Sustainable Finance Disclosure Regulation:

Royal London
Global Equity Transitions Fund

ROYAL LONDON
ASSET MANAGEMENT

Contents

Summary

The Fund's investment objective is to outperform the MSCI All Countries World Net Total Return Index USD (the "Benchmark") before fees per annum over rolling three year periods.

The Fund invests in a moderately concentrated portfolio of global companies, which are listed on Recognised Markets, that the Investment Manager believes can create wealth for shareholders and are deemed to be transitioning to a more sustainable path, enabling the transition of others, or both. Suitable companies are identified for investment by using proprietary screening tools and analysis to rank each of the stocks in the investment universe by their potential to create shareholder wealth and are then further assessed on the materiality and credibility of their transition plans. These tools and analysis are proprietary to the Investment Manager and are developed, maintained, and enhanced in-house, aiming to provide a library of high-quality data and an advantaged analytical framework which companies are then assessed against. The proprietary nature of these tools and research embed an informational and analytical advantage into the investment process and are based on such factors as the relevant company's internal business fundamentals (for example, barriers to entry), management evaluation (for example, company strategy) and external factors (for example, addressable market). The Investment Manager builds the portfolio with a bias towards those companies with higher wealth creation and transition potential whilst ensuring a medium-high level of risk relative to the Benchmark.

The Benchmark is a flagship global equity index designed to represent performance of the full opportunity set of large- and mid-cap stocks. Further information in respect of the Benchmark is available on request from the Investment Manager. Investors should note that the Benchmark is being used by the Fund for performance comparison purposes only and the Fund does not intend to track the Benchmark. While the Fund may invest in investments which are constituents of the Benchmark, the Fund will be actively managed and its portfolio will not be constrained by reference to any index. The Investment Manager may use its discretion to invest in instruments which are not included in the Benchmark. The Fund will be invested in a concentrated portfolio of assets.

The Fund will invest at least 80% of its Net Asset Value in shares of companies globally, both in Developed Markets and Emerging Markets. The Fund may invest up to 25% of its Net Asset Value in Emerging Markets.

The Fund will not invest in other collective investment schemes.

The Fund may receive warrants as a result of corporate actions. No more than 5% of the Net Asset Value of the Fund will be held in warrants.

A limited amount of assets (around 5% or less) may be held in cash for efficient portfolio management purposes and to manage the flow of investors' money in and out of the Fund.

The Fund may use financial derivative instruments for efficient portfolio management and hedging purposes only.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

The Investment Manager assesses Do No Significant Harm before considering any sustainable investments. The definition applied is in line with the regulatory definition of Do No Significant Harm for both SFDR and Taxonomy.

Principal adverse Impact indicators (PAIs) are considered as part of the investment process of the Fund. The Investment Manager has direct access to PAI data at both Fund and individual company level through the proprietary in-house data base. Reporting on PAIs can be found in the annual report. The PAI factors provided are as follows:

Indicators Applicable to Corporate Issuers

Environmental

1 Greenhouse gas emissions

2 Carbon footprint

3 Greenhouse gas intensity of investee companies

4 Exposure to companies active in the fossil fuel sector

5 Share of non-renewable energy consumption and production

6 Energy consumption intensity per high impact climate sector

7 Activities negatively affecting biodiversity-sensitive areas

8 Emissions to water

9 Hazardous waste ratio

Social

10 Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises

11 Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

12 Unadjusted gender pay gap

13 Board gender diversity

14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)

Indicators Applicable to Sovereigns and Supranationals

Environmental

15 Greenhouse gas intensity

Social

16 Investee countries subject to social violations

Additional Indicators

Environmental

17 Investments in companies without carbon reduction initiatives

Social

n/a

Company reported taxonomy-aligned portion will by definition have to align with the OECD Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. For the rest of the sustainable investment the Investment Manager uses external data providers such as MSCI and RepRisk to screen and monitor the sustainable investments' alignment with the OECD Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Environmental or social characteristics of the financial product

The Investment Manager believes climate change represents the greatest challenge to global sustainability, as it has the potential to destroy future generations' ability to meet their own needs. Therefore, the Fund promotes environmental characteristics relating to climate change mitigation. The Fund will make sustainable investment that contributes to the climate change mitigation either as an 'Enabler' of transition to net zero or as a high green-house gas emitter on a self 'Improver' journey.

Investment strategy

The Fund invests in a moderately concentrated portfolio of global companies, which are listed on Recognised Markets, that the Investment Manager believes can create wealth for shareholders and are deemed to be transitioning to a more sustainable path, enabling the transition of others, or both. Suitable companies are identified for investment by using proprietary screening tools and analysis to rank each of the stocks in the investment universe by their potential to create shareholder wealth and the materiality and credibility of their transition thesis. The Investment Manager builds the Fund's portfolio with a bias towards those companies with higher wealth creation and transition thesis potential whilst ensuring a medium-high level of risk relative to the Benchmark.

