

The Directors of the Company accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information. The Directors accept responsibility accordingly.

ROYAL LONDON EUROPEAN SUSTAINABLE CREDIT FUND

(A sub-fund of Royal London Asset Management Funds plc which is an investment company (with segregated liability between sub-funds) with variable capital constituted as an umbrella fund under the laws of Ireland and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

DATE: 1 July 2024

This Supplement forms part of, and should be read in the context of and together with, the prospectus dated 1 July 2024 (the “Prospectus”) in relation to Royal London Asset Management Funds plc (the “Company”) and contains information relating to the Royal London European Sustainable Credit Fund (the “Fund”) which is a separate portfolio of the Company. The other portfolios established by the Company are the Royal London Sterling Extra Yield Bond Fund, the Royal London Global High Yield Bond Fund, the Royal London Short Duration Global High Yield Bond Fund, the Royal London Absolute Return Government Bond Fund, the Royal London Global Bond Opportunities Fund, the Royal London Sterling Liquidity Money Market Fund, the Royal London Global Sustainable Credit Fund, the Royal London Global Sustainable Equity Fund (IRL), the Royal London Global Equity Diversified Fund (IRL) the Royal London Multi Asset Balanced Fund (IRL), the Royal London Multi Asset Growth Fund (IRL), the Royal London Multi Asset Defensive Fund (IRL), the Royal London Multi Asset Adventurous Fund (IRL), the Royal London Global Equity Select Fund (IRL), the Royal London Global Equity Enhanced Fund, the Royal London Global Equity Transitions Fund, the Royal London Emerging Markets Corporate Bond Fund, the Royal London Short Duration Emerging Markets Corporate Bond Fund and the Royal London US Equity Fund, information in respect of which is to be found in the Relevant Supplements.

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DEFINITIONS

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein.

| | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Base Currency” | For the purposes of this Supplement, the base currency shall be Euro; |
| “Business Day” | a day on which banks are open in London or such other day or days as may be determined by the Company and agreed with the Administrator, provided there shall be at least two Business Days in each calendar month; |
| “Dealing Day” | shall mean each Business Day except for any day on which an underlying market or markets on which at least 15% of the Fund's assets are exposed or traded are closed, for example for public holidays, or such other day or days as may be determined by the Company and notified in advance to the Shareholders provided that, there shall be at least two dealing days in each calendar month. In circumstances where the threshold for closed underlying markets has been met or exceeded, dealing in the Fund's Shares will take place on the next Business Day on which such underlying market or markets are open. A list of the closed market days in respect of the Fund is available on the Investment Manager's website at www.rlam.com ; |
| “Dealing Deadline” | 5.00 p.m. Irish time on each Dealing Day or such other day or time as may be determined by the Company and notified to the Shareholders; |
| “Valuation Point” | means the close of business in the relevant market on each Dealing Day, being the time at which the last traded price is made available on the relevant stock exchanges or markets used for the purpose of the valuation of assets and liabilities of the Fund (or such other time as the Directors may in their discretion determine and notify to Shareholders). For the avoidance of doubt, the Valuation Point for a particular Dealing Day shall not be before the Dealing Deadline relevant to such Dealing Day. |

INVESTMENT OBJECTIVES AND POLICIES

The Fund invests primarily in transferable securities listed or traded on Recognised Markets in accordance with the restrictions listed in the "Investment Restrictions" section of the Prospectus and below. In addition, the Fund may employ for the purpose of efficient portfolio management, certain of the investment techniques and instruments described in the "Fund Investment Techniques" and "Investment Risks" sections of the Prospectus, as detailed further below.

This Supplement has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Shares in the Fund. Investors should only consider investing in the Fund if they understand the risks involved, including the risk of losing all capital invested.

Investment Objective and Policies

The Fund's investment objective is to outperform the ICE BofA Euro Corporate & Pfandbrief Total Return EUR Index (the "**Benchmark**") by 0.50% per annum over rolling three year periods (gross of fees) by investing in bonds that are deemed to make a positive contribution to society. Investments in the Fund will adhere to the Investment Manager's Ethical and Sustainable Investment Policy, as detailed further below and in the "RESPONSIBLE INVESTMENT" section of the Prospectus.

The Benchmark is a flagship measure of European investment grade, fixed-rate corporate debt. 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 invest at least 80% of its Net Asset Value in Euro denominated fixed and/or floating rate investment grade corporate debt securities, including bonds and floating rate notes which are listed or dealt on Recognised Markets.

The Investment Manager may invest the remainder, up to a maximum of 20% of its Net Asset Value in fixed and/or floating rate sub-investment grade and non-rated, corporate debt securities, investment grade government and government agency bonds, cash and index linked bonds. The Investment Manager seeks out valuation anomalies (cheaper bonds that are higher in quality than the market believes) in the bond markets. As a value investor, the Investment Manager will emphasise their own research and aim to invest in attractively valued bonds issued by companies with sound long-term business models.

The fixed and floating rate debt securities in which the Fund will invest will include all types of debt obligations including bonds (corporate and sovereign), structured bonds and other products such as hybrid or preferred securities as detailed below in this paragraph. The Fund will also invest in notes of varying maturities, treasury bills, index-linked notes (which is a note for which the amounts of the coupon payments are linked to the movements of an index), floating rate notes issued by corporate and financial issuers, asset backed securities and mortgage backed securities and up to 5% of its Net Asset Value in private placements (which are securities sold through private offerings) which are consistent with its objective. An asset backed security is a type of corporate bond that is backed by a diverse range of assets which may include residential mortgages, commercial property and affordable housing, leases, credit card debt, a company's receivables and royalties. A hybrid or preferred security is a security which has the characteristics of a bond in terms of a fixed maturity date but where the coupon payments can be deferred at the issuer's discretion.

No more than 10% of the Net Asset Value of the Fund will be invested in emerging markets.

The Fund may also invest up to 10% in other investment funds, known as collective investment schemes ("**CIS**"), including funds managed by the Investment Manager or another Royal London group company, which will be regulated, and may be leveraged or unleveraged, as well as eligible exchange traded funds. Such CIS will be domiciled in Europe. The Fund may invest in such CIS for the purposes of achieving its investment objective and policy.

