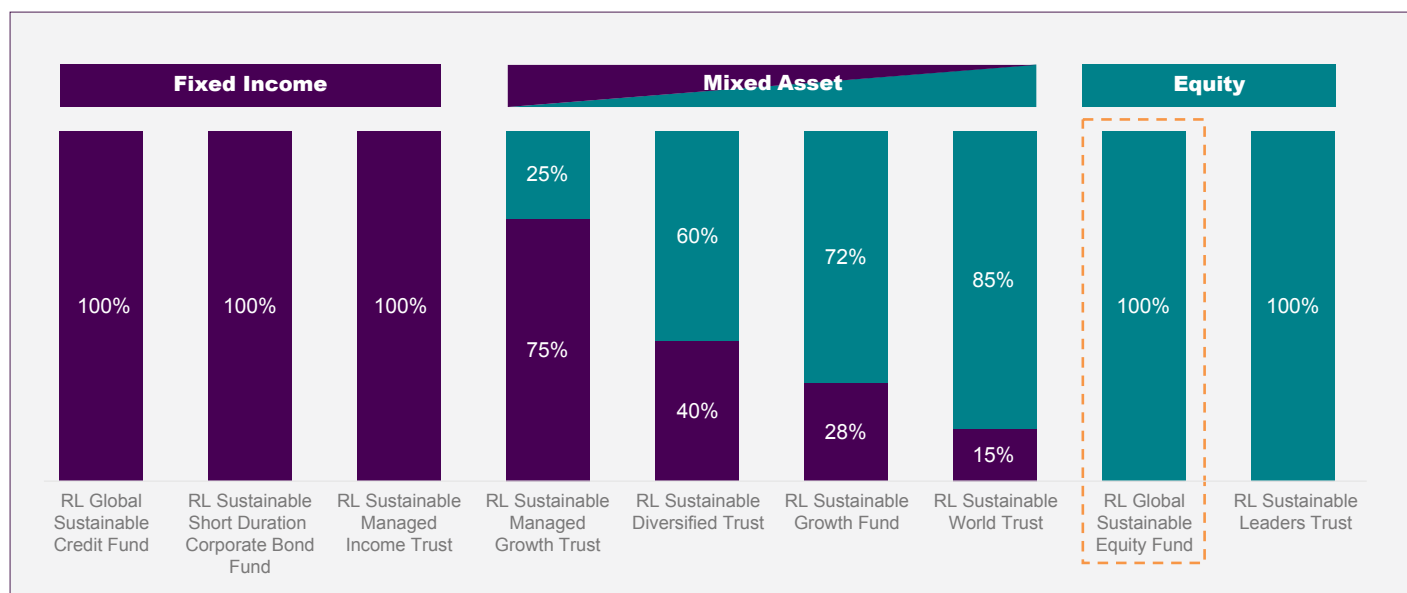
Our sustainable themes are not fixed, and we would expect these to evolve as society changes and different investment opportunities present themselves.



Portfolio characteristics and holdings are subject to change without notice. This does not constitute an investment recommendation. For information purposes only.

## Our Sustainable fund range

We offer a risk-rated suite of sustainable funds to meet the varying risk, capital and income requirements of our clients. Our fund range spans the risk spectrum, ranging from 100% fixed income to 100% equity, with mixed asset funds in between. The chart below shows where the Global Sustainable Equity Fund fits into our sustainable fund range.



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

## Fund risks

**Investment risk:** The value of investments and the income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

**Concentration risk:** The price of funds that invest in a reduced number of holdings, sectors, or geographical areas may be more heavily affected by events that influence the stockmarket and therefore more volatile.

**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.

**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.

**Emerging markets risk:** Investing in Emerging Markets may provide the potential for greater rewards but carries greater risk due to the possibility of high volatility, low liquidity, currency fluctuations, the adverse effect of

social, political and economic instability, weak supervisory structures and accounting standards.

**Exchange rate risk:** Changes in currency exchange rates may affect the value of this investment.

**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.

## Contact us

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

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The Fund is a sub-fund 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. 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](http://www.rlam.com).

Royal London Sustainable Managed Income Trust, Royal London Sustainable Managed Growth Trust, Royal London Sustainable Diversified Trust, Royal London Sustainable World Trust and Royal London 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.

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The RL Global Sustainable Credit Fund is a sub-fund 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.

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Ref: BR RLAM PD 0125