Royal London Sustainable Funds

Fund Manager Commentary

31 August 2024

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31 August 2024

The purpose of this report is to provide an update on the Royal London Sustainable Funds. The report has been produced by Royal London Asset Management. The report starts with a performance summary followed by Fund Manager commentary for each of the Funds. All data within this report is at the report date unless otherwise stated.

Contents

ROYAL LONDON ASSET MANAGEMENT

Performance

	1 month (%)	Rolling 12 months (%)
RL Global Sustainable Credit Fund M Acc USD	**1.24**	**9.97**
Bloomberg Global Aggregate Corporate Total Return Index Hedged USD	1.19	9.42
Morningstar EAA OE Global Corporate Bond - USD Hedged	1.18	9.21
RL Sustainable Short Duration Corporate Bond M Acc	**0.63**	**9.45**
ICE Bank of America Sterling Non-Gilts – 1 to 5 Years	0.36	8.06
IA Sterling Corporate Bond Sector	0.56	10.50
RL Sustainable Corporate Bond Trust C Acc	**0.72**	**11.16**
iBoxx Sterling Non-Gilts All Maturities	0.36	9.55
IA Sterling Corporate Bond Sector	0.56	10.50
RL Sustainable Managed Growth Trust C Acc	**0.68**	**12.53**
IA Mixed Investment 0-35%	0.88	8.96
RL Sustainable Diversified Trust C Inc	**0.63**	**13.58**
IA Mixed Investment 20-60% Shares sector	0.68	10.67
RL Sustainable Growth Fund M Acc	**1.23**	**14.47**
IA Mixed Investment 40-85% Shares section	0.47	12.52
RL Sustainable World Trust C Acc	**0.78**	**15.25**
IA Mixed Investment 40-85% Shares sector	0.47	12.52
RL Global Sustainable Equity Fund M Acc	**0.17**	**19.27**
MSCI World All Countries Net Index GBP	0.21	19.02
IA Global Sector	0.22	15.62
RL Sustainable Leaders Trust C Acc	**1.27**	**16.67**
FTSE All-Share Index	0.45	16.98
IA UK All Companies Sector	0.32	16.70

Past performance is not a guide to future performance. 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. Source: Royal London Asset Management and Morningstar, correct as of 31 August 2024. returns quoted are net of fees. Please note that with effect from 1 February 2024 RLAM are using peer group comparisons provided by Morningstar. Prior to this peer comparisons were provided by Lipper so there may be some differences compared to the data provided historically. All IA sector performance shown is for the median. Please note that with effect from 27 March 2024 the Fund name changed from Royal London Sustainable Managed Income Trust to Royal London Sustainable Corporate Bond Trust.

Royal London Global Sustainable Credit Fund

Macroeconomics and market highlights

At his Jackson Hole speech, US Federal Reserve Chair Jerome Powell signalled a stronger likelihood of a September rate cut, saying that the “time has come for policy to adjust.” He also indicated a significant amount of sensitivity to labour market data, saying that: “We do not seek or welcome further cooling in labour market conditions.” The FOMC minutes for the July meeting also showed that the “vast majority” of participants said that “it would likely be appropriate to ease policy at the next meeting” if the economy evolves as expected. Early in August, the weak payrolls figures helped raise US recession fears. July nonfarm payrolls were much weaker than expected at 114K (consensus: 175K) and, during the month, the benchmark revisions also lowered the recent run rate of payroll gains.

Overall, though, US data was relatively mixed in August and, by the end of the month, the Atlanta Fed’s nowcast for third quarter GDP was at a robust 2.5% quarter-on-quarter annualised and second quarter GDP itself was revised up to 3.0%. Other activity indicators included July real personal spending rising 0.4% month-on-month and headline durable goods orders rose strongly. Inflation data was again relatively reassuring from a Fed perspective. July CPI fell from 3.0% year-on-year to 2.9%; core rose 0.2% month-on-month as did the core PCE deflator. So-called ‘super-core’ inflation also rose 0.2% month-on-month on both CPI and PCE measures.