Pending investment of subscription proceeds or where market or other factors so warrant, the Fund may, subject to the investment restrictions set out in the Prospectus, hold cash and/or ancillary liquid assets such as money market instruments (including, without limitation, certificates of deposit, floating rate certificates of deposit, zero coupon certificates of deposit, commercial paper, term deposits and cash deposits.

Sustainable Investment Selection and Asset Allocation

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 and governance (“**ESG**”) management, alongside financial analysis. The Investment Manager has a Responsible Investment team of dedicated professionals whose role is to analyse and understand the ESG profile of securities across the Royal London range of investment portfolios, which includes the Fund’s portfolio. A bespoke positive screen is conducted which proactively assesses global credit issuers against the Investment Manager’s sustainability criteria and process, including certain environmental (climate change strategy, waste management, water management, pollution etc), social (human rights, social inclusion, staff benefits and training, supply chain management etc) and governance (board independence, remuneration, diversity, audit and accounting, historic fraudulent activity etc) considerations to determine whether the company, through its products and services, provides a net benefit to society and/or whether it is a sector leader in terms of its ESG management.

In addition to the positive screen, a negative screen is also conducted. The Fund will avoid investing in tobacco and armament manufacturers, nuclear-power generators and companies that conduct animal testing (other than for purposes of human or animal health and/or where it is required by law or regulation). This means that the Fund can invest in companies that undertake animal testing where it is undertaken for one of these reasons. This exclusion policy helps to avoid investment in companies which the Investment Manager believes expose investors to unacceptable financial risk resulting from poor management of ESG issues.

The Fund’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 Fund will be notified of any material changes to this policy. Investors can view the current policy at www.rlam.com.

The Investment Manager has an established sustainable investment universe, where issuers have been screened in line with the Fund’s Ethical and Sustainable Investment Policy, as detailed above. Potential new issuers who are not part of the existing sustainable investment universe are subject to the screening process in the first instance. Following the screening process, the remaining opportunity set of proposed issuers is analysed on a more fundamental and technical basis as part of the second stage of the investment process by the Investment Manager’s Global Credit team in line with existing processes. An assessment of the relative ESG performance of issuers is an important part of the Investment Manager’s technical analysis of bonds at the second stage of its investment process. The Fund will be managed using the Investment Manager’s disciplined credit investment process focusing on security selection combined with top-down macroeconomic analysis. The Investment Manager’s value-orientated approach seeks to exploit the inefficiencies within credit markets. At the macro level, the Investment Manager’s analysis starts with a quarterly economic review which covers all major economic regions and focuses upon key variables such as growth rates and inflation. This strategy is also used to formulate the Investment Manager’s outlook scenarios, including long-term yield and interest rate forecasts which helps to shape its investment strategy. The Investment Manager also undertakes internal research on companies, which is supplemented by research from rating agencies and brokers. The Investment Manager’s internal rating methodology looks at the probability of default (where credit ratings agencies place their focus). As part of the Investment Manager’s rigorous internal search process, a number of company visits will be undertaken to help it assess the quality of companies within the Fund’s portfolio. Overall, the Investment Manager aims to construct a diversified portfolio that will deliver consistent alpha from multiple sources.

Investors should note that there can be no guarantee that the Fund will achieve its investment objective.

Investors should note that the Fund may use currency forward contracts as detailed below and in the “Efficient Portfolio Management” section and “Share Currency Designation Risk” in the

“Investment Risks” section of the Prospectus to hedge currency exposure arising from the Fund’s investments in assets denominated in currencies other than the Base Currency and to hedge currency exposure arising in respect of non-Base Currency Share classes. The global exposure of the Fund will be calculated through the use of the commitment approach. With respect to the use of currency forward contracts for the purpose of hedging, a risk management process which enables the Company to accurately measure, monitor and manage the various risks associated with financial derivative instruments has been submitted to the Central Bank in accordance with the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

The Fund’s global exposure is the incremental exposure and leverage generated by it through the use of financial derivative instruments such as its purchase of futures or forwards. The global exposure of the Fund is calculated using the commitment approach, whereby positions in financial derivative instruments are calculated, based in the case of both futures or forwards (using the conversion methodologies set out in the risk management process for the Company), on the market value of the underlying reference instrument. As the Fund is using the commitment approach to calculate its global exposure, it must ensure that such global exposure does not exceed its total Net Asset Value. The Fund will be deemed to be leveraged where it has a global exposure of greater than zero and as provided above, the calculation of such global exposure also includes incremental exposure generated through the use of financial derivative instruments including the purchase of futures or forwards. In that context, the Fund will not be leveraged in excess of 100% of Net Asset Value.

Efficient Portfolio Management

The Fund may use financial derivative instruments for efficient portfolio management and hedging purposes only. Investors should refer to the investment techniques and instruments described under “Fund Investment Techniques” and “Investment Risks” in the Prospectus.

In particular, the Fund may use spot and currency forward contracts to hedge the non-Base Currency positions in the Fund back to the Base Currency in order to reduce currency risk. Index futures and bond futures contracts may also be used for the purpose of efficient portfolio management.

The Fund intends to attempt to hedge out the currency risk of the non-Base Currency Shares by hedging them back to the Base Currency by using any of the efficient portfolio management techniques and instruments set out in the Prospectus within the conditions and limits imposed by the Central Bank. In terms of use of derivative instruments for these purposes, the Fund shall only use currency forward contracts. Save as specified in this paragraph, a class of Shares may not be leveraged as a result of the use of such techniques and instruments. Such hedging shall be limited to the extent of the relevant class of Share’s currency exposure. Investors in such classes of hedged shares will bear any currency risk associated with fluctuations between non-Base Currency Classes and the Base Currency to the extent that share class hedging fails to eliminate such risk. Please refer to “Share Currency Designation Risk” in the Prospectus. All Share classes of the Fund which are designated other than in the Base Currency will be hedged against the Base Currency, unless this policy is changed by notice to Shareholders.

While the costs of hedging for the benefit of hedged Share classes of the Fund are solely allocated to the relevant Share class, a currency conversion will take place on subscriptions, redemptions and exchanges at prevailing exchange rates and the costs of the conversion will generally be borne by the Fund as a whole. However, the Directors reserve the right, in their absolute discretion, in appropriate circumstances to require the relevant applicant or Shareholder to bear the cost of the conversion.

