

Royal London Global Sustainable Equity Fund

Sustainable investing is a modern and inclusive method of embedding values in investing. The conceptual difference compared to responsible investing is that the screening is positive – rather than ‘screening out’, we ‘screen in’. It is about doing good, rather than avoiding bad.

The primary aim of RLAM’s sustainable funds is to achieve or exceed market rates of return. We do this while integrating environmental, social and governance (ESG) factors, seeking to make pragmatic investments that will have a positive impact on society. We believe that integrating these factors actually helps rather than hinders, long-term investment returns.

Our sustainable investment process highlights market inefficiencies that can be exploited to generate positive investment returns and by considering both the positive and negative sides of ESG factors, we believe we have an edge over traditional fund managers.

Fund objective

Launched in February 2020 the Royal London Global Sustainable Fund is the 6th fund in the sustainable series. 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

Launch date	25.02.2020
Size of fund	£51.7 million
Typical number of holdings	30-50
Base currency	GBP
Class M shares	£100,000
Fund management fee	0.72% p.a. (Class M)

Source: RLAM as at 25 February 2020

Key personnel



Mike Fox is Head of Sustainable Investments and Fund Manager of the Sustainable Leaders, World and Diversified Trusts. He has managed the Sustainable Leaders since November 2003. Mike originally trained and qualified as a Chartered Accountant with Ernst & Young in Manchester. Mike has spent the majority of his career assessing environmental, social and governance issues and how they influence investment decisions. He is a specialist in sustainable investing and one of the few fund managers in this area with such long tenure.

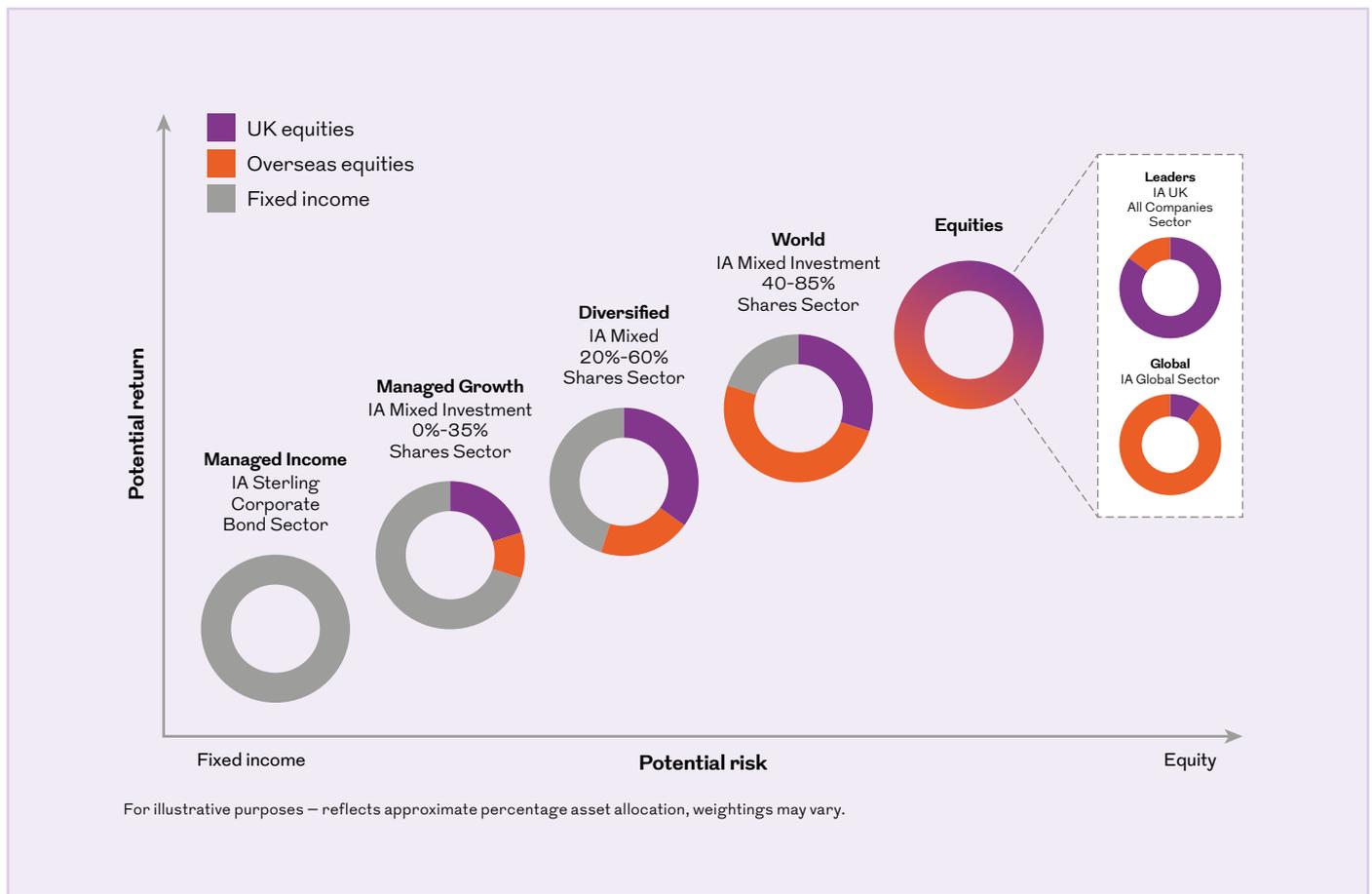


George Crowdy joined Royal London Asset Management in February 2020 as a fund manager on the sustainable investment team and is co-managing the Global Sustainable Equity Fund alongside Mike. Prior to this, George worked as an investment manager on the Global Sustainable Equity Team at Janus Henderson 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.

“The fund aims to invest in the best global sustainable stocks on a completely unconstrained basis.”

George Crowdy, Fund Manager

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



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.

For more information about the fund or our full range of products and services please contact us
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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

All information is correct as April 2020 unless otherwise stated.

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