

Mitteilung an alle Anteilseigner Royal London Anteile:

Anbei finden Sie die Information der Gesellschaft, folgendes Wertpapier ist betroffen:

GB00B844WJ68 Royal London Sustainable Diversified Trust - C GBP DIS

Details können Sie der beigefügten Anlage entnehmen.

November 2020

To: All Unitholders in Royal London Sustainable Diversified Trust and Royal London Sustainable World Trust (each a "Trust" and together the "Trusts")

Dear Unitholder

ADVANCE NOTICE OF CHANGES TO THE INVESTMENT POLICIES OF THE TRUSTS

We, RLUM Limited, as authorised fund manager ("AFM") of the Trusts, are writing to you as a Unitholder in one or more of the Trusts because we are planning to make certain changes to the investment policies of the Trusts.

This letter serves as a formal notice to Unitholders in the Trusts that we will make the changes set out in the Appendix to this letter on 3rd March 2021.

We are required under the rules of the Financial Conduct Authority (the "FCA") to give advance notice of the changes. The FCA has confirmed by letter that the changes outlined above will not affect the authorisation of each Trust under section 251 of the Financial Services and Markets Act 2000. **You do not need to take any action, however we recommend that you read this letter.**

1. Changes to the investment policy of each Trust

We are making changes to the investment policy of each Trust. These changes will not change the risk profile of the Trusts or significantly alter their investment strategies. The changes will also not lead to any realignment of the portfolios of the Trusts. *Please note that the investment objectives of the Trusts are not changing. We have set out the investment objective of each Trust in the Appendix for completeness and for your information only.*

As AFM of the Trusts, we have been reviewing the operation of the Trusts and identifying ways to improve investor outcomes. We consider that the Trusts would benefit from a more flexible investment policy. The changes we are planning to make are therefore primarily aimed at removing certain restrictions relating to how the Trusts are managed, while some of the changes are more clarificatory in nature.

By way of example, for each of the Trusts we are planning on clarifying that the Trust will invest in the shares of companies globally, whereas currently the investment policies merely refer to investment in companies. We are also for both Trusts removing the requirement that 50% of assets must be denominated in Sterling or Euros, [to reflect this global focus].

We are also clarifying that for fixed income investment, although such investment will primarily be in sterling denominated (or hedged back to sterling) investment grade corporate bonds, there may be a small portion of sub-investment grade bonds or bonds which are not hedged back to sterling. This will give the AFM more flexibility in terms of how to invest those assets not invested in shares.

Other changes not set out in this paragraph are specific to one of the Trusts. For a detailed comparison of the current investment policy of each Trust against the proposed new investment policy, please see the Appendix to this letter. Part 1 of the Appendix contains the comparison in respect of the Royal London Sustainable Diversified Trust, whereas Part 2 contains the comparison in respect of the Royal London Sustainable World Trust. Please refer to the appropriate part of the Appendix based on which of the Trusts you are currently invested in.

2. Costs

We will be meeting all the costs associated with making these changes.



3. **Questions**

If you have any queries about the changes or require any further information, please contact the AFM on 0345 602 3604 or your normal relationship manager at Royal London.

Yours sincerely,

For and on behalf of RLUM Limited
As authorised fund manager of the Trusts

Appendix

Part 1 - Royal London Sustainable Diversified Trust

Please note that additions to the investment policy are shown in blue underlined text, whereas deletions are shown in red strikethrough text.

As set out in paragraph 1 of this letter, the investment objective of the Trust is not changing, but we have set this out below for your information.

