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Royal London Sustainable Leaders Trust

Quarterly Investment Report

30 September 2024

Quarterly Report

The fund as at 30 September 2024

The purpose of this report is to provide an update on the Royal London Sustainable Leaders Trust. The report has been produced by Royal London Asset Management. The report starts with a summary dashboard showing key information about the fund. A glossary is located at the end of the report covering the description of some of the more technical terms used within the report. All data is as at the report date unless otherwise stated.

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ROYAL LONDON
ASSET MANAGEMENT

The fund

Fund performance objective and benchmark

The Fund's investment objective is to achieve capital growth over the medium term (3-5 years) by investing at least 80% in the shares of UK companies listed on the London Stock Exchange that are deemed to make a positive contribution to society. Investments in the Fund will adhere to the Investment Adviser's ethical and sustainable investment policy. The Fund's performance target is to outperform, after the deduction of charges, the FTSE All-Share Index (the "Index") over a rolling 5-year period. The Index is considered an appropriate benchmark for the Scheme's performance, as the Scheme's potential investments will predominantly be included in the Index. In addition to the benchmark for the Scheme's performance as noted above (the "Index"), the IA UK All Companies sector is considered an appropriate benchmark for performance comparison.

Benchmark: FTSE All-Share Index

Fund value

	Total £m
30 September 2024	3,016.00

Fund analytics

	Fund
Fund launch date	29 May 1990
Base currency	GBP
Number of holdings	40

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	3.38	2.26	1.12
YTD	10.35	9.85	0.50
1 Year	15.42	13.40	2.02
3 Years (p.a.)	5.51	7.41	(1.89)
5 Years (p.a.)	7.99	5.74	2.26
10 Years (p.a.)	10.37	6.26	4.11
Since inception (p.a.)	9.08	7.89	1.19

Past performance is not a guide to future performance. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on RL Sustainable Leaders Trust (C Acc). Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 29 May 1990.

Performance commentary

The fund outperformed its benchmark over the third quarter.

Positive contributors over the quarter came from not owning oil majors, who saw share price weakness in the period. We do not invest in the oil & gas sector due to its environmental impact, with the sector also experiencing near-term volatility tied to oil prices.

Energy company SSE contributed positively during the quarter following as the firm continues to benefit from decarbonisation efforts and saw a rise in share price following a recycling into defensive names. Other high-quality companies in the portfolio that saw good results and a subsequent rise in share price included bakery chain Greggs and contract caterer Compass.

Another positive contributor in the quarter was Standard Chartered. The Asia-focused lender saw a rise in share price following the Chinese government’s proposed stimulus measures as well as the bank demonstrating continued strong execution.

Our overseas names contributed positively to performance, including US semiconductor and infrastructure software firm Broadcom, as well as Latin American e-commerce and fintech provider MercadoLibre. Both companies reported strong growth benefitting from investments into artificial intelligence for Broadcom and ongoing digitisation trend in Latin America for MercadoLibre.

Key detractors in the period included our holding in Sage. Despite a positive update in the period, shares of the small business software provider pulled back following a weaker than hoped outlook. The firm helps small businesses with financial software, such as payrolls and accounting, has completed its cloud transition and is seeing a ramp up in demand for its improved AI-related tools giving us confidence in the long-term outlook for the business.

Pest control and hygiene business Rentokil detracted from performance. They have recently acquired a company called Terminix, which was another large player in pest control, however the organic growth has been quite disappointing which is putting short term pressure on the business. Consumer staples enjoyed a strong quarter, particularly tobacco stocks – which the portfolio does not hold, detracted to the performance on a relative basis.

Performance and activity

Top 10 holdings

	Weighting (%)
AstraZeneca PLC	5.67
London Stock Exchange Group plc	5.50
RELX PLC	5.33
Compass Group PLC	5.10
Experian PLC	5.03
Standard Chartered PLC	4.53
SSE plc	4.28
Sage Group plc	4.02
Schneider Electric SE	3.81
HSBC Holdings Plc	3.40
Total	**46.67**

Fund activity

Our sustainable strategies are orientated to those companies that have a net benefit to society and create value for investors through their products and services and the way they manage environmental, social and governance (ESG) issues. Areas such as healthcare and technology remain at the core of the equity portfolios, complemented by engineering, utilities, selected financial services, and companies that lead their industries in ESG performance. This means that we do not invest in some sectors, such as oil & gas, extractive industries, or tobacco. We believe that the exposure to those sectors which offer a positive contribution to society is consistent with outperformance over the medium term.