Currency Forward Contracts

Currency forward contracts are agreements to exchange one currency for another - for example, to exchange a certain amount of Euro for a certain amount of Sterling - at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract

at the time that the contract is entered into. Currency forward contracts may be bought or sold in either deliverable or non-deliverable form.

The underlying assets for currency forward contracts shall be currencies in which the Fund can invest directly in accordance with its investment objective and policy, as described above in the “Investment Objective and Policies” section.

Futures

The Fund may use index futures and bond futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Index futures are based on the value of the basket of securities that comprise an index. These contracts obligate the buyer or seller to pay cash to settle the futures transaction, based on the fluctuation of the index's value in response to the change in the relative values of the underlying securities that are included in the index over the term of the contract. No delivery of the underlying securities is made to settle the futures contract. The buyer or seller of an index future is obligated to pay cash to settle the transaction, based on the fluctuation of the index's value in response to the changes in the relative values of the underlying securities that are included in the index over the term of the contract. Either party may also settle the transaction by entering into an offsetting contract. An index cannot be purchased or sold directly.

The underlying assets for futures shall be instruments in which the Fund can invest directly in accordance with its investment objective and policy, as described above in the “Investment Objective and Policies” section.

It is intended that the Fund shall only employ techniques and instruments for efficient portfolio management purposes to the extent that such techniques and instruments are consistent with the Fund's investment policies. The use of financial derivative instruments by the Fund may affect the return on an Investor's investment. Any financial derivative instruments not included in the risk management process statement of the Company will not be utilised until such time as a revised submission has been prepared and submitted to the Central Bank in accordance with Central Bank requirements.

The Fund will not have any exposure to total return swaps, Repo Contracts or stock-lending transactions.

Responsible Investment

The Fund aims to invest in holdings that provide a net benefit to society and contribute to positive social and environmental sustainability outcomes. The opportunities available to the Fund are in line with the Investment Manager's Ethical and Sustainable Investment Policy and the RI Policy as detailed in the “RESPONSIBLE INVESTMENT” section of the Prospectus. The likely impact on returns and the risks associated with responsible investment techniques utilised by the Investment Manager are also explained in the “RESPONSIBLE INVESTMENT” and “INVESTMENT RISKS” sections of the Prospectus.

The Investment Manager has developed a unique Ethical and Sustainable Investment Policy incorporating stringent ESG criteria to determine the eligibility of holdings for investment by the Fund. The Investment Manager's analysis may vary from holding to holding; certain absolute exclusions are always applied but analysis may be determined through the Investment Manager's governance process and qualitative judgement. The Ethical and Sustainable Investment Policy applied to the Fund seeks to serve and advance the sustainable investment objective of the Fund described above. The criteria and indicators are reviewed on a regular basis to ensure they reflect evolving responses to critical issues, emerging issues and changes in regulation, among others.

Please refer to Appendix 1 to this Supplement for further information about the sustainable investment of the Fund.

PROFILE OF A TYPICAL INVESTOR

The Fund is suitable for both retail and institutional investors who are seeking a total return over the medium to long term. This typically means a minimum time horizon of 3 to 5 years but this could vary depending upon individual risk profiles.

INVESTMENT RESTRICTIONS

The assets of the Fund will be invested in accordance with the concentration limits and other restrictions imposed under the UCITS Regulations and summarised in the “Investment Restrictions” section of the Prospectus.

In addition to the restrictions set out under “Investment Restrictions” in the Prospectus, the Company may from time to time impose such further investment restrictions as shall be compatible with or in the interest of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders of the Fund are located.

INVESTMENT RISKS

Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “Investment Risks” section of the Prospectus and in particular the specific risk factors listed below. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There is no guarantee that the Fund will achieve its investment objective.

Basis Risk

Change in Economic Climate

Counterparty risk

Credit Risk

Diversification Risk

Fund Currency Risk

Investment Grade Securities

Investor Currency Risk

Market Risk

Portfolio Risk

Risks associated with Forward Currency Contracts

Settlement Mechanisms/Custodial Risk

Share Currency Designation Risk

Sub-Investment Grade Securities

Un-rated Securities and Instruments

APPLICATION FOR SHARES

Unlaunched Shares in the Fund will initially be available for subscription from 9.00 a.m. (Irish time) on 2 July 2024 up to 5.00 p.m. (Irish time) on 31 December 2024 (or such earlier or later Business Day as the Directors determine and notify to the Central Bank). The initial offer price per Share for each unlaunched Share Class will be in its respective Class Currency: AUD1, CAD1, CHF1, DKK1, EUR1, GBP1, NOK1, SEK1, SGD1 or USD1.

Shares in any launched Class will be available on each Dealing Day at the Net Asset Value per Share.

Shares will be issued at the next determined Net Asset Value per Share after receipt and acceptance by the Administrator of an application form ("**Application Form**").

Investors must complete an Application Form. Application Forms must be received by the Administrator by the Dealing Deadline, or such other time as the Management Company in consultation with the Company may from time to time determine in exceptional circumstances and prior to the Valuation Point on any Dealing Day, in order to be issued as of the next Net Asset Value per Share. Telephone instructions may be accepted with the prior agreement of the Administrator pending receipt of the Application Form and election to avail of this facility by the investor. A faxed Application Form will be accepted, with the original Application Form to follow. Application Forms may also be accepted via electronic means or any such other means as agreed with the Administrator (and in accordance with the requirements of the Central Bank). In the case of a new investor, the Administrator must receive the original Application Form and AML documentation promptly or in advance of any dealing taking place to avoid delays with processing payments. The Company will deny a subsequent request to redeem shares if the relevant investor fails to submit an original executed Application Form. The Company may, in its absolute discretion, refuse to accept any application for Shares. Application monies must be received by the Administrator on the relevant Dealing Day or such other time as the Management Company in consultation with the Company may determine and in any event within two Business Days. Pending the receipt of application monies, the Fund may, subject to the borrowing restrictions set out under the heading "Borrowing Policy" in the Prospectus, temporarily borrow an amount equal to the application monies and invest such monies in accordance with the investment objective and policies of the Fund. Once the monies are received, the Fund will use such monies to repay the relevant borrowings and reserves the right to charge that investor interest on such outstanding application monies at normal commercial rates. In addition, the Company reserves the right to cancel provisional allotment of the relevant Shares where application monies are not received by the Administrator within two Business Days. Requests for investments received after the Valuation Point on any Dealing Day will be treated as being received on the next Dealing Day. The Company reserves the right to compulsorily redeem the Shares where the original Application Form used on initial subscription or documentation relating to the applicants has not been received within five Business Days. In such circumstances, the Company, the Management Company and Administrator may require to be reimbursed for expenses incurred.