The European Central Bank did not have a meeting in August, but a number of ECB speakers indicated that they would support a September rate cut although there were more cautious voices too. August CPI was in line with consensus with headline CPI at 2.2% year-on-year after 2.6%, drawing close to the ECB’s 2% target. Core CPI also fell a tenth as expected to 2.8%. However, services inflation rose to 4.2% year-on-year after 4.0%. Activity data released over the month were mixed, but indicated relatively subdued activity growth.

The Bank of England cut Base Rates 25 basis points, on a 5-4 vote, with Governor Andrew Bailey saying that they need to be careful not to cut too quickly. As of the end of August, the market was priced for the next rate cut to come at the BoE’s November monetary policy meeting. Public sector finances came in worse than expected in July. As a result, UK Prime Minister Keir Starmer warned that the Autumn Budget is “going to be painful” and that the burden will fall on those with the broadest shoulders.

Meanwhile, UK data released in August painted a relatively robust picture of economic activity, while inflation rose a bit less than expected (even if it did move back above the central bank’s 2% target). Year-on-year July CPI inflation was a touch softer than expected but rose two-tenths to 2.2%. Core inflation was also a tenth lower than expected – falling two-tenths to 3.3% year-on-year. Services inflation was also weaker than forecast, falling to 5.2% (down 5-tenths). Second quarter GDP rose 0.6% quarter-on-quarter after 0.7%, confirming robust economic activity growth in the first half.

Global government bond yields fell slightly in August as comments from the US Federal Reserve put investors alert for impending interest rate cuts. US Treasury 10-year yields fell to 3.92% from 4.05%, while German bund 10-year yields inched lower to 2.23% from 2.24%. In the UK, however, 10-year gilt yields rose slightly, rising to 4.02% from 3.97%, with the FTSE UK Conventional Gilt All-Stocks index returning 0.50%.

Global investment grade markets saw positive returns for the month. Credit spreads ended the period tighter in the US, while they widened modestly in the UK and euro zone (ICE indices).

CITYWIRE A

Rachid Semaoune

Senior Fund Manager

CITYWIRE AA

Paola Binns

Head of Sterling Credit

Royal London Global Sustainable Credit Fund continued

Portfolio commentary

Net of fees, the fund slightly outperformed the benchmark Bloomberg Global Aggregate - Corporate USD Hedged index over the month.

In the primary market, we remained active. New issues of note included a euro-denominated bond from Scottish Hydro Electric and a tier 2 euro-denominated from Spanish lender Caixabank. Finally, we participated in a dollar bond issue from US healthcare operator HCA.

In the secondary market, we added exposure to Derby Healthcare - which manages the Royal Derby Hospital – and student loan securitisation ICSL, as well as Sunderland Finance, a loan aggregator for a housing association focused predominantly in Sunderland.

Investment outlook

In recent months, we have highlighted that we expect yields to remain sensitive to economic data, and unless there was a significant deterioration in underlying trends, we expected this to lead to range-bound yields. This is the scenario that has unfolded recently – with US 10-year treasury yields largely confined to a 4-4.5% range, with markets seeming to mark time until central banks – notably the Federal Reserve – appear ready to start cutting rates. We expect a small fall in government bond yields over the next few months as we approach that point.

Headline inflation is now significantly lower in the US, euro zone and UK compared to 2023. Base effects account for a material part of these falls. Beyond the headline figures, the likes of services inflation and wage growth remain higher than most central bankers would prefer. That said, we do expect to see more movement from central banks in the second half of the year, even if the quantum of those moves is less than many were forecasting earlier in the year.

Bond yields generally are still at attractive levels in our view – both in absolute terms and relative to government bonds – and given the supportive economic backdrop, we believe that credit spreads continue to compensate credit investors for the risk of default. We retain a focus on high levels of diversification and our view remains that over the medium term, our focus on delivering attractive income will generate strong returns for investors.

Royal London Sustainable Short Duration Corporate Bond Fund

Portfolio commentary

Net of fees, the fund saw positive absolute returns in August, and outperformed the ICE BofA Sterling Non-Gilts 1 to 5 Years index and the IA sector average.