A new position we built in the portfolio was Hill & Smith. The UK-headquartered engineering business has a lot of exposure to North America as we continue to see a huge amount of infrastructure investment, due to a need to support the digital world's expansion, tackle climate change through electrification, and bring back manufacturing to home countries (reshoring).

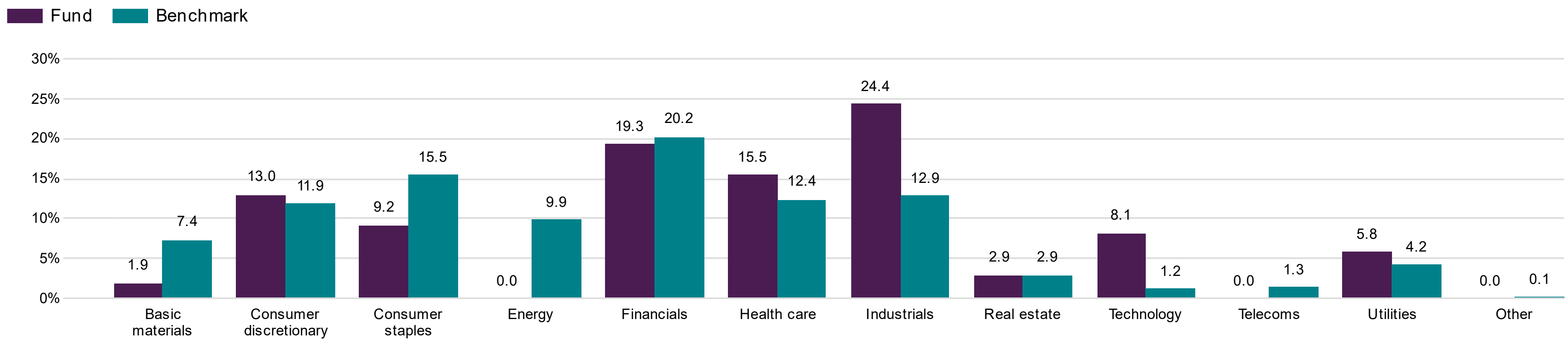
We added to our holding in supermarket chain Tesco in the quarter. The company has shown increased efforts in improving its reputation compared to several years ago. Examples of practices that Tesco is implementing include low carbon fertiliser, which results are showing could cut emissions by up to 50%, with similar efficacy as conventional fertilisers and feed supplements for dairy cows which reduce methane emissions by up to 30%.

Finally, we added to GlaxoSmithKline during the quarter on the back of the weakness in the share price. The valuation continues to be quite attractive.

As part of this addition, we sold our positions in Victrex and Agilent Technologies.

Fund breakdown

Sector weights



Characteristics and climate

ESG characteristics rationale

The Fund focuses on the sustainability of the products and services of the companies it invests in, as well as their standards of environmental, social, governance ("ESG") management, alongside financial analysis. The investment approach is fundamentally based on positive screening; identifying companies that are making a positive contribution towards a cleaner, healthier, safer and more inclusive society, through assessing both what a company does and how it does it, and through active engagement to encourage continual improvement. The fund will not invest in companies that undertake business activities deemed to be detrimental to society. Further details of the Funds Sustainable Investment process can be found in the ethical and sustainable investment policy at www.royallondon.com/existing-customers/your-products/manage-your-isa-or-unit-trust/rlum-isa-overview/

ESG characteristics

Royal London Asset Management has a controversial weapons exclusion across all investments. Our full policy can be found on our website:
www.rlam.com/globalassets/media/literature/policies/controversial-weapons-policy.pdf

	Yes	No
ESG integration	✓	
Promotes environmental or social characteristics		✓
Sustainable fund objective	✓	
Additional exclusions	✓	

Additional exclusions

Exclusion criteria that make sure a fund does not invest into a specific service or product. Royal London Asset Management has a controversial weapons exclusion across all investments.