Applications for Shares received during any period when the Share dealings have been temporarily suspended in the circumstances described in the "Temporary Suspension of Dealings" section of the Prospectus will be treated as received on the Dealing Day on which dealings recommence, unless such request has been withdrawn during the period of suspension.

Share Class Information

| Share Class | Type | Hedging Policy | Currencies | Minimum Investment | Minimum Additional Subscription | Minimum Holding |
|-------------|----------------------------------------------|-----------------------------------------------------|------------|--------------------|---------------------------------|-----------------|
| A | Income and Accumulation Shares are available | Hedged and unhedged Shares are available except for | AUD | 2,000 | 200 | 2,000 |
| | | | CAD | 2,000 | 200 | 2,000 |
| | | | CHF | 1,000 | 100 | 1,000 |
| | | | DKK | 10,000 | 1,000 | 10,000 |

| Share Class | Type | Hedging Policy | Currencies | Minimum Investment | Minimum Additional Subscription | Minimum Holding |
|-------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------|------------------------------------------|------------------------------------------|------------------------------------------|
| | | the Base Currency, where only unhedged Shares are available | EUR | 1,000 | 100 | 1,000 |
| | | | GBP | 1,000 | 100 | 1,000 |
| | | | NOK | 10,000 | 1,000 | 10,000 |
| | | | SEK | 10,000 | 1,000 | 10,000 |
| | | | SGD | 2,000 | 200 | 2,000 |
| | | | USD | 1,000 | 100 | 1,000 |
| M | Income and Accumulation Shares are available | Hedged and unhedged Shares are available except for the Base Currency, where only unhedged Shares are available | AUD | 200,000 | 2,000 | 200,000 |
| | | | CAD | 200,000 | 2,000 | 200,000 |
| | | | CHF | 100,000 | 1,000 | 100,000 |
| | | | DKK | 1,000,000 | 10,000 | 1,000,000 |
| | | | EUR | 100,000 | 1,000 | 100,000 |
| | | | GBP | 100,000 | 1,000 | 100,000 |
| | | | NOK | 1,000,000 | 10,000 | 1,000,000 |
| | | | SEK | 1,000,000 | 10,000 | 1,000,000 |
| | | | SGD | 200,000 | 2,000 | 200,000 |
| | | | USD | 100,000 | 1,000 | 100,000 |
| R | Income and Accumulation Shares are available | Hedged and unhedged Shares are available except for the Base Currency, where only unhedged Shares are available | AUD | N/A - at Investment Manager's discretion | N/A - at Investment Manager's discretion | N/A - at Investment Manager's discretion |
| | | | CAD | | | |
| | | | CHF | | | |
| | | | DKK | | | |
| | | | EUR | | | |
| | | | GBP | | | |
| | | | NOK | | | |
| | | | SEK | | | |
| | | | SGD | | | |
| | | | USD | | | |
| S | Income and Accumulation Shares are available | Hedged and unhedged Shares are available except for the Base Currency, | AUD | N/A - at Investment Manager's discretion | N/A - at Investment Manager's discretion | N/A - at Investment Manager's discretion |
| | | | CAD | | | |
| | | | CHF | | | |
| | | | DKK | | | |
| | | | EUR | | | |
| | | | GBP | | | |

| Share Class | Type | Hedging Policy | Currencies | Minimum Investment | Minimum Additional Subscription | Minimum Holding |
|-------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------|--------------------|---------------------------------|-----------------|
| | | where only unhedged Shares are available | NOK | | | |
| | | | SEK | | | |
| | | | SGD | | | |
| | | | USD | | | |
| V | Income and Accumulation Shares are available | Hedged and unhedged Shares are available except for the Base Currency, where only unhedged Shares are available | AUD | 200,000,000 | 20,000,000 | 200,000,000 |
| | | | CAD | 200,000,000 | 20,000,000 | 200,000,000 |
| | | | CHF | 100,000,000 | 10,000,000 | 100,000,000 |
| | | | DKK | 1,000,000,000 | 100,000,000 | 1,000,000,000 |
| | | | EUR | 100,000,000 | 10,000,000 | 100,000,000 |
| | | | GBP | 100,000,000 | 10,000,000 | 100,000,000 |
| | | | NOK | 1,000,000,000 | 100,000,000 | 1,000,000,000 |
| | | | SEK | 1,000,000,000 | 100,000,000 | 1,000,000,000 |
| | | | SGD | 200,000,000 | 20,000,000 | 200,000,000 |
| | | | USD | 100,000,000 | 10,000,000 | 100,000,000 |
| W | Income and Accumulation Shares are available | Hedged and unhedged Shares are available except for the Base Currency, where only unhedged Shares are available | AUD | 2,000 | 200 | 2,000 |
| | | | CAD | 2,000 | 200 | 2,000 |
| | | | CHF | 1,000 | 100 | 1,000 |
| | | | DKK | 10,000 | 1,000 | 10,000 |
| | | | EUR | 1,000 | 100 | 1,000 |
| | | | GBP | 1,000 | 100 | 1,000 |
| | | | NOK | 10,000 | 1,000 | 10,000 |
| | | | SEK | 10,000 | 1,000 | 10,000 |
| | | | SGD | 2,000 | 200 | 2,000 |
| | | | USD | 1,000 | 100 | 1,000 |
| Z | Income and Accumulation Shares are available | Hedged and unhedged Shares are available except for the Base Currency, where only unhedged Shares are available | AUD | 6,000,000 | 100,000 | 6,000,000 |
| | | | CAD | 6,000,000 | 100,000 | 6,000,000 |
| | | | CHF | 3,000,000 | 50,000 | 3,000,000 |
| | | | DKK | 30,000,000 | 500,000 | 30,000,000 |
| | | | EUR | 3,000,000 | 50,000 | 3,000,000 |
| | | | GBP | 3,000,000 | 50,000 | 3,000,000 |
| | | | NOK | 30,000,000 | 500,000 | 30,000,000 |
| | | | SEK | 30,000,000 | 500,000 | 30,000,000 |
| | | | SGD | 6,000,000 | 100,000 | 6,000,000 |
| | | | USD | 3,000,000 | 50,000 | 3,000,000 |