UK government bond yields moved marginally higher in August while credit spreads widened slightly. The sterling credit market underperformed gilts over the period. The sterling investment grade market (iBoxx) produced positive returns in August, with a return of 0.36%. The average investment grade credit spread (the average extra yield available from a corporate bond compared with government debt of equal maturity) widened marginally to 1.05% from 1.04%.

At a sector level, the outperformance was driven by our security selection while credit sector allocation was a drag. In particular, our security selection in banking and structured bonds contributed strongly. Within sector allocation, our underweighting in supranationals and the overweight position in insurance bonds both proving a detractor, offset slightly by our overweight to social housing.

The new issue market recovered in August from a stale July where we added a new GIC issue from US insurance firm MassMutual, a good fit for our Sustainable funds thanks to its contribution to a more financially resilient society through the provision of insurance products, as well as the benefit of lending at the same level as policyholders.

In the secondary market, we took advantage of opportunities in the structured sector, by adding to positions in Delamare - a CMBS transaction secured on Tesco stores and distribution centres. We view the underlying properties as a critical component of the infrastructure that enables Tesco's operations and the provision of a basic service for millions of customers; the transaction also offers an attractive spread compared with Tesco unsecured lending. We also added to student accommodation provider Unite.

Shalin Shah

Senior Fund Manager

Matt Franklin

Fund Manager

Royal London Sustainable Corporate Bond Trust

Portfolio commentary

Net of fees, the trust saw positive absolute returns in August, outperforming the iBoxx Sterling Non-Gilts All Maturities Index and IA sector average.

UK government bond yields moved marginally higher in August while credit spreads widened slightly. The sterling credit market underperformed gilts over the period. The sterling investment grade market (iBoxx) produced positive returns in August, with a return of 0.36%. The average investment grade credit spread (the average extra yield available from a corporate bond compared with government debt of equal maturity) widened marginally to 1.05% from 1.04%.

At a sector level, the outperformance was driven by our security selection while credit sector allocation was a drag. In particular, our security selection in banking and structured bonds contributed strongly. Within sector allocation, our underweighting in supranationals and the overweight position in insurance bonds both proving a detractor, offset slightly by our overweight to social housing.

The new issue market recovered in August from a stale July. Our focus was on some large cross-border deals, in particular a new issue from East Japan Railway – a company we view favourably for our Sustainable range, being one of Japan's largest railway companies and a providing an essential public service to approximately 17 million passengers. The 2054 bonds came at an attractive yield and offers geographical diversification to the fund.

In the secondary market, we continue to see inefficiency in UK water utilities – with the sector suffering from negative newsflow, making bonds attractive for fundamental credit risk. We switched into longer duration Yorkshire Water bonds, moving into 2039 bonds from 2030, while picking up additional spread.

CITYWIRE AA

Shalin Shah

Senior Fund Manager

Matt Franklin

Fund Manager

Royal London Sustainable Managed Growth Trust

Portfolio commentary

Net of fees, the trust saw positive returns in August, performing slightly behind the IA 0-35% Shares sector average.

UK government bond yields moved marginally higher in August while credit spreads widened slightly. The sterling credit market underperformed gilts over the period. The sterling investment grade market (iBoxx) produced positive returns in August, with a return of 0.36%. The average investment grade credit spread (the average extra yield available from a corporate bond compared with government debt of equal maturity) widened marginally to 1.05% from 1.04%.

Although the MSCI World Index achieved a small positive return in sterling terms, markets experienced notable underlying volatility with fluctuations exceeding 6.5% between the month's lows and highs. Soft US employment data coupled with a large fall in the Japanese equity market resulted in a sharp rise in risk and falls across all major equity markets as investors speculated the US economy was heading for recession. However, falls were short-lived, and markets quickly recovered as the month progressed.

The fixed income portfolio outperformed the broader sterling credit market (iBoxx). At a sector level, the outperformance was driven by our security selection while credit sector allocation was a drag. In particular, our security selection in banking and structured bonds contributed strongly. Within sector allocation, our underweighting in supranationals and the overweight position in insurance bonds both proving a detractor, offset slightly by our overweight to social housing.

