

THE SUSTAINABLE FUND RANGE



THIS IS FOR FINANCIAL ADVISER USE ONLY AND SHOULDN'T BE RELIED UPON BY ANY OTHER PERSON.

Royal London Awards

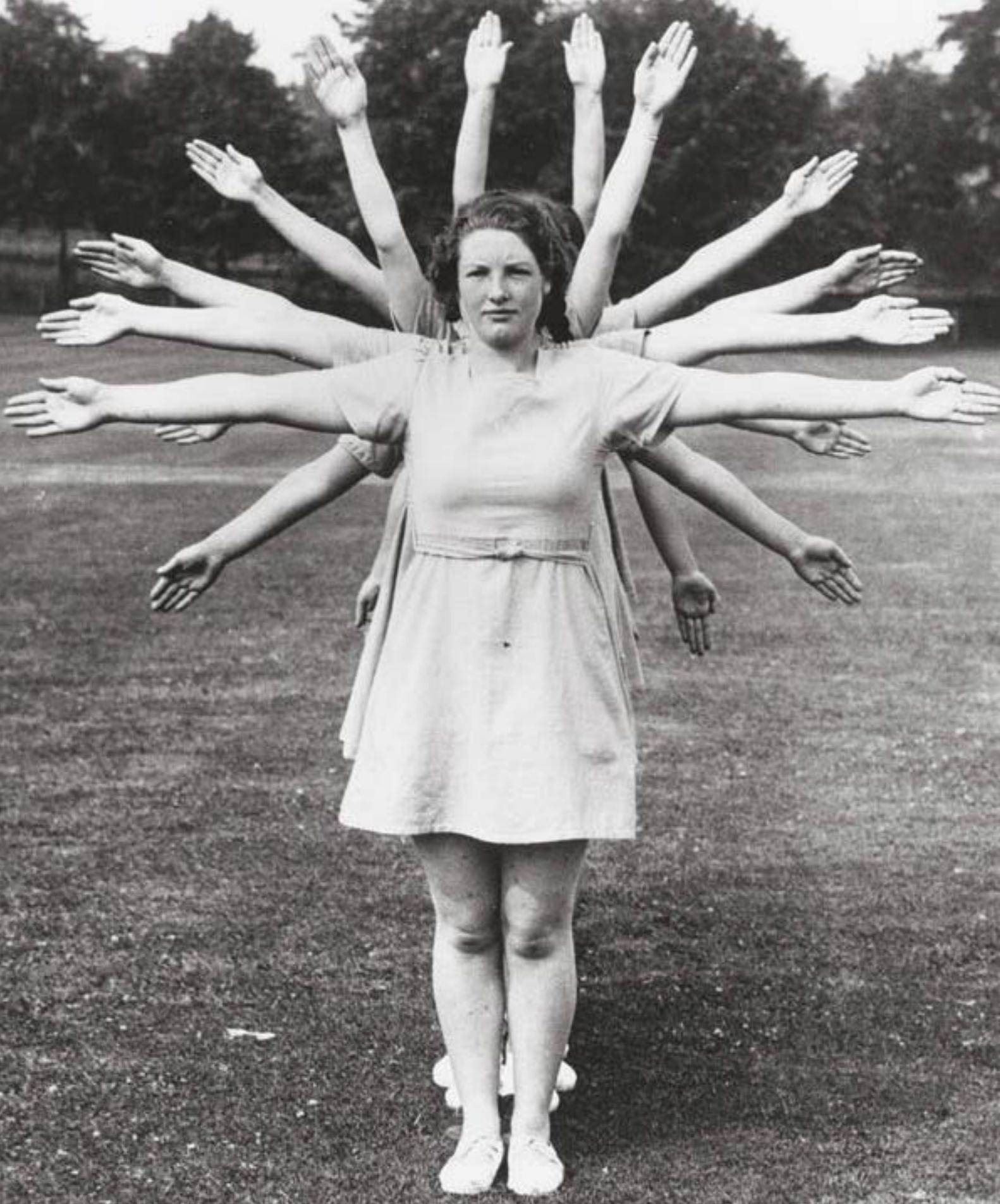


Royal London Asset Management Awards



WELCOME

We're committed to being a responsible investor. That means when your client chooses a pension with us, we invest their payments in a responsible way. We aim to generate good returns whilst also making a positive contribution to our society and environment.