Adult entertainment	✓
Alcohol	✓
Animal welfare	✓
Armaments	✓
Fossil fuels	✓
Gambling	✓
High environmental impact	✓
Human rights issues	✓
Nuclear power	✓
Nuclear weapons	✓
Tobacco	✓

Climate metrics

	Fund	Benchmark	Difference (%)
Financed emissions (tCO2e)	53,545	n/a	n/a
Financed emissions coverage	100.00%	n/a	n/a
Carbon footprint (tCO2e/$M invested)	13.39	58.90	(77.26)
Carbon footprint coverage	100.00%	93.91%	6.48
Weighted average carbon intensity (tCO2e/$M sales)	40.87	82.61	(50.53)
Weighted average carbon intensity coverage	94.82%	92.61%	2.39

All climate metrics presented above are for Scope 1-2 emissions. Unless specified in the objective, the data is for information only and should not be taken to mean they are being managed to/controlled.

Implied temperature rise

	Fund (%)	Benchmark (%)	Difference (%)
Implied temperature rise (ITR) coverage	100.00	93.88	6.51
% of portfolio below 2°C ITR	71.93	65.37	10.04
% of portfolio below 1.5°C ITR	29.42	32.60	(9.75)

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	44.33	40.07	10.63
SBTi Near-Term committed	1.01	4.69	(78.48)
SBTi Near-Term targets set	68.78	49.77	38.20

Fund Engagement

Engagement definition

Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence positive change, with defined objectives and demonstrable outcomes.

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	15	29
Number of engagements	24	85

This is an estimate. Some engagements at the issuer level may not have been attributed to the specific bond held in the fund, resulting in a lower number of engagement activities.

Engagement focus

Firm-wide engagement activity is centred around six themes which we have identified in consultation with our clients. These are: climate change; nature and biodiversity; health; governance and corporate culture; social and financial inclusion; innovation, technology and society. Portfolio level engagements are not thematic and are focussed on issues specific to managing the portfolio and meeting the investment objective.

Engagement data represents all engagements undertaken at both firm and portfolio level across Royal London Asset Management, and may not be limited to those undertaken solely for the purpose of managing the fund.

Total engagements by theme and topic

Biodiversity	**3**
Climate	**4**
Climate - Transition Risk	3
Climate - Physical Risk	1
Diversity	**2**
Ethnic Diversity	1
Gender Diversity	1
Governance	**14**
Remuneration	9
Corporate Governance	4
Board	1
Health	**2**
Health - Community	1
Mental Health	1
Social & Financial Inclusion	**7**
Just transition	5
Labour & Human Rights	2

The numbers of engagements and themes/topics discussed may differ where a single engagement covers multiple themes/topics.

Fund Engagement

Engagement outcomes

Ashtead Group Plc - Governance

Purpose:

Our engagement with Ashtead was in response to a lack of consultation on its plans for some controversial pay changes, including an increase in Performance Share Units (PSU) award level for the CEO from 350% to 700% of salary, combined with an introduction of a restricted stock unit award of 150% of salary without traditional performance conditions attached.

Outcome:

Multiple factors including the fact that the company had not engaged with one of its largest shareholders at the consultation stage, that the controversial proposals were now final, the high threshold vesting for the PSU awards and the lacklustre recent operating performance led to a decision to maintain our vote Against the policy. The company acknowledged our feedback, apologised for omitting us from the engagement process and subsequently announced that it would delay the grant of the incremental PSU awards until later in September.

HSBC Bank Plc - Just transition

Purpose:

Our engagement purpose was to encourage HSBC to disclose its plans for integrating social issues into its decarbonisation strategy, in line with the just transition considerations outlined in the Paris Agreement.

Outcome:

Since publishing its net zero report, the company has been strategically embedding just transition principles. It prioritised innovation in sustainability-related lending, aiming to extend services to a broader customer base, including smaller businesses. The company is exploring the development of sustainability-linked bonds and loans and assessing the necessity of just transition-linked products. In emerging markets, it continues to work on the Just Energy Transition Partnership project. The company is also increasing integration across its retail bank and asset management divisions. While it faces challenges in applying universal principles to both emerging and developed markets, it is committed to supporting just transition while meeting climate targets. The company is enhancing relationship managers' understanding of just transition and incorporating specific questions into climate transition plans for high-emitting sectors. Although further details on its plans are pending, the company has an ambitious work plan for the next five months and plans to include initial disclosures in existing reports, with potential for a standalone plan in the future.

Fund Engagement

Engagement outcomes

NatWest - Just transition

Purpose:

We engaged with NatWest as part of a collaborative engagement with banks to integrate just transition principles into their climate transition plans. The aim was to address any questions regarding our recently published investor expectations on just transition and the banking sector. We aimed to encourage the bank to align its strategies accordingly.

