



## RLP SUSTAINABLE DIVERSIFIED TRUST

Royal London Asset Management (RLAM) has developed into a company choosing to make responsible investment and sustainability one of its specialisms. They acquired The Co-operative Asset Management (TCAM) business, which has 25 years experience of running sustainable funds, in August 2013.

RLAM has a strong, long-term commitment to putting responsible ownership at the heart of the business. In 2008, RLAM became a signatory to the United Nations Principles for Responsible Investment, and was an early signatory to the UK Stewardship Code. The RLP Sustainable Diversified Trust is a multi-asset fund that benefits from this experience in sustainable investing as well as aiming to deliver good returns for customers.

### INVESTMENT APPROACH

#### Screening process

##### Filter

- Exclude armaments and tobacco
- Include products and services that solve social/environmental challenges.
- Include companies responsibly managing their impacts

##### Stage 1

The investment universe is filtered for companies that look attractive from a theme/industry/company perspective.

##### Analyse

- Financial metrics
- Environmental, Social & Governance (ESG) performance
- Challenge our own views, oversight (external advisory committee)

##### Stage 2

Detailed research and analysis is undertaken on the stocks identified. Stocks are assessed against a number of key criteria such as valuation, management quality, environmental, social and governance performance. Valuations are predominantly cash-based.

##### Select

- Socially useful and responsible companies
- Resilient, long-term growth prospects
- Reliable income providers

##### Stage 3

The portfolio is then constructed by determining stock positions primarily by the risk/reward potential of a particular investment with asset allocation being manipulated to best suit market conditions.

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Our investment philosophy and style is best described as follows:

- **Focused** – The portfolio will typically have between 70-100 holdings.
- **Long-term** – Investment holding periods of three to four years.
- **Responsible** – Embedded ESG analysis provides a broader perspective and represents the views of our customers in the investment process.
- **Stockpicking** – Securities are selected that offer attractive total return prospects.

At the security level our investment approach is structured to consider companies at three levels to identify mispriced opportunities.

**Investment Themes** – The increasingly short-term nature of the investment industry, evidenced by declining stock-holding periods, results in long-term opportunities being overlooked. We have therefore adopted a long-term investment philosophy and evaluate the effect of long-term investment themes. Examples include emerging market growth opportunities, demographic influences over supply and demand factors, and the environmental impact of human activity.

**Industry Trends** – The increasingly narrow focus of most investors has resulted in us broadening the scope of inputs beyond traditional investment research to identify wider industry trends or linkages between industries.

**Company Specific** – We believe that the market can inefficiently discount company specific events such as management change. Therefore we devote a large amount of analytical resource to changing company situations.

## FUND AIM

The fund invests in companies with products or services that benefit the core themes of environment, human welfare and sustainability. Companies leading their industries in ESG performance, as assessed by our analysts, are also included in the investable universe, thereby creating a portfolio of investments that make a positive contribution to society.

The fund aims to provide first-quartile performance over a rolling three-year period measured against the IA Mixed Investment 20-60% Shares sector average. The fund is able to shift its asset allocation according to market conditions in order to seek out attractive return opportunities and limit downside risks.

## FUND INFORMATION

**Launch date** – 16 November 2015

**ABI sector** – IA Mixed Investment 20-60% Shares

**Benchmark** – IA Mixed Investment 20-60% Shares

**Fund management charge** – 1.45%

**Total Expense Ratio** – 1.49%

**SEDOL** – BZ162Y9



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