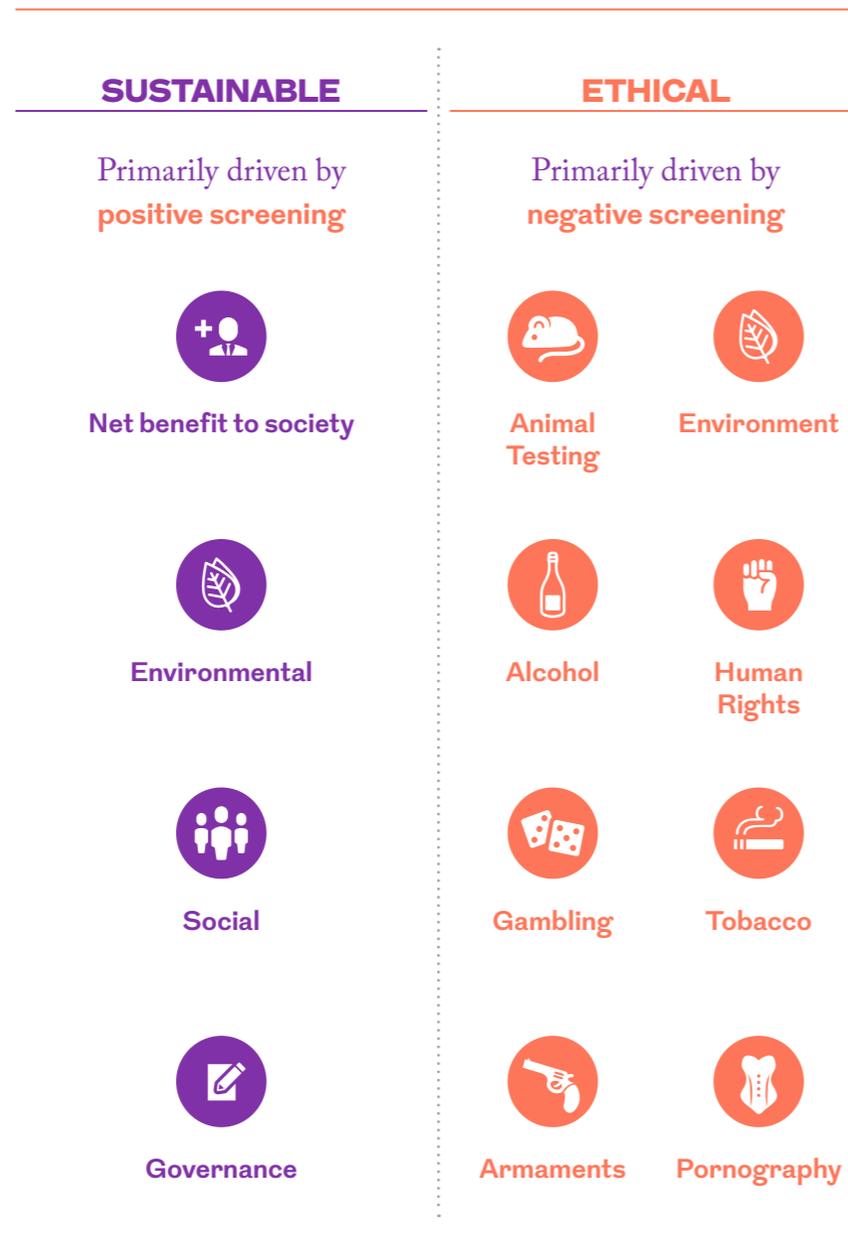


WHAT'S
INSIDE

SUSTAINABLE VERSUS ETHICAL INVESTING

What's the difference between sustainable and ethical investing? The simplest way to explain it is that ethical investing focuses on negative screening and avoidance, whereas sustainable investing is about positive selection and positive screening.

Sustainable investing lets investors embed their values into their investments. Sustainable investing looks to invest in companies that have socially useful products and services, and that lead their industries on environmental, social and governance management - all with a strong focus on delivering investment returns.



OUR SUSTAINABLE FUND RANGE

Our five multi asset sustainable funds range from 100% equities to 100% fixed income, so there's a wide range of options to suit where your clients sit on the risk-return spectrum.

The funds can be invested in individually or as part of a portfolio, or the Sustainable Leaders Fund can be chosen as the equity fund within

our Governed Range. The funds also offer good value for money and are available at no extra charge to individual pension and workplace pension customers¹.

The sustainable funds invest in companies that are working towards making the world a better place - including sustainable agriculture, healthcare, cloud computing and electric vehicles.

The funds have over £1.7 billion in assets under management², and are expertly managed by our sister asset management company Royal London Asset Management (RLAM) who has over 25 years' experience in running sustainable funds.



1. The basic charge is 1% p.a., which is built into the fund price. For all customers, a discount is applied and depends on the value of the investment

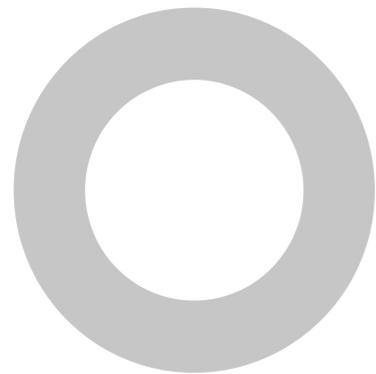
2. As at 31.05.2018

Royal London Sustainable Managed Income Trust

aims to produce a consistently higher level of income relative to typical cash deposit interest rates, by investing mostly in a diverse portfolio of fixed income securities.

