

## **RLUM Limited**

### **Statement of directors' statutory duties in accordance with s172(1) Companies Act 2006**

Under section 172(1) of the Companies Act 2006, the directors of a company have a duty to act in a way which promotes the success of a company for the benefit of the members as a whole. The board of directors of RLUM Limited (RLUM) are committed to maintaining the company's culture and achieving its purpose which ultimately leads to increasing value for RLUM's ultimate parent company, RLMIS. During the year the company has given due regard to the promotion of the success of the company through suitable corporate governance procedures, which are also closely aligned to those of the group, as disclosed below.

#### ***o Long-term decision making and relationship with customers***

The board considers annually, and as part of its medium-term planning, the strategic direction of the company. RLUM manages a range of unit trusts (funds) for both retail and wholesale clients. Although RLUM is deemed to be closed to new retail clients, a key focus has been the promotion of the five sustainable funds to existing and new wholesale clients, which in recent years have contributed to the significant increase in funds under management which in turn has allowed the company to generate profits and pay dividends to its ultimate parent undertaking, RLMIS.

On an annual basis the board undertakes an assessment of value for each class of units in the funds it manages, as required by COLL 6.6.20R. As a minimum, this assessment of value will include a consideration of the quality of service provided to clients, the performance of the funds, the costs attributable to the funds and whether it is appropriate for clients to hold units in classes subject to higher charges than those applying to other classes of the same fund with substantially similar rights.

#### ***o Interests of the company's employees***

As a subsidiary of a larger group, the company does not have any employees. All staff engaged in the company's business are employed by the company's ultimate parent undertaking, RLMIS. Employees are vital to the success of RLUM and RLMIS and further information regarding the Group's approach to its workforce and current year initiatives are disclosed in the Group's annual report and accounts.

#### ***o Environmental and community impact***

RLUM has retained an investment adviser, Royal London Asset Management Limited (RLAM), to undertake the service of portfolio management for all the funds, through an Investment Management Agreement. RLAM is committed to being a responsible investor, and the RLUM funds are managed in line with this approach. In addition to this, RLUM offers a range of five sustainable funds. Sustainable investing is a modern and inclusive method of embedding values in investing. The conceptual difference compared to responsible investing is that the screening is positive – rather than 'screening out', we 'screen in'. It is about doing good, rather than avoiding bad. The investment process for the sustainable funds integrates Environmental, Social and Governance (ESG) factors, seeking to make pragmatic investments that will have a positive impact on society.

#### ***o Reputation for high standards of business conduct***

RLUM is authorised and regulated by the Financial Conduct Authority. The company is required to report to the regulator at various intervals on its capital adequacy position, financial performance, product sales data and complaints levels. The Board meets on a quarterly basis to review financial and operational performance and approve decisions in line with the strategy of the company whilst always taking into consideration how this will affect its customers.

During the year the board of directors, as well as wider Group employees, have been assigned roles and responsibilities as part of the 'Senior Manager and Certification Regime' which is intended to reduce harm to consumers and strengthen market integrity by making individuals more accountable for their conduct and competence. The roles and responsibilities encompass a wide range of corporate governance activities ranging from operational, financial, investment, audit, compliance and risk.