The equity portfolio saw a slight positive return over the month. The largest contributors came from companies reporting positive financial results led by Mercado Libre and IMCD. Latin American e-commerce and fintech provider Mercado Libre reported results which were above estimates confirming it remains well positioned as the dominant e-commerce provider in Latin America. Shares of specialty chemical distributor IMCD rebounded after results highlighted an improvement in the cycle, boosting investor confidence. The main detractor to monthly performance was US infrastructure firms Ferguson, as investors assessed the health of different construction end markets.

The new issue market recovered in August from a stale July. Our focus was on some large cross-border deals, in particular a new issue from East Japan Railway. The 2054 bonds came at an attractive yield and offers geographical diversification to the fund. In the secondary market we trimmed our exposure to subordinated insurance debt, selling Legal & General bonds, following a strong performance.

CITYWIRE AA

Shalin Shah

Senior Fund Manager

Matt Franklin

Fund Manager

Royal London Sustainable Diversified Trust

Portfolio commentary

Although the MSCI World Index achieved a return of 0.32% in sterling terms, markets experienced notable underlying volatility with fluctuations exceeding 6.5% between the month's lows and highs. Early in the month, heightened speculation for a US recession due to soft US employment data coupled with threats from the Yen carry trade unwind led to sell-offs across all major equity markets. However, falls were short-lived, and markets quickly recovered as the month progressed. In the UK, the Bank of England cut interest rates by 0.25% to 5% as the inflation data continues to show an easing in price pressures. Weakness in Asian economies and notably China resulted in energy, consumer discretionary and basic materials sectors performing poorly in August, whilst healthcare, reflecting its defensive qualities, was strongest.

The sterling credit market rose another 0.31% in August, following a positive performance in July. The main driver this month was carry, as credit spreads closed flat on the month, while 10-year gilts were broadly flat, just 1bp higher.

The trust underperformed in August, ranking in the third quartile relative to its peer group.

The top contributors to performance came from companies reporting strong financial results, led by MercadoLibre, IMCD and London Stock Exchange Group. MercadoLibre reported another strong set of results and remains well positioned as the dominant e-commerce and payments provider in Latin America. Specialty chemical distributor IMCD rebounded from a weak Q1 with better-than-expected results, boosting investor confidence. London Stock Exchange Group also reported strong figures and continues to build following the Refinitiv acquisition. The main detractors to monthly performance included US infrastructure businesses such as Ferguson and Core & Main, as investors assessed the health of different construction end markets.

We started a position in Sumitomo Mitsui Financial Group, a Japanese banking group, where we believe rising Japanese interest rates, along with capital efficiency improvements, should deliver improved operational performance from the bank. SMFG also broadens the Trust’s geographic diversification. We added to our position in GSK and trimmed stakes in Mercado Libre, Trane Technologies and Broadcom following strong performance.

ALPHA MANAGER 2024
Mike Fox

Mike Fox

Head of Sustainable Investments

George Crowdy

Sustainable Fund Manager

Sebastien Beguelin

Sustainable Fund Manager

Royal London Sustainable Growth Fund

Portfolio commentary

Although the MSCI World Index achieved a return of 0.32% in sterling terms, markets experienced notable underlying volatility with fluctuations exceeding 6.5% between the month's lows and highs. Soft US employment data coupled with a large fall in the Japanese equity market resulted in a sharp rise in risk and falls across all major equity markets as investors speculated the US economy was heading for recession. However, falls were short-lived, and markets quickly recovered as the month progressed. In the UK the Bank of England cut interest rates by 0.25% to 5% as the inflation data continues to show an easing in price pressures. Weakness in Asian economies and notably China resulted in energy, consumer discretionary and basic materials sectors performing poorly in August, whilst healthcare, reflecting its defensive qualities, was strongest.

The sterling credit market rose another 0.31% in August, following a positive performance in July. The main driver this month was carry, as credit spreads closed flat on the month, while 10-year gilts were broadly flat, just 1bp higher.

The fund outperformed in August, ranking in the first quartile relative to its peer group.