Royal London Sustainable Managed Income Trust

*iBoxx Sterling Non-Gilts All Maturities Index**



Royal London Sustainable Managed Growth Trust

aims to provide an attractive combination of accumulated income and capital growth, by investing mostly in fixed income securities with some equities, mainly based in the UK.

Royal London Sustainable Managed Growth Trust

IA Mixed Investment 0% - 35% Shares Sector



Royal London Sustainable Diversified Trust

aims to provide capital growth from a diverse range of asset classes, including UK and overseas equities, fixed income, property related investments and cash.

Royal London Sustainable Diversified Trust

IA Mixed Investment 20% - 60% Shares Sector

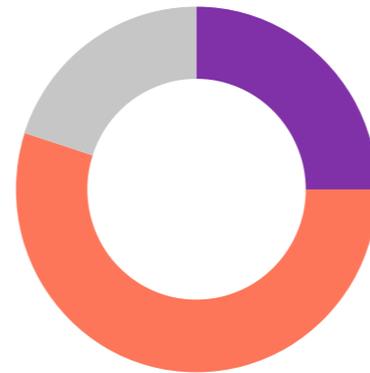


Royal London Sustainable World Trust

aims to provide capital growth, by investing mostly in equities with some fixed income securities and cash on a global basis.

Royal London Sustainable World Trust

IA Mixed Investment 40% - 80% Shares Sector

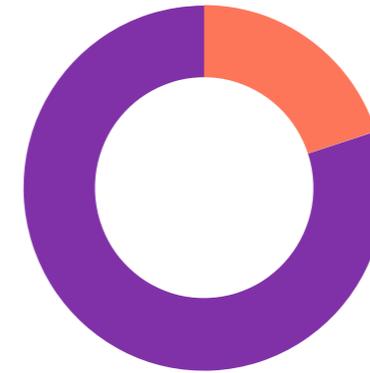


Royal London Sustainable Leaders Trust

aims to provide capital growth, by investing mostly in UK companies, with some exposure to overseas equities. The Fund is relatively concentrated, with typically 40 - 50 holdings.

Royal London Sustainable Leaders Trust

IA UK All Companies Sector



- UK Equities
- Overseas Equities
- Fixed income

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

** Fund sits within IA unclassified sector. Benchmark used for comparative performance.*

A SUSTAINABLE INVESTMENT PROCESS

Royal London Asset Management (RLAM) has created a bespoke investment process to assess and select companies to include in the sustainable funds. This process allows RLAM to fully integrate financial and ESG analysis in a way which provides them with insights that other investors may miss.

First RLAM screens for key ESG and financial factors. They look at the strength of the management team, the strength of the balance sheet and the competitive advantage of a business.

With every investment they make, the team does a detailed Environmental, Social and Governance (ESG) assessment of that business. From an environmental perspective the team looks at the carbon intensity, water usage and other factors of the companies it invests in. From a social point of view, the team will look at whatever they determine are the most important issues of the day, like the taxation practices of the companies they invest in. When it comes to the corporate governance of a company, the team will look at remuneration and the structure of the corporate board to ensure they will act in shareholders' best interests.

They also screen out companies in certain sectors or activities. In particular the funds avoid investment in any company that is or is likely to be exposed to:

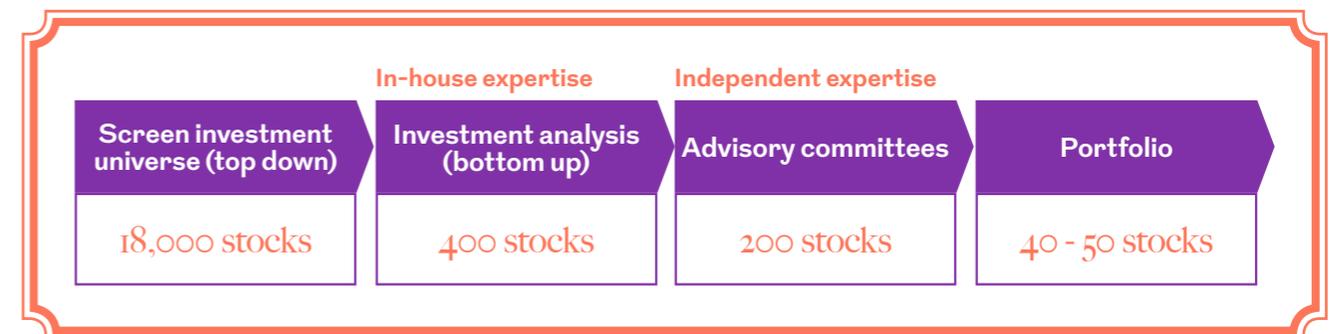
- Human rights abuses
- Tobacco and armaments manufacture
- Products which involve experiments on animals, except for those conducted for the benefit of human or animal health
- The generation of nuclear power

The funds also avoid investments in companies that have significant trading interests in:

- Animal fur products
- Pornography
- Irresponsible gambling
- Irresponsible drinking
- Worker exploitation or exploitative consumer practices

This screening process then provides a smaller subset of potential investments where the team carries out bespoke, in-depth, analysis on corporate governance, environmental and social performance, business quality and valuation.

