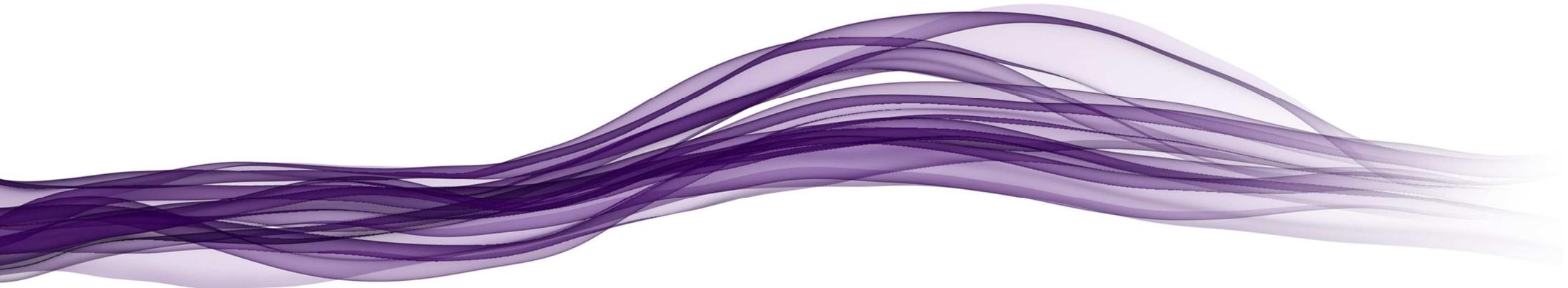


For professional clients only, not suitable for retail clients. This is a marketing communication.



Royal London Global Equity Transitions Fund

Quarterly Investment Report

31 December 2025



Quarterly Report

The fund as at 31 December 2025

The purpose of this report is to provide an update on the Royal London Global Equity Transitions Fund. The report has been produced by Royal London Asset Management. The report starts with a summary dashboard showing key information about the fund. A glossary is located at the end of the report covering the description of some of the more technical terms used within the report. All data is as at the report date unless otherwise stated.

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The fund

Fund performance objective and benchmark

The Fund's investment objective is to outperform the MSCI All Countries World Net Total Return Index USD (the "Benchmark") before fees per annum over rolling three year periods. This is considered an appropriate benchmark for the Fund's performance. In addition to the benchmark for the Fund's performance as noted above, The Equity - International sector is considered an appropriate benchmark for performance comparison.

Fund value

	Total \$m
31 December 2025	179.54

Fund analytics

	Fund
Fund launch date	25 October 2022
Fund base currency	USD
Benchmark	MSCI All Country World Index (MSCI ACWI) (Net Total Return, USD)
Number of holdings	44

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	2.48	3.29	(0.81)
1 Year	20.01	22.34	(2.32)
3 Years (p.a.)	20.90	20.63	0.26
Since inception (p.a.)	21.30	20.80	0.51

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on Z Acc USD. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 25 October 2022.

Performance commentary

The fund underperformed the benchmark over the quarter. This was mainly due to stock selection within the industrials and consumer staples sectors. On the upside, the fund's relatively large weighting in healthcare stocks had a positive impact on returns, as the sector rebounded from previous weakness.

The holding in Steel Dynamics was one of the fund's best performers over the quarter, following positive earnings in October. The ramp-up of their Sinton steel mill in Texas has led to an increase in volumes and the pricing environment has now stabilised, with some suggestions from management that pricing could increase in 2026. Alongside this, their investment into aluminium should start to turn profitable in the coming year.

Eli Lilly was a key contributor to performance. The primary driver was the company's dominant position in the fast-growing GLP-1 drug market and a rotation into the defensive sectors of the market. Third-quarter results, released at the end of October, were exceptional, due to explosive demand for its metabolic franchise (Mounjaro for diabetes and Zepbound for obesity), which together generated more than \$10 billion in quarterly sales and captured leading U.S. market share.

Financial stocks performed relatively well over the quarter, benefiting from the steep yield curve, which helped to improve the profitability of retail banks. Banco Santander also continued to benefit from its portfolio simplification strategy, which involves streamlining operations and focusing on core businesses. In addition, the bank announced strong quarterly profits, a share buyback programme and a hike in its dividend.

