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# **Royal London Asset Management**

**Multi Asset Fund Commentary**

**31 August 2025**

# Fund Commentary

**31 August 2025**

The purpose of this report is to provide an update on the Royal London Multi Asset Funds. The report has been produced by Royal London Asset Management. All content within this report is at the report date unless otherwise stated.

# Contents

[Royal London GMAP Adventurous Fund](#)

[Royal London GMAP Balanced Fund](#)

[Royal London GMAP Defensive Fund](#)

[Royal London GMAP Diversified Bond Fund](#)

[Royal London GMAP Dynamic Equity Fund](#)

[Royal London GMAP Growth Fund](#)

[Royal London GMAP Moderate Growth Fund](#)

[Royal London Multi Asset Strategies Fund](#)

[Disclaimers](#)

# Multi Asset

## Royal London GMAP Adventurous Fund

Global equities recorded a fourth consecutive month of gains in August as they benefitted from subdued summer volatility and positive economic data surprises. A mid-month pullback amid downward revisions to US jobs data was short-lived, and the MSCI All-Country World Index extended its gains over the month to finish up 27% from April lows. We increased the equity overweight over the month as the Investment Clock moved further towards the equity-friendly Recovery quadrant. Price momentum remains strong, volatility has fallen back to year-to-date lows, and investor sentiment is neutral – all indicating that the recent strong performance in equities could have further to run.

Japanese and US equities were the top performers over the month, with the latter benefitting from a strong company earning season. After a brief outperformance mid-month amid rising hopes of a Ukraine ceasefire, European equities resumed underperforming as the odds of a resolution faded. Within equity regions, we continued to prefer the US, a region with a strong relative earnings outlook. We held an underweight to Europe where earnings growth has been poor.

Sector performance continued to broaden out over the month. Growth sectors recorded mixed performance, with tech coming under pressure following Nvidia's earnings. Healthcare rebounded from recent lows as value investors, while other defensives, consumer staples and utilities, continued to lag as markets continued to push higher. We remained overweight growth sectors, with the biggest position in communication services that continued to trade well despite relative weakness in the tech sector. We continued to fund these positions mainly from underweights in the two defensives, consumer staples and utilities.

## Royal London GMAP Balanced Fund

Global equities recorded a fourth consecutive month of gains in August as they benefitted from subdued summer volatility and positive economic data surprises. A mid-month pullback amid downward revisions to US jobs data was short-lived, and the MSCI All-Country World Index extended its gains over the month to finish up 27% from April lows. We increased the equity overweight over the month as the Investment Clock moved further towards the equity-friendly Recovery quadrant. Price momentum remains strong, volatility has fallen back to year-to-date lows, and investor sentiment is neutral – all indicating that the recent strong performance in equities could have further to run.

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## Royal London GMAP Defensive Fund

Global equities recorded a fourth consecutive month of gains in August as they benefitted from subdued summer volatility and positive economic data surprises. A mid-month pullback amid downward revisions to US jobs data was short-lived, and the MSCI All-Country World Index extended its gains over the month to finish up 27% from April lows. We increased the equity overweight over the month as the Investment Clock moved further towards the equity-friendly Recovery quadrant. Price momentum remains strong, volatility has fallen back to year-to-date lows, and investor sentiment is neutral – all indicating that the recent strong performance in equities could have further to run.

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## Royal London GMAP Diversified Bond Fund

Government bond curves bear steepened meaning that while both short term and longer-term yields increased, longer-dated yields rose more reflecting fiscal concerns and renewed questions around Fed independence.

Meanwhile, softer employment data - as well as Powell's comments giving a green light for a September rate cut - led to a decline in shorter-dated US yields.

We maintained our overweight position to global high yield as the technical backdrop remained supportive, with low volatility and strong performance versus other fixed income assets.

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## Royal London GMAP Dynamic Equity Fund

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## Royal London Multi Asset Strategies Fund

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# Disclaimers

## Important information

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This is a financial promotion and is not investment advice.

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The Funds are sub-funds of Royal London Multi Asset Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC001058. The Company is a non-UCITS retail scheme. The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037. For more information on the fund or the risks of investing, please refer to the Prospectus or Non-UCITS retail scheme Key Investor Information Document (NURS KII Document), available via the relevant Fund Information page on [www.rlam.com](http://www.rlam.com).

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# Risk and Warnings

## Investment risk

The value of investments and any income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

## Concentration risk

The price of Funds that invest in a reduced number of holdings, sectors, or geographical areas may be more heavily affected by events that influence the stockmarket and therefore more volatile.

## Credit risk

Should the issuer of a fixed income security become unable to make income or capital payments, or their rating is downgraded, the value of that investment will fall. Fixed income securities that have a lower credit rating can pay a higher level of income and have an increased risk of default.

## Derivative risk

Derivatives are highly sensitive to changes in the value of the underlying asset which can increase both fund losses and gains. The impact to the fund can be greater where they are used in an extensive or complex manner, where the fund could lose significantly more than the amount invested in derivatives.

## Efficient portfolio management (EPM) techniques

The Fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Fund to increased price volatility.

## Exchange Rate Risk

Changes in currency exchange rates may affect the value of your investment.

## Interest rate risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

## Liquidity risk

In difficult market conditions the value of certain fund investments may be difficult to value and harder to sell, or sell at a fair price, resulting in unpredictable falls in the value of your holding.

## Counterparty risk

The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

## Emerging markets risk

Investing in Emerging Markets may provide the potential for greater rewards but carries greater risk due to the possibility of high volatility, low liquidity, currency fluctuations, the adverse effect of social, political and economic instability, weak supervisory structures and accounting standards.

## Fund investing in funds risk

The Fund is valued using the latest available price for each underlying investment, however it may not fully reflect changing stockmarket conditions and the Fund may apply a 'fair value price' to all or part of its portfolio to mitigate this risk. In extreme liquidity conditions, redemptions in the underlying investments, and/or the Fund itself, may be deferred or suspended.

## Liquidity and dealing risk

The Fund invests indirectly in assets that may at times be difficult to value, harder to sell, or sell at a fair price. This means that there may be occasions when you experience a delay in being able to deal in the Fund, or receive less than may otherwise be expected when selling your investment.