| Share Class | Type | Hedging Policy | Currencies | Minimum Investment | Minimum Additional Subscription | Minimum Holding |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------|------------|--------------------|---------------------------------|-----------------|
| <p>Whilst shares are available in the categories as listed in the above table, confirmation of whether a Class has launched, the date of launch and its current status are available from the Administrator. Other currencies may be made available as determined by the Directors, in which case this Supplement will be updated.</p> <p>The Directors may for each relevant Class waive such minimum amounts in their absolute discretion. The Company may compulsorily redeem holdings in any Class of Shares if such holding is below the minimum holding as set out in the above table for a period of three months or more.</p> <p>Application proceeds must be paid in the currency in which the relevant Class is denominated or by transfer of assets in accordance with the provisions specified in the Prospectus. Application for Shares by new investors should be made on the Application Form and sent in original form or by facsimile to the number indicated on the Application Form (with the original copy sent by post immediately thereafter) to the Administrator.</p> <p>Telephone calls may be recorded by the Company's delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes.</p> <p>Class A Shares are available to all investors. Retail investors wishing to purchase Class A Shares should do so via their financial intermediary.</p> <p>Class M Shares are available for investment by platforms and institutions such as pension funds, corporates and official institutions and may also be utilised by distributors that are restricted either due to regulatory constraints or due to the nature of the individual fee arrangements with their clients or meet such other requirements as may be determined by the Directors. In such circumstances no trailer fee will be paid to any sales partners.</p> <p>Class R Shares are available only to affiliates of the Investment Manager.</p> <p>Class S Shares are available only to institutional investors who have entered into a separate fee arrangement with the Investment Manager or the Distributor.</p> <p>Class V Shares are available for investment by institutions such as pension funds, corporates and official institutions and may also be utilised by distributors that are restricted either due to regulatory constraints or due to the nature of the individual fee arrangements with their clients or meet such other requirements as may be determined by the Directors. In such circumstances no trailer fee will be paid to any sales partners. Investment into these Classes is subject to approval by the Directors and execution of a separate agreement between the investor and the Investment Manager.</p> <p>Class W Shares are available to all investors. Retail investors wishing to purchase Class W Shares should do so via their financial intermediary.</p> <p>Class Z Shares are available for investment by institutions such as pension funds, corporates and official institutions and may also be utilised by distributors that are restricted either due to regulatory constraints or due to the nature of the individual fee arrangements with their clients or meet such other requirements as may be determined by the Directors. In such circumstances no trailer fee will be paid to any sales partners. Investment into these Classes is subject to approval by the Directors and execution of a separate agreement between the investor and the Investment Manager.</p> | | | | | | |

REDEMPTIONS

The Fund redeems Shares at their Net Asset Value per Share on each Dealing Day following due receipt of a redemption request. Redemption requests must be received in proper form and are only effective upon acceptance by the Administrator. Redemption requests will not be acted upon until the Administrator has received the original Application Form used on initial subscription.

Shares may be redeemed on any Dealing Day by way of facsimile, other written communication, via electronic means or any such other means as agreed with the Administrator (and in accordance with the requirements of the Central Bank) to the Administrator provided that the relevant redemption request is received by the Administrator no later than the Dealing Deadline or such other time as the Management

Company in consultation with the Company may from time to time determine, in exceptional circumstances on the relevant Dealing Day provided it is before the Valuation Point. Redemption requests received after the Dealing Deadline or such other time as the Management Company in consultation with the Company may from time to time determine on the relevant Dealing Day, will be treated as being received on the following Dealing Day. Redemption proceeds will be paid to the account outlined in the Application Form used on original subscription. Any changes to the account details where redemption proceeds are to be paid must be notified to the Administrator by original instruction.

There are no minimum redemptions in respect of the Classes of Shares. Redemption requests must specify the Shareholder's full name, address and Shareholder number and the number or value of Shares to be redeemed. Any changes to the account details where redemption proceeds are to be paid must be notified to the Administrator by original instruction.

Redemption proceeds, which are paid by way of electronic transfer, will be sent within two Business Days of the Dealing Day on which the redemption is effected.

DIVIDEND POLICY

The Directors may declare a dividend, for the benefit of the Shareholders invested in the Fund, arising out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains over realised and unrealised capital losses in respect of investments of the Fund.

Currently the Directors anticipate making dividend distributions in respect of the Fund out of the net income (including dividend and interest income) from its investments and may from time to time distribute the excess of realised and unrealised capital gains over realised and unrealised capital losses in respect of investments of the Fund. Accordingly, any net income arising in respect of the Fund will be distributed to investors in the Fund in accordance with their respective shareholdings.

For each accumulating Class, the Directors have determined to reinvest all net income and net realised capital gains of the relevant accumulating Class. Accordingly, no dividends will be paid in respect of accumulating Classes and all net income and net realised capital gains of the accumulating Classes will be reflected in the Net Asset Value per Share of the accumulating Classes.

The Directors may, however, at their discretion, change the dividend policy and, upon advance notification to Shareholders, amend this Supplement to reflect such change.

Dividend distributions in respect of the Fund will be automatically re-invested in further Shares in the Fund unless the Shareholder shall have elected that dividends be paid by wire transfer to their account outlined in the original Application Form. Dividend distributions will be paid within four months of the date of declaration of such dividends by the Directors.

Proposed Distribution Dates for "Inc" Share Classes:

| Period for which income will be distributed | Accounting end date | Ex-Dividend Date | Pay Date |
|---------------------------------------------|---------------------|------------------|-------------|
| 1 July – 31 December | 31 December | 1 January | 28 February |
| 1 January – 30 June | 30 June | 1 July | 31 August |

BORROWING POLICY

Under the Articles, the Directors are empowered to exercise all of the borrowing powers of the Company, subject to any limitations under the UCITS Regulations, and the Depositary is empowered to charge the assets of the Company as security for any such borrowings.