On the downside, MercadoLibre was a detractor from performance owing to concerns about competition from Amazon in Brazil. However, the company's fundamentals remain strong despite these competitive pressures.

The holding in Lamb Weston, which makes frozen potato products in the US, detracted from performance. The shares fell sharply following disappointing quarterly results. The company reported weaker-than-expected volumes and flagged ongoing cost pressures, particularly in raw materials and logistics.

Performance and activity

Top 10 holdings

	Weighting (%)
ALPHABET INC CLASS A	5.90
MICROSOFT CORP	5.39
AMAZON COM INC	4.95
NVIDIA CORP	4.92
STEEL DYNAMICS INC	4.11
TAIWAN SEMICONDUCTOR MANUFACTURING	3.79
SAFRAN SA	3.02
VISA INC CLASS A	2.95
KB FINANCIAL GROUP INC	2.73
SAMSUNG ELECTRONICS GDS REPRESENT	2.71
Total	40.47

Fund activity

In terms of activity, we exited our position in Wolters Kluwer in November due to concerns around AI disruption. The emergence of potential alternatives to their existing products diminished our conviction in the future growth algorithm. We recycled the proceeds into Eli Lilly and the Italian utility player Hera, where we see greater resilience in cash flows and greater opportunities to grow these into the future.

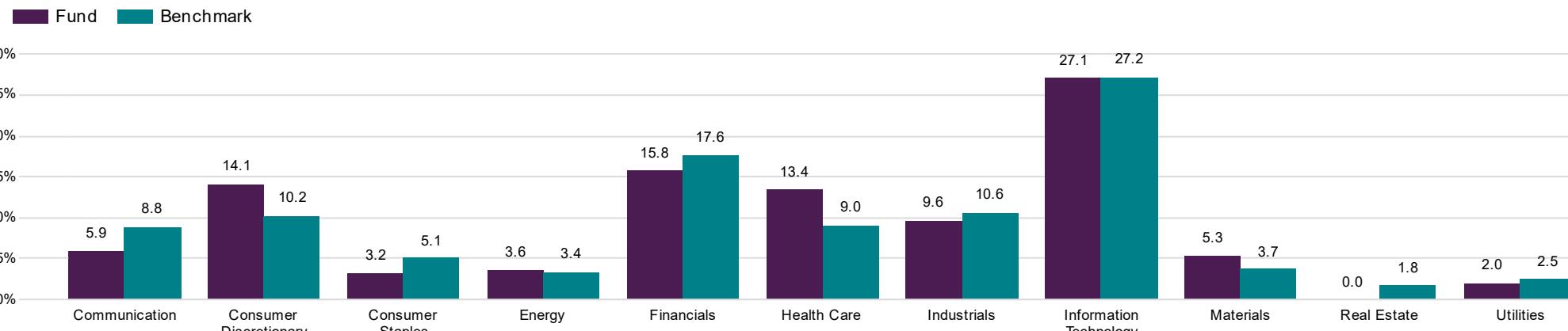
We recently started a position in Sylvamo, which we classify as a Turnaround opportunity. It is a US producer of uncoated freesheet paper. Our investment thesis is that Sylvamo is pursuing an appropriate wealth creating strategy as a Turnaround. Even though the industry is in clear structural decline, the business is taking market share through benefits of scale, enabling it to reinvest into its better assets lower on the cost curve compared to peers who are closing capacity. This should lead to a favourable supply/demand environment going forward and a greater longevity of free cash flow generation than the market currently prices.

The Transitions thesis is that Sylvamo is both a Climate Stability and Natural Preservation Improver through pursuing meaningful targets to halve its emissions by 2030, reduce overall water intensity and increase overall energy generation from biomass inputs.