Outcome:

NatWest initially expressed concerns about being evaluated solely on financial returns, which it felt constrained its incentives for ESG activities. However, the bank recognised the value of aligning with our just transition investor expectations for the sector. It found these guidelines beneficial in setting ambitious goals and taking subsequent actions. NatWest discussed the establishment of a new energy transition fund with a different risk appetite and committed to a social housing fund. The company acknowledged the importance of integrating just transition principles into its plans to enhance credibility and was receptive to our feedback on improving its communication around the issue.

SSE Plc - Multi-thematic

Purpose:

We communicated with SSE through a stewardship letter to outline key sustainability issues identified in our recent analysis. The letter aimed to prioritise areas for progress and arrange a meeting for further discussion.

Outcome:

In the area of health and safety, we highlighted that contractor safety had fallen below expected standards and urged SSE to improve performance. On climate issues, we expressed support for SSE's climate approach and voted for its net zero transition report at the latest AGM, while recommending a more detailed Scope 3 emission reduction plan and alignment of thermal generation assets with a net zero pathway. Regarding nature, we suggested focusing on reducing environmental incidents and incorporating biodiversity considerations in construction project locations. Lastly, we raised concerns about potential share dilution from issuing shares without pre-emptive rights, as reflected in our voting record. SSE has been invited to discuss these issues further in an upcoming meeting.

Fund Engagement

Engagement outcomes

Vistry Group Plc - Board governance and remuneration

Purpose:

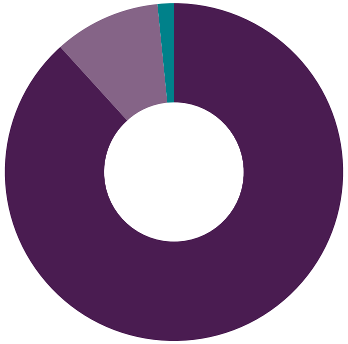
The purpose of the engagement was to discuss the corporate governance arrangements at Vistry Group Plc, particularly focusing on the combined Chair/CEO role held by Greg Fitzgerald, succession planning, and the recent voting outcomes at the AGM.

Outcome:

The meeting provided insights into the combined Chair/CEO role, succession planning, and shareholder engagement at Vistry. The combined role of Chair and CEO held by Greg Fitzgerald raises concerns about power concentration and potential conflicts of interest. This concern is evident as 1/5th of shareholders, including RLAM, voted against his re-election. The company justified this arrangement, highlighting the stability it brings, especially with a significant portion of US shareholders. Succession planning is in place, with potential candidates identified to take over from Greg Fitzgerald in the next three years when he is expected to retire. Rob Woodward has been appointed as the new Senior Independent Director (SID) in an 'enhanced' role. A meeting in October has been set up for shareholders to discuss Rob's 'enhanced' role and any further governance concerns. We continue to monitor the board's governance and performance in the meantime.

Fund Voting

Total proxy voting activity



For	88.28%
Against	10.16%
Abstain	1.56%

Executive remuneration voting activity

For	81.82%
Against	18.18%

Notable votes

Ashtead Group Plc

Remuneration Policy - against: We have concerns over the level of vesting for threshold performance, as well as the lack of engagement during the shareholder consultation process ahead of finalizing the proposed changes.

National Grid Plc

Approval of Updated Climate Transition Plan - abstain: We are pleased to see that the company is investing significantly into EU taxonomy aligned activities and that a 1.5°C aligned target for power generation has now been set. However, the reduction target covering the emissions from sold gas still appears insufficient for alignment.

Market commentary

Market overview

Markets continued to focus on central bank actions during the quarter, as both the Federal Reserve (Fed) and Bank of England (BoE) followed the European Central Bank (ECB) in making the first rate cuts after raising these significantly through 2022 and 2023 as part of efforts to reduce inflation. Along with a stimulus package in China, this generally helped markets, with bond markets seeing yields fall to reflect lower central bank interest rates, and equity markets recovering from initial weakness with the US S&P 500 index hitting an all-time high. Despite guidance from central banks that further cuts will be measured, markets are still pricing in material rate cuts over the next year or so.