The Company intends that the Fund may incur temporary borrowings in an amount not exceeding 10% of its net assets. However, the amount of outstanding borrowings and repurchase agreements will not exceed 10% of the net assets of the Fund.

FEES AND EXPENSES

The Company will pay the Fund Management Fee per Class at the rate set out in the table below. The Fund Management Fee will accrue daily and be payable monthly in arrears. Details of the maximum preliminary charge and the maximum Distribution Fee that may be applied to specific Classes are also set out in the table below.

| Share Class | Maximum Preliminary Charge | Fund Management Fee | Maximum Distribution Fee |
|-------------|----------------------------|---------------------|--------------------------|
| A | 5.00% | See footnote * | 0.00% |
| A Hedged | 5.00% | See footnote * | 0.00% |
| M | 0.00% | 0.40% | 0.00% |
| M Hedged | 0.00% | 0.40% | 0.00% |
| R | 0.00% | 0.12% | 0.00% |
| R Hedged | 0.00% | 0.12% | 0.00% |
| S | 0.00% | 0.12% | 0.00% |
| S Hedged | 0.00% | See footnote * | 0.00% |
| V | 0.00% | See footnote * | 0.00% |
| V Hedged | 0.00% | See footnote * | 0.00% |
| W | 2.00% | See footnote * | 1.00% |
| W Hedged | 2.00% | See footnote * | 1.00% |
| Z | 0.00% | 0.32% | 0.00% |
| Z Hedged | 0.00% | 0.32% | 0.00% |

*The Fund Management Fee is up to 2.5%,but may be lower in practice. Please contact the Investment Manager for further information. Confirmation of whether a Class has launched, the date of launch and its current status are available from the Administrator.

The Distribution Fee shown above in the table is the maximum that can be charged. This fee (where applicable) is paid to the Distributor for providing distribution-related services to the Fund and Shareholders.

Where the Annual Expenses exceed the Fund Management Fee for the relevant Class, the excess will be discharged by the Investment Manager from its own assets.

The Annual Expenses are the following fees and expenses set out in the section headed “FEES AND EXPENSES” in the Prospectus: (i) Management Fees of the Management Company (ii) Investment Management Fees; (iii) Administration Fees; (iv) Depositary Fees; (v) Director’s Fees; and (vi) Operating Expenses. Investors should refer to the section headed “FEES AND EXPENSES” in the Prospectus.

All other fees and expenses of the Fund (such as such extraordinary or exceptional costs and expenses not included above) will be borne by the Fund and will be charged at normal commercial rates.

Class R Shares and Class S Shares may be subject to a periodic charge payable outside the Fund as agreed between the Investment Manager and the relevant investor.

The Management Company and the Investment Manager shall also be entitled to all reasonable out of pocket costs and expenses incurred in the proper performance of their respective duties.

Redemption Charge

The Company does not intend to apply a redemption charge in respect of any Class of Shares.

Swing Pricing

The actual cost of purchasing investments may be higher or lower than the value used in calculating the Net Asset Value. These costs may include dealing charges, commission and transaction charges and the dealing spread and may have a materially disadvantageous effect on a Shareholder’s interest in the Fund. To prevent this effect, known as “dilution”, the Management Company in consultation with the Company may determine, at their discretion, to adjust (“**swing**”) the Net Asset Value per Share of the Fund, in the circumstances set out in the “Fees and Expenses” section of the Prospectus.

Establishment Costs of the Fund

The establishment costs of the Fund were borne by the Investment Manager.

APPENDIX 1

ANNEX III

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Product name: Royal London European Sustainable Credit Fund (the "Fund")

Legal entity identifier: 213800RC9DV1GWKD4H44

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It will make a minimum of **sustainable investments with an environmental objective**: 0%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective**: 0%

☐ ☐ ☐ **No**

☐ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to invest in issuers that provide a positive contribution to society. This can either be achieved through the issuer demonstrating a net benefit via

its products and services or through environmental, social and governance ("ESG") leadership. The Fund focuses on the sustainability of the products and services of the issuers it invests in, as well as their ESG management, alongside financial analysis. Therefore, the Fund is not constrained to a minimum percentage of holdings in either an Environmental or Social objective and has the flexibility to construct a diversified portfolio of sustainable investments from an established screened universe that can meet both the Sustainable and financial objectives. No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Fund adheres to the Investment Manager's Ethical and Sustainable Investment Policy and only invests in securities classified as fit for 'inclusion'. To be classified as fit for 'inclusion' individual securities must demonstrate that they provide a net benefit to society, either through being an ESG leader and/or through their products and services.

Given the subjective and ever evolving nature of sustainability, the Investment Manager believes that indicators alone are insufficient to measure attainment of such an objective. As a result, the investment process is qualitative based. This qualitative approach allows for issuer level nuances to be appropriately assessed, which requires desk deep-dive research to be undertaken. Issuer level nuances may for example be due to the sector, specifics of a product or the governance structure of that particular issuer, among others.

The research process utilises a wide array of sustainability metrics as inspired by the Ethical and Sustainable Investment Policy in the beginning of the screening process. These may include but are not limited to: (1) governance related indicators (2) reputational issues flagged by well accepted watchlists (UN Global Compact, UN Human Rights) and by other third-party metrics and environmental indicators. These indicators are subject to change as the Investment Manager deems appropriate, with a view to ensuring the metrics reflect evolving responses to critical/emerging issues and changes in regulation. Indicators used and applied to the Fund are set out in full in the Ethical and Sustainable Investment Policy available on the policy section of the website <https://www.rlam.com>.

The Investment Manager recognises that sustainability risks and opportunities are different for each issuer and therefore does not apply a set template but instead assesses each issuer's specific risks and opportunities through the Sustainable Accounting Standards Board ("SASB") materiality matrix. The SASB is largely concerned with the operational focus of an issuer and the impacts of its outputs.

These indicators inform the Investment Manager's additional desk-based research and help assess an issuer's net benefit to society.