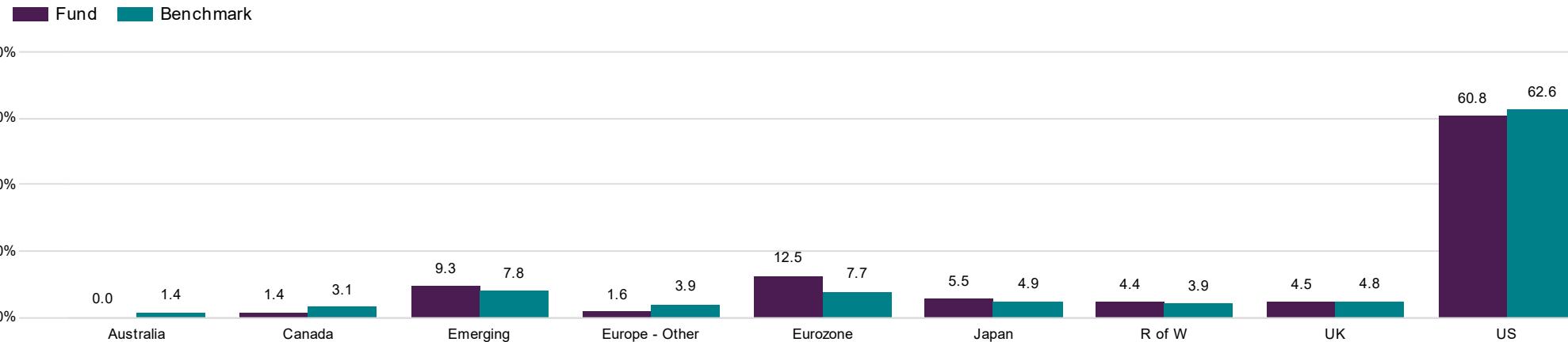
Overall, we continue to focus on allocating capital to companies that are doing well by doing good. These 'improvers' and 'enablers' are wealth creators with attractive valuations. We also remain focused on creating a portfolio that is balanced across the Life Cycle and has high idiosyncratic risk.

Fund breakdown

Sector weights



Regional weights



Characteristics and climate

ESG characteristics rationale

The Fund seeks to promote environmental and social characteristics by investing in companies that are either transitioning their business to a sustainable path, enabling the transition of others, or both. For each portfolio holding a principles-based approach is taken to evaluate a company's willingness and ability, emphasising qualitative forward-looking analysis supported by rigorous quantitative datasets. The Fund will include environmentally sustainable investments as defined in the EU Taxonomy Regulation. The Fund also promotes good governance using a principles based approach.

Fund exclusions

Exclusion criteria that make sure a fund does not invest into a specific service or product. Royal London Asset Management has a controversial weapons exclusion across all investments.

 Tobacco	✓
 UNGC / OECD violators	✓

Climate metrics

	Fund	Benchmark	Difference (%)
Financed emissions (tCO2e)	6,242	n/a	n/a
Financed emissions coverage	98.56%	n/a	n/a
Carbon footprint (tCO2e/\$M invested)	34.92	39.59	(11.79)
Carbon footprint coverage	98.56%	99.66%	(1.10)
Weighted average carbon intensity (tCO2e/\$M sales)	52.18	110.76	(52.89)
Weighted average carbon intensity coverage	98.56%	99.69%	(1.13)

All climate metrics presented above are for Scope 1-2 emissions. Unless specified in the objective, the data is for information only and should not be taken to mean they are being managed to/controlled.

Implied temperature rise

	Fund (%)	Benchmark (%)	Difference (%)
Implied temperature rise (ITR) coverage	98.56	99.55	(0.99)
% of portfolio below 2°C ITR	33.04	50.35	(34.38)
% of portfolio below 1.5°C ITR	17.94	25.05	(28.41)

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	11.30	20.03	(43.59)
SBTi Near-Term committed	4.19	3.44	21.90
SBTi Near-Term targets set	42.62	52.61	(19.00)

Fund Engagement

Engagement definition

Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence positive change, with defined objectives and demonstrable outcomes.

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	18	34
Number of engagements	29	99

This is an estimate. Some engagements at the issuer level may not have been attributed to the specific bond held in the fund, resulting in a lower number of engagement activities.

Total engagements by theme and topic



Biodiversity	3	Technology, Innovation & Society	8
Climate	14	Technology & Society	7
Climate - Transition Risk	14	Cybersecurity	1
Governance	8		
Corporate Governance	5		
Remuneration	3		
Health	1		
Health - Community	1		
Social & Financial Inclusion	5		
Labour & Human Rights	4		
Social & Financial inclusion	1		

The numbers of engagements and themes/topics discussed may differ where a single engagement covers multiple themes/topics.