Having spent much of last year worrying about economies being too strong and inflation too high, investor attitudes shifted in the quarter with concerns focusing on whether the economic slowdown was too pronounced. That led the market to take on a more cautious tone. In addition, after elections in the UK and France grabbed headlines in the second quarter, attention is moving firmly to the forthcoming US elections which is leading to significant uncertainty.

In contrast to most economist expectations, but in line with what the market had been increasingly pricing, the Fed cut 50bps to 4.75%-5%. They saw diminished upside risks to inflation and increased downside risks to employment and cut accordingly. Their forecasts and language indicated that they anticipated that as the beginning of a series of cuts, returning rates “to a more neutral stance.” As of their September meeting, the median forecast of participants showed another 50bps of cuts over the rest of 2024, then a further 100bps over 2025.

In the UK, data released in the third quarter were consistent with the economy growing modestly, while inflation has been running close to the 2% target. The BoE cut rates 25bps, though with (only) a 5-4 vote and with Governor Andrew Bailey saying that they need to be careful not to cut too quickly. They kept rates on hold at their September meeting. The Labour Party won the UK’s general election in July, winning a sizeable majority in parliament. Chancellor Rachel Reeves identified additional government spending required for 2024-25, to be addressed with some spending cuts and by further measures (“difficult decisions across tax and spending”) to be announced in the Autumn Budget.

The price of WTI crude oil lost 17% over the quarter to $70.1 a barrel, stagnating after the strong gains made in the prior quarter. The geopolitical situation in the Middle East has been worsening and while this would normally lead to oil prices climbing, this was not the case following news that Saudi Arabia would not be managing its production levels to try to achieve and maintain oil prices of $100 per barrel.

In the third quarter, the UK equity market rose 2.3% (FTSE All-Share index), advancing on the second quarter’s growth of 3.7% and the 3.6% added in the first quarter. In overall terms, UK equities outperformed the Europe ex UK index and World index – which were broadly flat, in sterling terms, as the UK market typically performs well when we see tech sector volatility. Top performing sectors in the quarter were Consumer Staples, Utilities and Real Estate, while Technology and Energy underperformed.

Outlook

Despite continued geopolitical uncertainty, concerns over the Chinese economy, worries of a US recession and a US presidential election in November, equity markets hit new all-time highs. The near-term reason is the cutting of interest rates in the US and Europe, which should support future economic activity and reduce recession concerns. The long-term reason is that we are witnessing a level of innovation and investment in the global economy which is arguably unprecedented and is driving earnings of companies.

UK equities continue to perform strongly, delivering high single digit returns year-to-date. Contrary to the general negative consensus, we continue to see many world class businesses in the UK market that we believe will reward shareholders over the long-term. We believe the UK markets offers similar risk adjusted returns than global equities due to their lower risk characteristic and lower valuation.

The digital world continues to grow rapidly, as new technologies such as generative Artificial Intelligence (AI) are only just beginning to change the way we work. The natural world is also seeing huge potential to improve disease outcomes in areas such as cancer, Alzheimer’s and obesity.

The last few weeks have seen a material shift in the investment environment, with several events occurring which demand some consideration. We have the three major economic regions of the world, the US, Europe and China, all putting stimulus into their economies when they are observably growing quite nicely. The US is currently growing at around 3%, China 4%+ and Europe circa 2%. Stimulus is usually countercyclical, increasing in times of economic weakness, not procyclical, being added in the good times.

Tensions in the Middle East continue to rise. Given that around 30% of oil production is in this region, escalating tensions can have an impact on oil prices which are an important variable in economic activity. Higher oil prices can lead to recessions. While no one can forecast what will happen in the Middle East, we believe any impact is likely to be short-term.

Market commentary

In an uncertain environment we will continue to follow our disciplined process which has served us well over the years and believe our portfolios are diversified and focused on high quality sustainable and financial companies that are well positioned to drive long-term performance.

Further Information

Please click on the links below for further information:

Stewardship and responsible investment at RLAM

Responsible investment

Royal London voting and engagement

TCFD climate report

Find out more

In an uncertain geopolitical and economic environment, we recognise the importance of keeping our clients updated on our current investment thinking.

Articles, videos, podcasts and webinars giving the latest views of our investment experts can be found in the Our Views section of www.rlam.com, including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

Disclaimers

Important information

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The Trust is an authorised unit trust scheme. 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.

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FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Royal London Asset Management.

Risks 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.

EPM techniques risk

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.

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.

Responsible investment 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.