Consideration of the Organisation of Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is included via the 'Do No Significant Harm' ("DNSH") criteria. Furthermore, the Fund's exclusions align the application of the DNSH principle with international environmental and human rights good practice standards. Exclusions include but are not limited to:

- i. issuers involved in the production of controversial weapons;
- ii. issuers involved in the production or sale of torture equipment, landmines or nuclear weapons;
- iii. issuers which produce tobacco products or engage in the sale of tobacco products; and
- iv. issuers who cause harm to stakeholders through unacceptable corporate governance practices.

Principal Adverse Impact ("PAI") indicators on sustainability factors are also considered as part of the investment process.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's Ethical and Sustainable Investment Policy requires all issuers held in the Fund to demonstrate that they provide a positive contribution to society either through their products and services and/or through their operations. An important building block in assessing an issuer's net benefit to society is the DNSH principle. The process enables the Investment Manager to gain comfort that

issuers held contribute to and do not significantly harm any environmental or social sustainable investment objectives.

Pursuant to the Investment Manager's definition of DNSH, an issuer would be deemed as doing significant harm based on the following criteria:

- The issuer is found to breach any of the negative screens associated with the Fund, either through the products and services which it provides or the nature of its operations.
- The issuer operates in an industry which cannot systematically mitigate the adverse impacts of its products, services or operations on the environment or society. E.g. cement, fishing, mining, palm oil, timber.
- The issuer is found not to be compliant with the 10 principles of the UN Global Compact (which covers impacts including human rights, labour, environmental and anti-corruption).
- The issuer is materially reliant on customers deemed to carry out significant harm.
- The issuer operates in a manner which explicitly supports oppressive regime.

The Investment Manager will assess the avoidance of harm using the following data sources:

- The UN Global Compact's lists of signatories and violations.
- Data on an issuer's revenue and operational exposure to harmful activities.
- A qualitative assessment of the issuer's net benefits to society through its products and services or the ESG leadership of its operations. Various points of relevance for each of the ESG factors, including but not limited to:
 - i. Governance – Board independence, remuneration policies and structures, diversity, audit and accounting practices, historic fraudulent activity;
 - ii. Environmental – Climate change strategy, waste management, water management and pollution; and
 - iii. Social – Human rights, social inclusion, staff benefits, and training, supply chain management.

Ensuring that the investment philosophy and processes are aligned with current regulation and best practices is a consistent and ongoing endeavour for the Investment Manager. In this view, the Investment Manager relies on the in-house, purpose-built technological solution to consider and report principle adverse impact indicators at Fund level. The data is updated on a monthly basis, allowing investment decisions to be made on timely and accurate information.

As a result, PAI indicators on sustainability factors are considered as part of the investment process of the Fund, alongside other material sustainability indicators. This forms a final assessment of DNSH and whether the issuer passes the net benefit test and ultimately influences the composition of the Fund.

The Investment Manager's internal advisory committee has ultimate responsibility for approving the decision to include or exclude a security for investment, however, the Investment Manager may, where appropriate, seek counsel from an independent external advisory committee on the decision to include or exclude a security for investment. The external advisory committee may provide comments where relevant on this outcome, which may be considered by the Investment Manager who at all times retains investment discretion and authority with respect to the Fund. The external advisory committee adds an impartial layer of governance to the Ethical and Sustainable Investment Policy.

The Investment Manager's Ethical and Sustainable Investment Policy, individual investment desk procedures and employment of the DNSH principle all work together to integrate an effective set of safeguards, which align the Investment Manager's process with the recommendation of existing regulation.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

--- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Investment Manager has built an in-house technological solution for the consideration and reporting of PAIs. Detailed analysis of this data is carried out as an input into investment decisions.

--- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

human rights, anti-corruption and anti-bribery matters.

OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are considered in the research process as part of the DNSH criteria. More information is provided above.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes
- ☐ No

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 issuer 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 issuers
4. Exposure to issuers 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 issuers without carbon reduction initiatives

Social

18. Number of identified cases of severe human rights issues and incidents
19. Incidents of discrimination



What investment strategy does this financial product follow?

The Fund invests at least 80% of its Net Asset Value in a portfolio of Euro denominated investment grade and fixed and/or floating rate corporate debt which adhere to the Investment Manager's Ethical and Sustainable Investment Policy. Focus is on the sustainability of the products and

services of the issuers it invests in, as well as their standards of ESG management, alongside financial analysis.

The Benchmark is a multi-currency flagship measure of global investment grade, fixed-rate corporate debt including bonds from developed and emerging markets issuers within a wide variety of sectors. The Fund uses the Benchmark for performance comparison purposes only, does not intend to track the Benchmark and may invest in investments which are not constituents of the Benchmark.

Further details of the Fund's investment strategy are set out below.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

A bespoke positive screen is conducted which proactively assesses global credit issuers against the Investment Manager's sustainability criteria and process, including certain environmental (climate change strategy, waste management, water management, pollution etc), social (human rights, social inclusion, staff benefits and training, supply chain management etc) and governance (board independence, remuneration, diversity, audit and accounting, historic fraudulent activity etc) considerations to determine whether the issuer, through its products and services, provides a net benefit to society and/or whether it is a sector leader in terms of its ESG management.

In addition to the positive screen, a negative screen is also conducted. The Fund will avoid investing in tobacco and armament manufacturers, nuclear-power generators and issuers that conduct animal testing (other than for purposes of human or animal health and/or where it is required by law or regulation). This means that the Fund can invest in issuers that undertake animal testing where it is undertaken for one of these reasons.

This exclusion policy helps to avoid investment in issuers which the Investment Manager believes expose investors to unacceptable financial risk resulting from poor management of ESG issues.