Current investment objective	
The Scheme's investment objective is to achieve capital growth (1) over the medium term, which should be considered as a period of 3-5 years, by investing in a diverse range of asset classes, primarily in the UK that are deemed to make a positive contribution to society. Investments in the Scheme will adhere to the Manager's ethical and sustainable investment policy.	
Current investment policy	Proposed new investment policy
<p>The Scheme is actively managed, meaning that the portfolio manager will use their expertise to select investments to meet the objective.</p> <p>Up to 60% of the Scheme will be invested in companies. These will be businesses that are listed on stock exchanges in their respective countries. Approximately 40% of assets will be invested in sterling-denominated corporate bonds. (2)</p> <p>Within the Scheme's share allocation, the manager may invest up to 100% of such assets to companies listed in the UK; North America and Europe are limited to a maximum of 50% each, and companies listed in other regions can account for no more than 25%. If the Manager believes it is in the best interests of the Scheme, higher weightings of as much as 5% are permitted for exposures to larger companies.</p> <p>The Scheme is required to keep at least 30% of its assets in bonds and cash. In the holdings of bonds, the Manager has a bias toward investment-grade issuers, and exposure to debt with BBB or Baa ratings (the lowest investment-grade levels) is limited to a maximum of 60% of all bond holdings.</p> <p>Exposure to any single company, taking account of both share and bond holdings, is limited to no more than 5% of assets. And at least 50% of assets must be in investments denominated in sterling or euros.</p> <p>The Scheme 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 (3), alongside financial analysis. The Manager avoids investing in tobacco and armament manufacturers, nuclear-power generators, and companies that conduct animal testing (other than for purposes of human or</p>	<p>The Scheme is actively managed, meaning that the portfolio manager will use their expertise to select investments to meet the objective.</p> <p>A maximum of 60% of the Scheme's assets will be invested in the shares of companies globally. These will be businesses that are listed on stock exchanges in their respective countries.</p> <p>Of the remaining assets not invested in shares, at least 80% will be invested in sterling-denominated (or hedged back to sterling) investment grade corporate bonds. (2) Sub-investment grade bonds are limited to a maximum of 5% of the Scheme's assets.</p> <p>Within the Scheme's share allocation, the manager may invest up to 100% of such assets to companies listed in the UK; North America and Europe are limited to a maximum of 50% each, and companies listed in other regions can account for no more than 25%. If the Manager believes it is in the best interests of the Scheme, higher weightings of as much as 5% are permitted for exposures to larger companies.</p> <p>The Scheme is required to keep at least 30% of its assets in bonds and cash. In the holdings of bonds, the Manager has a bias toward investment-grade issuers, and exposure to debt with BBB or Baa ratings (the lowest investment-grade levels) is limited to a maximum of 60% of all bond holdings.</p> <p>Exposure to any single company, taking account of both share and bond holdings, is limited to no more than 5% of assets.</p> <p>The Scheme 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)</p>



animal health). This exclusion policy helps to avoid companies the Scheme's manager believes expose investors to unacceptable financial risk resulting from poor management of ESG issues.

The Manager's ethical and sustainable investment policy may change from time to time to reflect new developments and research in the field of sustainable investment. Investors in the Scheme will be notified of any material changes to this policy. Investors can view the current policy at myisa.royallondon.com/.

Up to 10% the Scheme's assets may be invested in other funds, known as collective investment schemes, including those managed by Royal London.

The Scheme may also invest a small amount of assets in indirect property, money-market instruments (4) and deposits.

The Scheme may also invest in securities that derive their value from another closely related underlying investment (known as derivatives). The manager will use derivatives, including forward transactions (5), both for investment purposes and efficient portfolio management (6).

For the sole purpose of the Scheme's asset allocation, the manager may (in extreme market conditions) enter into transactions in index derivatives where some of the underlying securities may not fully meet the ethical and sustainable policy.

In total, the Scheme currently has more than 350 individual holdings. The share portfolio will typically contain 35-60 holdings, chosen mainly from the FTSE 350 Index. (7)

Typically between 0% and 5% of assets will be invested in cash, although there is no restriction on cash levels exceeding 5%.

The IA Mixed Investments 20-60% Shares sector (8) is considered an appropriate benchmark for performance comparison. Funds in the IA Mixed Investments 20-60% Shares sector can invest between 20% and 60% invested in company shares. At least 30% of the fund must be in bonds and/or cash. This closely follows the Scheme's own investment policy. If the Manager believes it is in the best interests of the Scheme, it will be removed from the sector.

Notes

1 Capital growth is defined as the rise in an investment's value over time and income as the payment an investment generates, such as dividends or bond coupons.

management (3), alongside financial analysis. The Manager avoids investing in tobacco and armament manufacturers, nuclear-power generators, and companies that conduct animal testing (other than for purposes of human or animal health). This exclusion policy helps to avoid companies the Scheme's manager believes expose investors to unacceptable financial risk resulting from poor management of ESG issues.

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For the sole purpose of the Scheme's asset allocation, the manager may (in extreme market conditions) enter into transactions in index derivatives where some of the underlying securities may not fully meet the ethical and sustainable policy.

In total, the Scheme currently has more than 350 individual holdings. The share portfolio will typically contain 35-60 holdings, chosen mainly from the FTSE 350 Index. (7)

Typically between 0% and 5% of assets will be invested in cash, although there is no restriction on cash levels exceeding 5%.

