SHINING A LIGHT ON THE……
Royal London Global Sustainable Equity Fund

AT A GLANCE

Investment Objective
The Fund'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 predominantly investing globally in the shares of companies listed on stock exchanges 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.

Inception Date	25th February 2020
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000014SEH

Management	
Manager Name	**Start Date**
Mike Fox	25th February 2020

FUND PERFORMANCE

Performance from 25th February 2020 to 31st March 2021:

	2020	2021
Royal London Global Sustainable Equity Fund	28.50%	-1.48%
FTSE World ex UK	11.61%	4.09%

Performance over 12 months, and since launch:

	1 year	Since launch
Royal London Global Sustainable Equity Fund	39.18%	26.60%
FTSE World ex UK	39.93%	16.17%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	86.81	-	-	-	-	-	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	-
3-Yr Mean Return (average)	-

Investment Style Details	
Giant	51.33%
Large	34.42%
Medium	13.12%
Small	0.00%
Micro	0.00%

Top 5 Holdings – 43 Equity Holdings		
Microsoft Corp	Technology	4.65%
Alphabet Inc A	Communication Services	3.28%
ASML Holding NV	Technology	3.07%
Adobe Inc	Technology	3.04%
Amazon.com Inc	Consumer Cyclical	2.96%

Top 5 Sectors	
Technology	29.83%
Healthcare	29.08%
Consumer Cyclical	11.58%
Industrials	7.44%
Financial Services	7.31%

Top 5 Regions	
United States	50.82%
United Kingdom	10.19%
Japan	8.79%
Taiwan	6.08%
Italy	5.11%

UPDATE….

This is a relatively new strategy, although they have heritage going back to 1990. The strategy which we know relatively well is the Sustainable World Trust and it was unclear in the meeting why they have launched this strategy. Fundamentally, it appears that the key differences are that this is a pure equity strategy, and from what we can see this has little crossover in holdings, but it does not necessarily answer why they have launched this.

Another question is what the fund is really trying to achieve? The top ten includes names like Microsoft, Alphabet, ASML, Amazon, Roche, AstraZeneca, Royal Philips, and Salesforce. These are names which can be found across other global funds and therefore it does not necessarily standout other than it has a sustainable badge.

With that in mind, the managers are looking to invest in between 30 and 50 companies and are looking to invest in companies which make the world a better place, without compromising returns. Areas they focus on are a cleaner, healthier, safer, and more inclusive society, and good corporate behaviour. They run a proprietary system where every company is scored out of 50, and in terms of themes the high-level areas are industry 4.0, circular economy, AI and cloud computing, electric and autonomous vehicles, next generation medicine, social / finance infrastructure, and energy transition.

They see multi decade opportunities in areas like carbon to renewables, electrification, and global warming.

They believe the points of difference are the fact that the heritage in the company goes back to 1990 and therefore they have a massive knowledge and experience bank to lean on. They also have their own intellectual property as well as a flat team structure, where everyone has an equal voice.

Our concern is what does this really offer? Is this simply a fund badged to respond to a growing trend? The reality is that it probably is, but unless an investor is a purest then this does what it says it does. Are there better options in the market that actually do something different and the answer is yes, but for most people this will be okay. We probably would not add it to our watch list without really understanding more about the holdings and why this has been launched against what they have had for many years.