Engagement focus

Firm-wide engagement activity is centred around six themes which we have identified in consultation with our clients. These are: climate change; nature and biodiversity; health; governance and corporate culture; social and financial inclusion; innovation, technology and society. Portfolio level engagements are not thematic and are focussed on issues specific to managing the portfolio and meeting the investment objective.

Engagement data represents all engagements undertaken at both firm and portfolio level across Royal London Asset Management, and may not be limited to those undertaken solely for the purpose of managing the fund.

Fund Engagement

Engagement outcomes

Microsoft Corp – Sustainable and Ethical AI

Purpose:

Microsoft Corp was engaged to review its sustainability performance and address investor concerns related to human rights and ethical AI practices.

Outcome:

Microsoft reaffirmed its commitment to achieving hourly carbon-free energy matching, a leading-edge approach that ensures its data centres run on clean energy every hour of the day rather than relying on annual averages. This positions Microsoft ahead of many peers in decarbonisation efforts. However, the company acknowledged gaps in its human rights due diligence for commercial agreements, particularly following concerns about the use of its cloud and AI services in sensitive contexts. In response, Microsoft has launched a review of its ethical AI governance and oversight framework. The company is evaluating when additional safeguards should apply beyond standard protocols and plans to share its findings in a forthcoming report. We will continue to monitor progress and encourage Microsoft to strengthen its governance framework and provide clearer evidence of how these measures mitigate human rights risks.

Tesco plc – Workplace Culture

Purpose:

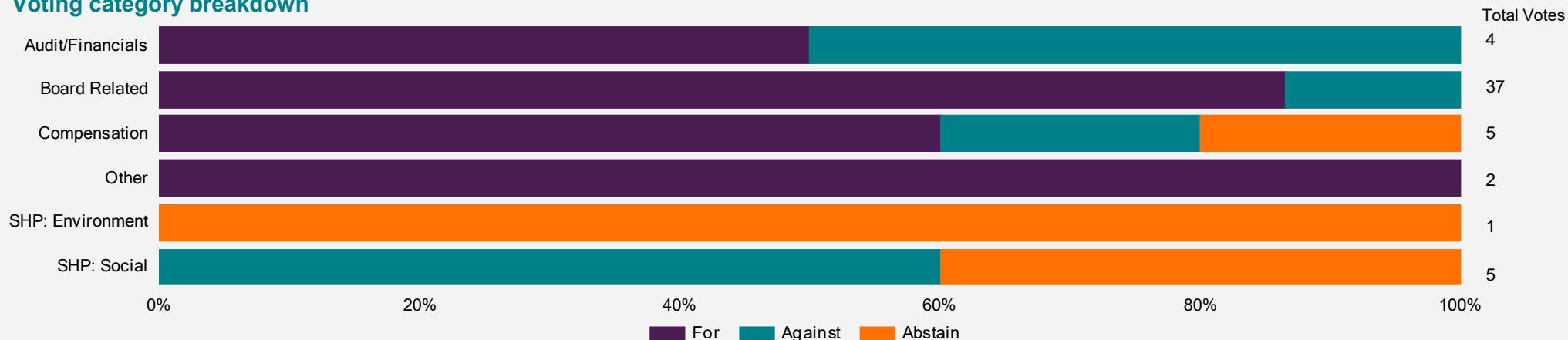
Tesco plc, a multinational retailer, was engaged to address concerns around misconduct reporting and workplace culture transparency.

Outcome:

Tesco confirmed that improving data collection systems is now a strategic priority. The company has introduced new policies covering bullying, harassment, and third-party conduct, including customers and contractors. Legal changes around employer responsibility to prevent sexual harassment have prompted Tesco to strengthen controls and training programmes. While timelines for improved disclosures remain unclear, Tesco is actively developing mechanisms to support effective reporting. We will maintain engagement to encourage Tesco to set clear timelines for improved disclosures and adopt best practice reporting standards, including publishing substantiated case data and progress metrics.

Fund Voting

Voting category breakdown



Notable votes

Copart, Inc.