The largest contributors came from companies reporting positive financial results led by Mercado Libre, Bank Rakyat Indonesia and IMCD. Latin American e-commerce and fintech provider Mercado Libre reported results which were above estimates confirming it remains well positioned as the dominant e-commerce provider in Latin America. Bank Rakyat reported solid results and was helped by improving macro sentiment in Indonesia. Shares of specialty chemical distributor IMCD rebounded after results highlighted an improvement in the cycle, boosting investor confidence. The main detractors to monthly performance included US infrastructure firms Ferguson and Core & Main, as investors assessed the health of different construction end markets. Shares of large technology firms Alphabet and Amazon fell too, following a strong year-to-date run.

We started a position in Sumitomo Mitsui Financial Group, a Japanese banking group, where we believe rising Japanese interest rates, along with capital efficiency improvements, should deliver improved operational performance from the bank. SMFG also broadens the fund’s geographic diversification. We also topped up positions in Bank Rakyat Indonesia and Novo Nordisk, while trimming stakes in Mercado Libre and Thermo Fisher Scientific.

ALPHA MANAGER 2024
Mike Fox

Mike Fox

Head of Sustainable Investments

George Crowdy

Sustainable Fund Manager

Sebastien Beguelin

Sustainable Fund Manager

Royal London Sustainable World Trust

Portfolio commentary

Although the MSCI World Index achieved a return of 0.32% in sterling terms, markets experienced notable underlying volatility with fluctuations exceeding 6.5% between the month's lows and highs. Soft US employment data coupled with a large fall in the Japanese equity market resulted in a sharp rise in risk and falls across all major equity markets as investors speculated the US economy was heading for recession. However, falls were short-lived, and markets quickly recovered as the month progressed. In the UK, the Bank of England cut interest rates by 0.25% to 5% as the inflation data continues to show an easing in price pressures. Weakness in Asian economies and notably China resulted in energy, consumer discretionary and basic materials sectors underperforming in August, whilst healthcare, reflecting its defensive qualities, was strongest.

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ALPHA MANAGER 2024

Mike Fox

Head of Sustainable Investments

George Crowdy

Sustainable Fund Manager

Sebastien Beguelin

Sustainable Fund Manager

Royal London Global Sustainable Equity Fund

Portfolio commentary

Although the MSCI ACWI Index achieved a return of 0.21% in sterling terms, markets experienced notable underlying volatility between the month's lows and highs. Soft US employment data coupled with a large fall in the Japanese equity market resulted in a sharp rise in risk and falls across all major equity markets as investors speculated the US economy was heading for recession. However, falls were short-lived, and markets quickly recovered as the month progressed. In the UK the Bank of England cut interest rates by 0.25% to 5% as the inflation data continues to show an easing in price pressures. Weakness in Asian economies and notably China resulted in Energy, Consumer Discretionary and Materials sectors performing poorly in August while strength came from more defensive sectors including Real Estate, Health Care and Consumer Staples.

The fund performed in line with the benchmark and was ranked in the third quartile versus the peer group. The top contributors to performance included MercadoLibre and GSK. Latin American ecommerce and payments provider MercadoLibre performed well following another strong set of results which beat consensus expectations while GSK, a leading pharmaceutical company specialising in vaccines, gained following positive updates on its drug pipeline. Key detractors included US industrial companies including Ferguson, a distributor of building products, and TopBuild, a provider of insulation to the residential and commercial housing sectors. Both were subject to profit taking as investors became more fearful of a slowdown in economic growth.

There were no notable trades during the month.

ALPHA MANAGER 2024
Mike Fox

Mike Fox

Head of Sustainable Investments

George Crowdy

Sustainable Fund Manager

Sebastien Beguelin

Sustainable Fund Manager

Royal London Sustainable Leaders Trust

Portfolio commentary

Despite the FTSE All-Share being largely unchanged for the month of August, there was much volatility in markets. Soft US employment data coupled with a large fall in the Japanese equity market resulted in a sharp rise in risk and falls across all major equity markets as investors speculated the US economy was heading for recession. However, the falls were short-lived, and markets quickly recovered as the month progressed. In the UK, the Bank of England cut interest rates by 0.25% to 5% as inflation data continues to show an easing in price pressures. The outlook for the UK continues to improve all be it from previously depressed levels with improving order patterns and demand for services, resulting in upgrades to the forecast rate of growth for 2024/5 from some commentators. Within the equity market, weakness in Asian economies and notably China resulted in energy and basic materials being the worst performing sectors in August, whilst healthcare reflecting its defensive qualities was the strongest.