An assessment of the relative ESG performance of issuers is an important part of the Investment Manager's technical analysis of bonds at the second stage of its investment process. The Fund will be managed using the Investment Manager's disciplined credit investment process focusing on security selection combined with top-down macroeconomic analysis. The Investment Manager's value-orientated approach seeks to exploit the inefficiencies within credit markets. At the macro level, the Investment Manager's analysis starts with a quarterly economic review which covers all major economic regions and focuses upon key variables such as growth rates and inflation. This strategy is also used to formulate the Investment Manager's outlook scenarios, including long-term yield and interest rate forecasts which helps to shape its investment strategy. The Investment Manager also undertakes internal research on issuers, which is supplemented by research from rating agencies and brokers. The Investment Manager's internal rating methodology looks at the probability of default (where credit ratings agencies place their focus). As part of the Investment Manager's rigorous internal search process, a number of issuer visits will be undertaken to help it assess the quality of issuers within the Fund's portfolio. Overall, the Investment Manager aims to construct a diversified portfolio that will deliver consistent alpha from multiple sources.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Fund operates in line with the Investment Manager's good governance policy. Good governance practices are a fundamental prerequisite for demonstrating they are fit for inclusion within the investment universe and constitute one of the negative screening indicators in the first instance of the screening and research process.

While factors will be dependent on issuer-specific characteristics issuer fundamentals are subject to analysis based on governance indicators, including but not limited to:

- (i) Board composition, structure and diversity
- (ii) Remuneration policies and implementation
- (iii) Stakeholder relations, including shareholders and bondholders
- (iv) Audit and accounting practices
- (v) Business ethics, including corruption and fraud

As part of the Fund's investment process, within the qualitative research process, issuer governance will be considered and assessed to determine whether it is good enough to warrant inclusion in the Fund. The assessment of good governance is tailored to the specific sector and geographic region the issuer is based in, though the assessment does align with the Investment Manager's good governance policy in terms of what it is aiming to assess.

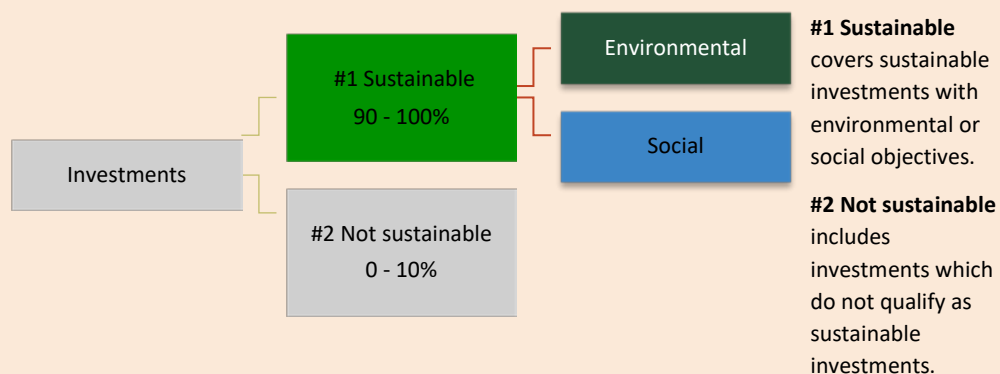
What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

To warrant inclusion in the Fund, an issuer must demonstrate that it provides a positive contribution to society. This can be achieved via its products and services or through being an ESG leader. The overall net benefit objectives must lead to a cleaner, healthier, safer and more inclusive society. As a result, the Investment Manager seeks to build a portfolio which contributes towards both environmental and social objectives.

As noted above, the Fund's minimum commitment to sustainable investments can be achieved through any mix of such environmental and / or social sustainable investments and there is no prioritisation of one category over the other, as such there is no minimum commitment to each sub-category of sustainable investments. The investments included under "#2 Not Sustainable" are cash, cash equivalents and hedging instruments.

Due to the nature of the investment process, and the fact that there are no requirements for issuers held in the Fund to contribute towards a specific environmental objective, the Fund is not deemed to be Taxonomy aligned.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

How does the use of derivatives attain the sustainable investment objective?

Derivatives are not used to achieve the sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sustainable objective of the Fund is to provide a positive contribution to society and therefore, as an output of the Investment Manager's investment process, a number of the Fund's holdings contribute positively to the environment. However, the Fund does not aim to achieve a specific environmental objective and does not therefore seek to align with the EU Taxonomy. As a result, there is no minimum extent.

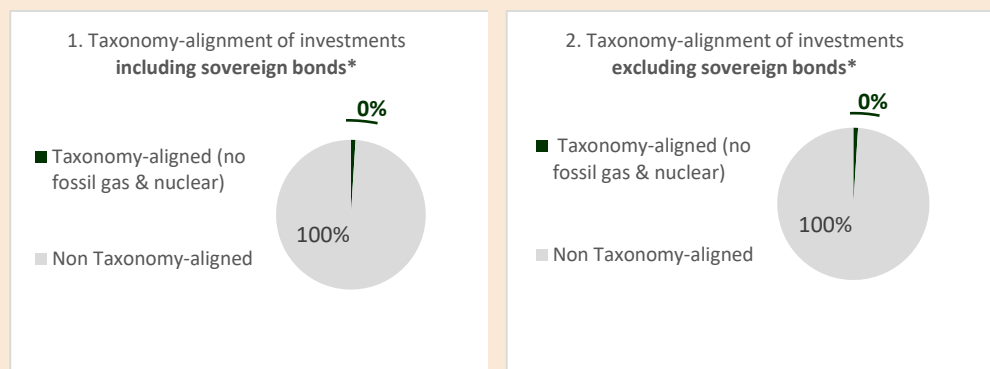
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

- ☐ Yes
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

¹

Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

Not applicable. The Fund doesn't have a minimum investment in transitioning and enabling activities.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sustainable objective of the Fund is to provide a positive contribution to society and therefore, as an output of the Investment Manager's investment process, a number of the Fund's holdings contribute positively to the environment. However, the Fund does not aim to achieve a specific environmental objective. As a result, there is no minimum share.



What is the minimum share of sustainable investments with a social objective?

The sustainable objective of the Fund is to provide a positive contribution to society and therefore, as an output of the Investment Manager's investment process, a number of the Fund's holdings contribute positively to the society. However, the Fund does not aim to achieve a specific social objective. As a result, there is no minimum share.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Not Sustainable" are cash, cash equivalents and hedging instruments. Cash and cash equivalents do not affect the sustainable objective of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

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

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

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

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

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

How does the designated index differ from a relevant broad market index?

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

Where can the methodology used for the calculation of the designated index be found?

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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

**Where can I find more product specific information online?**

More product-specific information can be found on the Fund information and Factsheets section of the website: <https://www.rlam.com>