Royal London Emerging Markets ESG Leaders Equity Tracker

Quarterly Report 31 March 2022

Top 10 holdings

	Fund (%)
Taiwan Semiconductor Manufacturing	13.1
Tencent	7.1
Alibaba Group	5.6
MSCI Emerging Market Future	3.5
Reliance Industries	2.5
Infosys Ltd	2.2
Meituan	2.1
China Construction Bank	1.8
Housing Development Finance Corp Ltd	1.4
Mediatek Inc	1.2
Total	**40.5**

Fund data

	Fund
No. of stocks	422
Fund size	£4,136.0m
Launch date	12.06.2017

Source: RLAM, based on the Z Acc share class.

Performance

	Fund (%)	Benchmark[1] (%)	Relative (%)
Q1 2022	**-3.78**	**-4.53**	**0.76**
Year-to-date	-3.78	-4.53	0.76
Rolling 12 months	-8.71	-8.57	-0.13
3 years p.a.	6.51	5.56	0.95
Since inception p.a. 05.03.2018	3.86	3.43	0.43

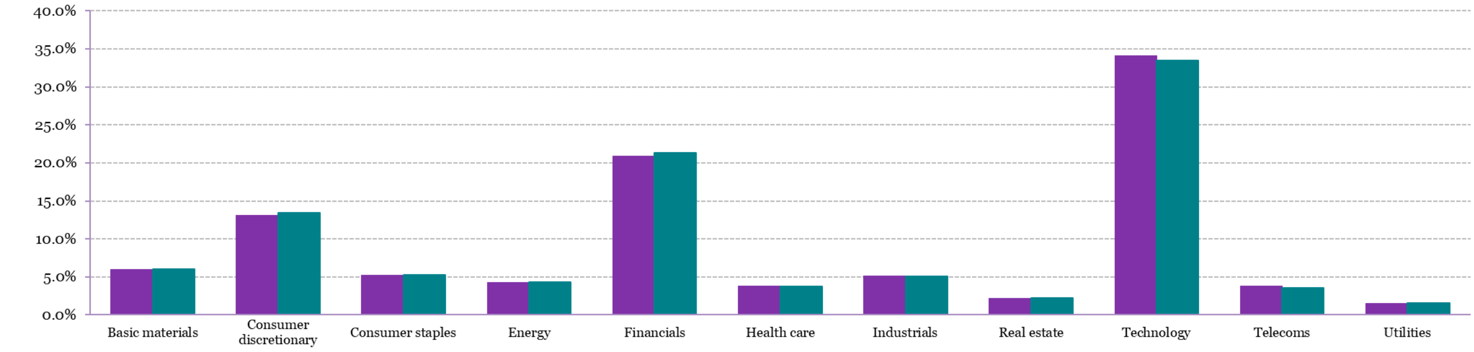
Past performance is not necessarily a reliable indicator of future performance. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested.

Source: RLAM, based on the Z Acc share class.

All performance figures stated gross of fees and tax unless otherwise stated, subject to rounding.

[1]Benchmark:MSCI EM (Emerging Markets) ESG Leaders Net Total Return Index GBP.

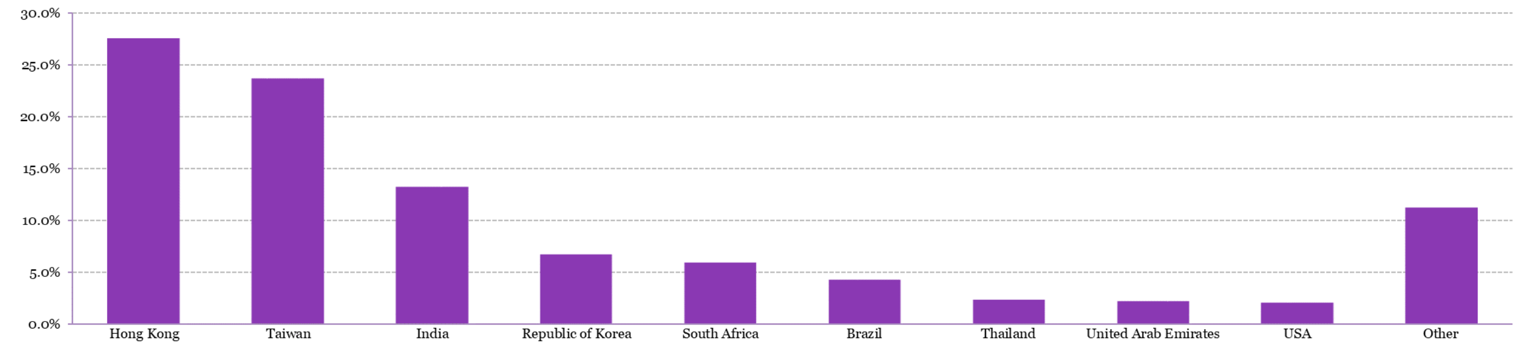
Sector breakdown



	Basic materials	Consumer discretionary	Consumer staples	Energy	Financials	Health care	Industrials	Real estate	Technology	Telecoms	Utilities
EMEQT	6.0%	13.1%	5.2%	4.3%	20.9%	3.8%	5.1%	2.2%	34.1%	3.8%	1.5%
Benchmark	6.1%	13.5%	5.2%	4.4%	21.3%	3.7%	5.1%	2.2%	33.5%	3.6%	1.5%

Source: RLAM as at 31 March 2022

Geographical breakdown



	Hong Kong	Taiwan	India	Republic of Korea	South Africa	Brazil	Thailand	United Arab Emirates	USA	Other
EMEQT	27.6%	23.7%	13.3%	6.8%	6.0%	4.4%	2.4%	2.3%	2.1%	11.3%

Source: RLAM as at 31 March 2022

Equity market overview

- Geopolitical events and a changing outlook for growth and inflation have been the backdrop to a volatile quarter for investment markets. The year began with markets starting to focus on inflation, with hawkish comments from the Federal Reserve (Fed) and Bank of England (BoE) leading to expectations that rates would rise faster than previously anticipated. Both the Fed and BoE increased interest rates during the quarter citing inflation concerns, while the European Central Bank signalled the end of its net asset purchases programme. The Russian invasion of Ukraine dominated the second half of the quarter, with markets reacting to the immediate impact and the knock-on effects of sanctions, reduced trade and higher energy prices.
- As central banks around the globe began to raise rates, bond yields rose sharply from their lows, now anticipating further policy tightening to come over the year. This saw bonds record their worst quarterly return since 1980. Equities also experienced a negative quarter, for the first time since 2020, as uncertainty around the war in Ukraine compounded with higher bond yields and saw technology stocks lead a market sell off. The best performing asset class over the quarter was commodities, with the broad commodity index recording a staggering 29.2% gain in sterling terms – the largest quarterly return since 1974 – on geopolitical uncertainty and supply chain issues. As a result, within equity markets, most sectors produced negative returns, with consumer discretionary, communications and information technology sectors worst hit, while energy and materials sectors saw strong gains.
- Currencies moves were sharp in the first quarter impacted by geopolitical tensions and the rise in commodity prices. The US dollar demonstrated its traditional role as a safe haven with the US dollar rising against other major world currencies. Though it was eclipsed by the currencies of countries with significant commodity exports. The Brazilian real appreciated 15% against the US dollar and the South African rand 8.2%.

IMPORTANT INFORMATION