During August, the trust outperformed the FTSE All-Share Index, and was ranked in the first quartile relative to its peer group.

A broad range of companies contributed to performance this month, led by businesses reporting results ahead of investor expectations. London Stock Exchange Group reported strong figures and continues to build following the Refinitiv acquisition, while distributor Bunzl demonstrated robust profitability and announced a buyback. Mercado Libre, a recent addition, beat consensus estimates in its interim results and remains well positioned as the dominant e-commerce provider in Latin America. Weakness in oil majors, which we do not hold, also positively impacted performance. Sage, a provider of accounting software for small businesses, was the primary detractor. While the business operate well, investors were concerned by the slight deceleration in growth, sending shares lower.

The fund continued adding to its position in Tesco, where our confidence for the supermarket's prospects continues, while we used market weakness to build our position in Broadcom, a semiconductor and infrastructure software provider. These moves were partially funded by slimming stakes in Visa and Thermo Fisher Scientific.

ALPHA MANAGER 2024
Mike Fox

Mike Fox

Head of Sustainable Investments

George Crowdy

Sustainable Fund Manager

Sebastien Beguelin

Sustainable Fund Manager

Disclaimers

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RL Sustainable Leaders Trust, RL Sustainable World Trust, RL Sustainable Diversified Trust, RL Sustainable Managed Growth Trust, RL Sustainable Corporate Bond Trust.

The Trusts are authorised unit trust schemes. The Manager is RLUM Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144032. For more information on the trust 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.

RL Global Sustainable Equity Fund, RL Sustainable Growth Fund

The Funds are sub-funds 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.

RL Global Sustainable Credit Fund

The 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 the Financial Services and Markets Act 2000. The Management Company is FundRock Management Company SA, Registered office: 33 rue de Gasperich, L – 5826 Hesperange, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF). The Investment Manager is Royal London Asset Management Limited. 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. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available.

RL Sustainable Short Duration Corporate Bond Fund

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 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.

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All information is correct as at August 2024 unless otherwise stated.

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Risk and Warnings

Investment risk

The value of investments and any 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.

Credit risk

Should the issuer of a fixed income security become unable to make income or capital payments, or their rating is downgraded, the value of that investment will fall. Fixed income securities that have a lower credit rating can pay a higher level of income and have an increased risk of default.

Derivative risk

Derivatives are highly sensitive to changes in the value of the underlying asset which can increase both fund losses and gains. The impact to the fund can be greater where they are used in an extensive or complex manner, where the fund could lose significantly more than the amount invested in derivatives.

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.

Exchange Rate Risk

Changes in currency exchange rates may affect the value of your investment.

Interest rate risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

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.

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.

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.

Responsible investment style risk

The Fund can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number securities in which the Fund can invest and there may as a result be occasions where it forgoes more strongly performing investment opportunities, potentially underperforming non-sustainable funds.

Charges from capital risk

Charges are taken from the capital of the Fund. Whilst this increases the yield, it also has the effect of reducing the potential for capital growth.