The Fund operates in line with the Investment Manager's Good Governance Policy. The Investment Manager believes good governance practices promote better long-term shareholder wealth creation and as a result has applied a minimum level in the Fund's investments. The Investment Manager takes a principles-based approach including opportunity to engage for improved practices.

The Investment Manager will allocate scores on the following elements, all of which should be considered in regional context. These are aligned with the Investment Manager's principles of good governance and consistent with the currently disclosed SFDR definitions of good governance. Each of the 5 "elements" listed below is considered within the scoring framework.

Elements	Components
Board	Composition, structure, independence, diversity
Internal Alignment	Remuneration policies and implementation, insider ownership
External Alignment	External ownership structure
Business Ethics	Corruption and fraud, audit and accounting practices, tax compliance
Stakeholders	Relations with shareholders, bondholders, employees

Proportion of investments

The Investment Manager employs a binding proprietary ESG methodology, as described in detail above. 95-100% of the Fund's Net Asset Value will be invested in securities which will be aligned with the environmental and/or social characteristics promoted by the Fund.

The minimum share of sustainable investments is 2%. The sustainable investments may contribute to a variety of themes including climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

The category #1 Aligned with E/S characteristics covers:

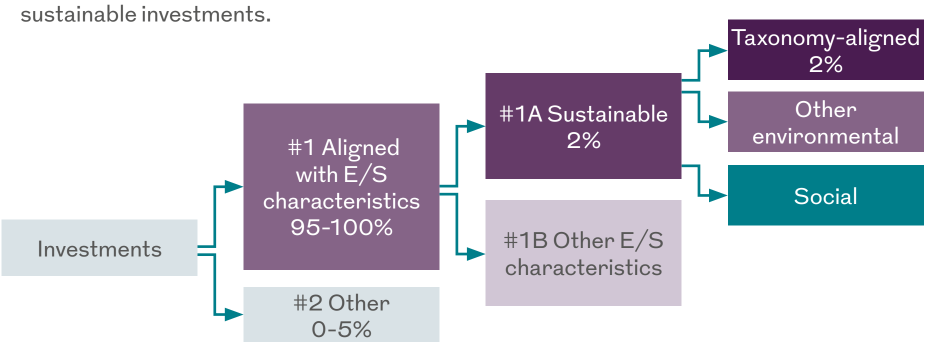
- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Monitoring of environmental or social characteristics

The Investment Manager undertakes analysis on every company within the fund to ensure investments are made that are consistent to the Investment Manager's Responsible Investment Policy and wider fund objectives

Once approved for inclusion in the fund, monitoring of a company's ability to meet the fund objective and warrant inclusion in the fund is undertaken primarily via regular stock review, leveraging data to highlight most at risk holdings and combining with qualitative assessments, to ensure inclusion remains appropriate.

Additionally to the above Investment teams are required, as a minimum twice a year, to review the fund level Principal Adverse Impacts ("PAI") sustainability indicators. Further, they need to be able to demonstrate that PAI sustainability indicators have been considered at a company-level as part of the investment thesis.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Methodologies

The Investment Manager has built an in-house technological solution for the consideration and reporting of Principal Adverse Impacts ("PAI's"). Detailed analysis of this data is carried out as an input into investment decisions.

The Investment Manager takes a principles-based approach to assessing climate risk and evaluate a company's willingness and ability to either transition themselves or enable someone else's transition, or both emphasising qualitative forward-looking analysis supported by rigorous quantitative datasets.

Indicators to measure willingness and ability to transition include:

1. Sector and business product exposure
2. Business involvement with hard to transition activities e.g. thermal coal mining and generation, oil & gas related
3. Ownership of fossil fuel reserves
4. Scope 1+2 absolute emissions and intensity
5. Scope 3 absolute emissions and intensity
6. % reduction of emissions from their business-as-usual required to achieve Net Zero by 2050
7. Past performance in reducing absolute and intensity of scope 1&2 emissions
8. Free cash flow
9. Break-even carbon price
10. % of revenue from climate solutions

Data sources and processing

The Investment Managers approach to attain the sustainable investment objective is sort using both qualitative and quantitative data. In doing so, this enables the Investment Manager to avoid overreliance on immature data or data with limited coverage.

Data sources used to attain the sustainable investment objective of the financial product include, but are not limited to:

- MSCI
- Reprisk
- Bloomberg
- Company websites and public disclosures
- Broker research
- Carbon Disclosure Project
- Meetings and engagements with companies

To ensure data quality, RLAM seeks to engage data providers who are seen as leading in the industry and who are able to provide RLAM with significant data volumes using good practice methodologies.