RLAM applies a minimum threshold to both ESG and financial factors to ensure all investments in their portfolios score highly on both.



INFLUENCING POSITIVE CHANGE

Royal London Asset Management's Responsible Investment team oversees research into and engagement on environmental, social and corporate governance issues. They work particularly closely with the Sustainable Investment team to help ensure we invest in companies that contribute positively to our society and environment.

To help influence positive change they vote at annual meetings, engage with management and advocate strong corporate governance.



VOTING AT ANNUAL MEETINGS



ENGAGING WITH MANAGEMENT

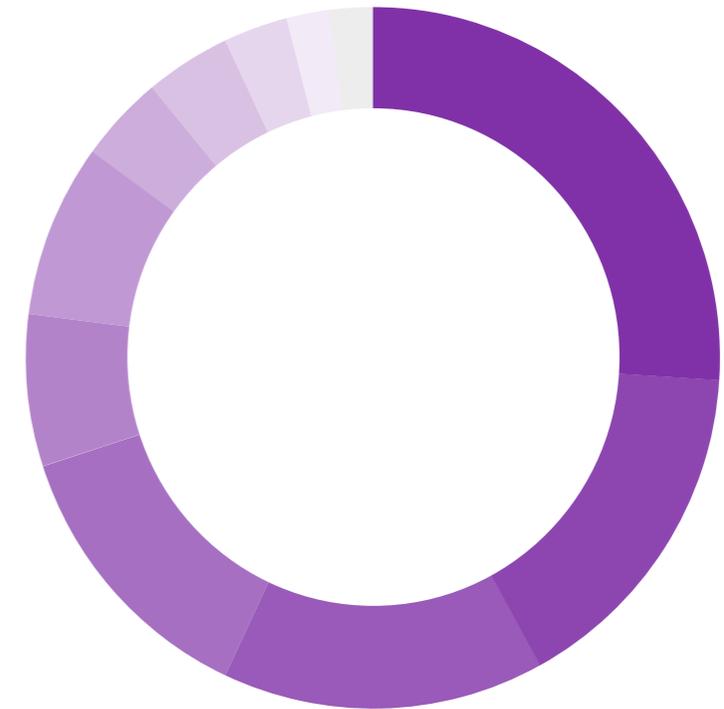


STRONG CORPORATE GOVERNANCE

In 2017 the team had 251 engagement interactions³ with 191 companies including BP, HSBC and Ryanair on 12 different ESG topics as shown below.

2017 Engagement Topics

● Remuneration	87
● Health, Safety & Labour	54
● Reputational Risks	49
● Energy	45
● Corporate Governance	21
● Animal Testing	15
● Environment	15
● Data	14
● Other	13
● Diversity	8
● Succession & Board	6
● Water	4



³. As at 31.12.17. Engagement interactions are substantive letters, meetings, phone calls or emails.

GOVERNANCE

The fund range has an independent external Advisory Committee which aims to ensure that the investments align with the funds' objectives. This committee consists of a mix of experts in areas such as charities, corporate governance, academia and sustainable investment.

The Committee meets quarterly to review the research process and output of the team. It receives reports on sectors, companies and topical issues, and it advises on the approval and exclusion of companies from investments.



For more information
speak to your consultant or visit
adviser.royallondon.com/investment



Royal London
1 Thistle Street, Edinburgh EH2 1DG
royallondon.com

**All literature about products that carry the Royal London brand is available
in large print format on request to the Marketing Department at
Royal London, 1 Thistle Street, Edinburgh EH2 1DG.
All of our printed products are produced on stock which is from FSC® certified forests.**

The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. It provides life assurance and pensions.

Registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Marketing Limited is authorised and regulated by the Financial Conduct Authority and introduces Royal London's customers to other insurance companies. The firm is on the Financial Services Register, registration number 302391. Registered in England and Wales number 4414137. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Corporate Pension Services Limited is authorised and regulated by the Financial Conduct Authority and provides pension services.

The firm is on the Financial Services Register, registration number 460304. Registered in England and Wales number 5817049.

Registered office: 55 Gracechurch Street, London, EC3V 0RL.