Performance to 31 August 2024

		Cumulative (%)					Annualised (%)	
		3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a)	5 Years (p.a)
RL Global Sustainable Credit Fund M Acc USD	Gross	4.03	5.21	10.56	-3.68	-	-1.24	-
RL Global Sustainable Credit Fund M Acc USD	Net	3.89	4.93	9.97	-5.20	-	-1.76	-
RL Sustainable Short Duration Corporate Bond M Acc	Gross	2.55	4.16	9.84	-	-	-	-
RL Sustainable Short Duration Corporate Bond M Acc	Net	2.46	3.98	9.45	-	-	-	-
RL Sustainable Corporate Bond Trust C Acc	Gross	3.59	4.89	11.75	-6.17	2.77	-2.10	0.55
RL Sustainable Corporate Bond Trust C Acc	Net	3.46	4.62	11.16	-7.69	0.00	-2.63	0.00
RL Sustainable Managed Growth Trust C Acc	Gross	3.11	5.03	13.26	-1.77	16.46	-0.59	3.09
RL Sustainable Managed Growth Trust C Acc	Net	2.94	4.69	12.53	-3.67	12.74	-1.24	2.43
RL Sustainable Diversified Trust C Inc	Gross	2.81	5.37	14.43	4.56	35.64	1.50	6.28
RL Sustainable Diversified Trust C Inc	Net	2.61	4.98	13.58	2.25	30.67	0.74	5.49
RL Sustainable Growth Fund M Acc	Gross	2.18	5.34	15.36	-	-	-	-
RL Sustainable Growth Fund M Acc	Net	1.98	4.93	14.47	-	-	-	-
RL Sustainable World Trust C Acc	Gross	2.06	5.46	16.12	8.20	55.86	2.66	9.27
RL Sustainable World Trust C Acc	Net	1.87	5.06	15.25	5.80	50.14	1.90	8.46
RL Global Sustainable Equity Fund M Acc	Gross	2.65	7.00	20.13	20.43	-	6.39	-
RL Global Sustainable Equity Fund M Acc	Net	2.46	6.62	19.27	17.85	-	5.62	-
RL Sustainable Leaders Trust C Acc	Gross	4.60	10.05	17.55	16.16	51.96	5.11	8.72
RL Sustainable Leaders Trust C Acc	Net	4.40	9.64	16.67	13.58	46.39	4.33	7.91

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Source: RLAM as at 31 August 2024. All figures are mid-price to mid-price in GBP unless otherwise stated.

Performance to 31 August 2024

Year on year performance (%)

		30/06/2023 – 30/06/2024	30/06/2022 – 30/06/2023	30/06/2021 – 30/06/2022	30/06/2020 – 30/06/2021	30/06/2019 – 30/06/2020
RL Global Sustainable Credit Fund M Acc USD	Gross	7.13	1.89	-13.60	-	-
RL Global Sustainable Credit Fund M Acc USD	Net	6.56	1.36	-14.05	-	-
RL Sustainable Short Duration Corporate Bond M Acc	Gross	10.57	-	-	-	-
RL Sustainable Short Duration Corporate Bond M Acc	Net	10.18	-	-	-	-
RL Sustainable Corporate Bond Trust C Acc	Gross	11.75	-4.90	-12.02	4.17	6.60
RL Sustainable Corporate Bond Trust C Acc	Net	11.15	-5.42	-12.50	3.60	6.02
RL Sustainable Managed Growth Trust C Acc	Gross	13.20	0.78	-12.27	8.52	8.48
RL Sustainable Managed Growth Trust C Acc	Net	12.47	0.13	-12.83	7.82	7.78
RL Sustainable Diversified Trust C Inc	Gross	14.06	7.76	-11.19	12.80	12.46
RL Sustainable Diversified Trust C Inc	Net	13.21	6.96	-11.85	11.96	11.62
RL Sustainable Growth Fund M Acc	Gross	15.75	9.93	-	-	-
RL Sustainable Growth Fund M Acc	Net	14.86	9.08	-	-	-
RL Sustainable World Trust C Acc	Gross	16.56	12.84	-11.44	17.55	18.09
RL Sustainable World Trust C Acc	Net	15.69	12.00	-12.10	16.67	17.21
RL Global Sustainable Equity Fund M Acc	Gross	20.84	19.61	-10.34	26.76	-
RL Global Sustainable Equity Fund M Acc	Net	19.97	18.75	-10.98	25.85	-
RL Sustainable Leaders Trust C Acc	Gross	11.98	12.37	-5.06	17.46	7.42
RL Sustainable Leaders Trust C Acc	Net	11.14	11.54	-5.76	16.59	6.62

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ROYAL LONDON ASSET MANAGEMENT