Additionally, where deemed appropriate, RLAM will seek to harvest data manually. This both helps to increase data coverage and accuracy. This is particularly important for fixed income funds where issuer-level ESG data is not as well covered by data providers and researchers.

Where disclosing data, the Investment Manager seeks to provide information on the amount of data which is estimated so as to increase transparency around data quality. Understanding data quality is also important for using data to inform decision making and therefore the Investment Manager is provided access to this information on PAI sustainability indicators.

The proportion of data that is estimated will vary by each data point that is considered.

Limitations to methodologies and data

We are confident that these limitations do not affect the attainment of the sustainable investment approach due to our thorough approach to the overarching investment strategy, our methodologies and our on-going monitoring of the investments.

Due Diligence

Regular company meetings and record keeping

We centrally record our ESG engagement meetings, including the objectives of the meeting, attendees, minutes, and the outcomes and key issues discussed. We use this information to monitor and track company improvements, and to report progress to our investment teams and clients. Our investment teams also maintain a high degree of contact with investee companies, often meeting with them on multiple occasions throughout the year to discuss strategy, performance (both financial and non-financial), risk profile, capital structure and other material factors. These financial meetings regularly include discussions of ESG issues and are recorded by each investment team.

Engagement outcomes

The outcome of our engagements, whether successful or not, represents part of the investment process and our ESG integration strategy. All of our engagements are recorded centrally so that investment teams across the business can consider the outcome of an engagement as part of their investment decisions. In making this assessment, fund managers consider how material the issue is, whether there are mitigating factors that reduce the risk to clients, and the time horizon of the investment, among other factors. We do not advocate a 'onesize- fits-all' approach and believe these decisions must be made within the context of each fund, based on the financial and non-financial objectives set by our clients. As a result, the way in which ESG risks, opportunities, and PAIs affect investment decisions will vary between funds.

Voting oversight and research

Our UK1 and global2 voting policies define our overarching approach to exercising our voting rights. These policies are updated annually and signed off by the RLAM Investment Committee to ensure they meet emerging best practice and client expectations. Details of our voting behaviour are available on our website and there is also a summary provided in our annual Stewardship and Responsible Investment Report. In addition to our voting policies, a great deal of research goes into every vote. For example, RLAM's team of governance experts review all votes ahead of each vote submission. And we consider both external and internal research, alongside the advice of proxy advisory firms, to ensure we are making the best possible decisions. Our governance team submits votes via an online governance research and proxy-voting platform, which provides us with research, tailored voting recommendations, reporting functionality and vote processing. We also have an annual meeting with our voting-platform provider to review the effectiveness of our voting, determine any improvements that can be made in our approach and review the service we receive. Meanwhile, we undertake an internal monthly compliance review of our votes to ensure that we are voting in line with our policy. We review any rejected or unprocessed votes and any issues that may occur during the process. Any exceptions, challenges or issues are reported to the Investment Committee.

ESG integration

Integrating, analysing and assessing ESG issues across our funds help us better manage investment risks and opportunities. We believe those companies best prepared for a more sustainable future are more likely to deliver long-term returns for clients, as governments, regulators and consumers continue to focus on delivering a better future for society and the environment. Each investment team is responsible for considering ESG factors in their investment processes, alongside financial and other non-financial factors.

Engagement policies

Our Engagement Policy

Engagement is purposeful, targeted communication with an entity on particular matters of concern. The goal of engagement is to encourage change at an individual issuer level and/or address market-wide or systemic risks (in addition to a wider goal of exchanging information or increasing the investor's understanding of business risks and opportunities). Engagement is a fundamental part of the research process as well as an important tool for encouraging companies to make ongoing improvements, reduce their investment risk, and create better outcomes for our clients and society. We engage with businesses in both our equity and fixed income funds, as we believe this provides valuable insight for our investment teams and is a key part of our stewardship responsibilities.

We engage with companies in two ways: engagement for information and engagement for change. Both forms of engagement allow us to understand how ESG risks affect our investments and, in turn, the adverse effects our investment decisions may have on the environment and society

Engagement for information

Here we speak to company representatives to uncover additional evidence to complement and enhance existing research as part of our investment process. Engagement for information is part of our research process and is often the first step in the engagement process. It is also critical to enhancing our ESG insights and, in turn, improving our investment decision-making. We believe information discovery and disclosure in itself is an important and positive outcome.

Engagement for change

Here we seek to influence a company's behaviour, policies and practices as a direct outcome of engagement. Engagement for change is often more focussed, sets out clear objectives regarding what change we would like to see and may span many months or years.

Designated reference benchmark

Not Applicable – the Fund does not have a specific reference benchmark for sustainable purposes.

Contact us

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

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