The IA Mixed Investments 20-60% Shares sector (8) is considered an appropriate benchmark for performance comparison. Funds in the IA Mixed Investments 20-60% Shares sector can invest between 20% and 60% invested in company shares. At least 30% of the fund must be in bonds and/or cash. This closely follows the Scheme's own investment policy. If the Manager believes it is in the best interests of the Scheme, it will be removed

8 Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in this sector and you can use this to assess the Scheme's performance. The data source will be Financial Express.

Part 2 - Royal London Sustainable World Trust

As set out in paragraph 1 of this letter, the investment objective of the Trust is not changing, but we have set this out below for your information.

Current investment objective	
The Scheme's investment objective is to achieve capital growth (1) over the medium term, which should be considered as a period of 3-5 years, by investing mainly in the shares of companies globally listed on stock exchanges that are deemed to make a positive contribution to society. Investments in the Scheme will adhere to the Manager's ethical and sustainable investment policy.	
Current investment policy	Proposed new investment policy
<p>The Scheme is actively managed, meaning that the portfolio manager will use their expertise to select investments to meet the objective.</p> <p>At least 50% of the Scheme must be invested in companies globally (the Scheme's manager, however, will typically invest at least 60%). These will be businesses that are listed on stock exchanges in their respective countries.</p> <p>In addition, the Scheme is required to invest at least 15% of its assets in sterling-denominated corporate bonds (2), but not more than 40%.</p> <p>Exposure to any single company, taking account of both share and bond holdings, is limited to no more than 6% of assets. At least 50% of assets must be in investments denominated in Sterling or Euros.</p> <p>The Scheme 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 (3), alongside financial analysis. The Manager avoids investing in tobacco and armament manufacturers, nuclear-power generators, and companies that conduct animal testing (other than for purposes of human or animal health). This exclusion policy helps to avoid companies the Scheme's manager believes expose investors to unacceptable financial risk resulting from poor management of ESG issues.</p> <p>The Manager's ethical and sustainable investment policy may change from time to time to reflect new developments and research in the field of sustainable investment. Investors in the Scheme will be notified of any material changes to this policy. Investors can view the current policy at myisa.royallondon.com/.</p> <p>Up to 10% of the Scheme's asset may be invested in other funds, known as collective investment schemes, including those managed by Royal London.</p> <p>A limited amount of the Scheme's assets may</p>	<p>The Scheme is actively managed, meaning that the portfolio manager will use their expertise to select investments to meet the objective.</p> <p>At least 50%, up to a maximum of 85%, of the Scheme's assets will be invested in the shares of companies globally. These will be businesses that are listed on stock exchanges in their respective countries.</p> <p>Of the remaining assets not invested in shares, at least 80% will be invested in sterling-denominated (or hedged back to sterling) investment grade corporate bonds (2), up to a maximum of 40% of the Scheme's assets. Sub-investment grade bonds are limited to a maximum of 2% of the Scheme's assets.</p> <p>Exposure to any single company, taking account of both share and bond holdings, is limited to no more than 6% of assets.</p> <p>The Scheme 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 (3), alongside financial analysis. The Manager avoids investing in tobacco and armament manufacturers, nuclear-power generators, and companies that conduct animal testing (other than for purposes of human or animal health). This exclusion policy helps to avoid companies the Scheme's manager believes expose investors to unacceptable financial risk resulting from poor management of ESG issues.</p> <p>The Manager's ethical and sustainable investment policy may change from time to time to reflect new developments and research in the field of sustainable investment. Investors in the Scheme will be notified of any material changes to this policy. Investors can view the current policy at myisa.royallondon.com/.</p> <p>Up to 10% of the Scheme's asset may be</p>

predefined criteria that determines how a company operates in terms of sustainability and overall corporate governance.

4 Money market instruments are short-term, more liquid investments issued by public bodies or corporations

5 Forward contract/transaction are agreements to buy or sell an investment at a fixed time in the future at a price agreed in the present.

6 Efficient Portfolio Management is a list of approved investment techniques used to protect against excessive risk, including use of derivatives

7 The FTSE All-Share Index is a list of the approximately 600 largest companies on the London Stock Exchange, and the Standard & Poor's 500 Index is a list of the 500 largest publicly traded US companies, both ranked by market value.

8 Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. Some independent data providers prepare and publish performance data on the funds in this sector and you can use this to assess the Scheme's performance. The data source will be Financial Express.

variable interest payment until the investment matures. Investment and sub-investment grade bonds are bonds credit-rating agencies have rated as high quality and low quality respectively. Lower-quality bonds tend to pay a higher income, but come with a greater risk of default.

3 Environmental, social and governance is list of predefined criteria that determines how a company operates in terms of sustainability and overall corporate governance.

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