Performance to 30 September 2024

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years
Fund (gross)	3.38	4.68	15.42	17.49	46.95
Fund (net)	3.19	4.29	14.56	14.88	41.56

Annualised (%)

3 Years (p.a.)	5 Years (p.a.)
5.51	7.99
4.73	7.19

Year on year performance (%)

	30/09/2023 - 30/09/2024	30/09/2022 - 30/09/2023	30/09/2021 - 30/09/2022	30/09/2020 - 30/09/2021	30/09/2019 - 30/09/2020
Fund (gross)	15.42	16.13	(12.35)	22.05	2.48
Fund (net)	14.56	15.27	(13.00)	21.15	1.71

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.

Source: RLAM as at 30 September 2024. All figures are mid-price to mid-price in GBP for the RL Sustainable Leaders Trust (C Acc).

Glossary

Carbon footprint

Exposure to high emitters in the portfolio, expressed in tCO2e/$M invested. Financed emissions are divided by the portfolio value, the same approach for listed companies and private issuers is applied in this metric.

ESG Integration

The consideration of environmental, social and governance (ESG) risk as part of the investment process. ESG integration does not mean the fund is trying to achieve a particular positive ESG outcome. Please check prospectus documentation for details on specific fund-level objectives.

Exclusions

Explicitly prohibits investing in a particular company, sector, business activity, country or region.

Financed emissions

The emissions from activities in the real economy that are financed through lending and investment portfolios, expressed in tCO2e. Emissions are attributed to a portfolio based on the portion of the company's value the portfolio holds, and using different accounting values for public and private corporates. We provide financed emissions for scope 1 and 2 emissions.

Fund restrictions definitions

Adult Entertainment: Companies which own or produce adult entertainment services, or engage in the distribution or sale of adult entertainment services.
Alcohol: Companies which have involvement in brewing, distillation or sale of alcoholic drinks.
Animal Welfare: Companies that conduct animal testing (other than for purposes of human or animal health and/or where it is required by law or regulation).
Armaments: Companies who manufacture armaments or nuclear weapons or associated products.
Controversial Weapons: Weapons which have an indiscriminate and disproportional impact on civilians or weapons that are illegal and prohibited by international conventions and treaties.
Fossil Fuels: Companies involved in the exploration, extraction or refining of oil, or gas, or coal, plus any activity relating to thermal coal.
Gambling: Companies who promote irresponsible gambling which includes betting shops, casinos or amusement arcades.
High Environmental Impact: Companies which have a high environmental impact, and which have 'no evidence' of appropriate environmental management systems.
Human Rights Risks: Companies with a strategic presence operating in countries of concern and which have 'no evidence' of policies or systems to manage human rights risks.
Nuclear Power: Companies who generate energy from Nuclear Power.
Nuclear Weapons: Companies that manufacture, nuclear; or are involved in the production of intended-use parts, whole weapons systems, or exclusive delivery platforms.
Tobacco: Companies which are growing, processing or selling tobacco products.

Fund value

Total value of the fund as of the last business day of the calendar month. The fund value is as at close of business and on a mid-price basis.

Implied temperature rise (ITR)

ITR aims to measure the global warming outcome from the emissions trajectory of a company, if the whole economy followed the same trajectory.

Number of holdings

Total number of unique holdings of the Fund excluding cash, currency and derivatives.

Performance

Performance is calculated using the daily end of day NAV per share produced by HSBC based on the mid price.

Promotes environmental or social factors

An ESG Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

Regional weights

Breakdown of holdings by country of risk relative to the benchmark index and grouped using RLAM's proprietary regional classification scheme.

SBTi

The Science-Based Targets initiative is a consortium of organisations that set up the definition and promotion of science-based target setting.

Glossary

Sector weights

Breakdown of holdings by FTSE ICB (Industry Classification Benchmark) sector relative to the benchmark index.

Sustainable fund objective

A product that has sustainable investment or a reduction in carbon emissions as its objective.

Top 10 holdings

Top 10 assets held by market value, excluding derivatives and cash.

Weighted Average Carbon Intensity (WACI)

Portfolio's exposure to carbon-intensive companies, expressed in tCO2e / $M revenue. Scope 1 and scope 2 GHG emissions are divided by companies revenues, then multiplied based on portfolio weights (the current value of the investment relative to the current portfolio value). The WACI is calculated as a weighted average sum of the holdings with carbon intensity coverage.