Elect A. Jayson Adair - against: The nominee is the founder and former co-CEO. We would prefer to see the appointment of a fully independent Chair and raise concerns over an Executive Chair role.

Elect Daniel J. Englander - against: The nominee serves as Chair of the Remuneration Committee and we have long standing concerns with remuneration at the Company.

Elect Diane M. Morefield - against: As chair of the Nominating, Governance, and Sustainability Committee, we note ongoing concerns regarding the board's approach to improving gender diversity and limited progress on climate-related disclosures.

Advisory Vote on Executive Compensation - against: While we note the lack of equity grants to the CEO this year, we continue to find the LTIP wanting in terms of sufficient long-term aligned performance elements and would prefer more transparency over non-financial bonus metrics.

Microsoft Corporation

Elect Hugh F. Johnston - against: We are concerned that holding two external public board roles, in addition to an executive position, may limit the nominee's ability to devote sufficient time to their core responsibilities and shareholder obligations.

Elect Satya Nadella - against: The nominee serves as both Chairman and CEO. We would prefer to see these roles separated and an independent chair appointed.

Advisory Vote on Executive Compensation - abstain: While CEO pay is performance-based, with equity delivered exclusively through performance stock awards, we hold an ongoing concern over the relatively short LTIP performance period.

Fund Voting

Notable votes

Microsoft Corporation

Ratification of Auditor - against: We have concerns with the independence of the Auditor, Deloitte & Touche, which has served for over 40 years.

Thor Industries, Inc.

Ratification of Auditor - against: We have concerns over the independence of the auditors given the length of tenure.

Market commentary

Market review

Global equities rose over the quarter, adding to a positive year as a whole. There was strong performance from all major markets – the US, Europe, UK and Japan – with the US lagging in common currency terms after the US dollar weakened significantly. But beneath the surface there were some signs of rising risk awareness and concerns about the ongoing trajectory of technology-sector earnings.

Most major economies produced growth in the fourth quarter, continuing to show some resilience in the face of this year's higher US tariff rates and global trade tensions. Despite inflation generally remaining above central bank targets, there were further rate cuts, from the US Federal Reserve and Bank of England. However, the US rate cut in December was accompanied by language suggesting a pause after three cuts in the final four months of 2025.

Asian and emerging markets again performed strongly over the quarter, despite some profit taking in the fourth quarter at the end of an excellent year. Chinese equities were among the strongest gainers over the quarter. Advances in Chinese AI stocks boosted the technology sector, while investors also took confidence from evidence that China has succeeded in diversifying its trade partners to help offset the impact of US tariffs.

Japan was one of the standout markets over 2025 and the fourth quarter, powered by technology stocks. Sentiment was also boosted by election results. The country's new Prime Minister, Sanae Takaichi is regarded as a supportive to corporate reform and likely to enact growth policies, including an increase in government spending.

The effect of currency movements had a strong impact on returns. European equities underperformed in local currency terms during 2025 and over the quarter. However, for sterling- and euro-based investors, actual returns were very different. Over 2025, the trade-weighted US dollar suffered its steepest decline since 2009. The euro and sterling were major beneficiaries and after accounting for currency moves, European equities were among the top performers.

Outlook

Corporate earnings revisions and geopolitical developments, including trade tensions and energy price volatility, remain key factors determining market direction. Overall, while the backdrop for equities is improving with inflation trending lower, near-term volatility is likely as markets balance hopes for monetary easing against concerns about slowing global growth.

Within the market, the focus over the last year has all been about the generative AI super cycle and the magnificent few companies that drive it. This concentration has been so extreme, and the narrative so compelling, that it has left huge parts of the equity universe completely ignored. This includes many companies defined by old-fashioned quality, consistency, and profit. Some of the most fundamentally sound, profitable, and dependable businesses are currently trading on the lowest relative valuations that we have seen for years, when compared to the broader index. As AI productivity gains finally trickle down to the 'real economy' (e.g. industrials, manufacturing, services), we are likely to see an acceleration of quality company earnings that the market simply cannot ignore forever.

Overall, the portfolio continues to navigate a complex and momentum-driven market with a disciplined yet adaptive approach. Strategic research prioritisation, risk-aware positioning, and a focus on long-term value creation remain central to the investment philosophy. The team is committed to refining its responsiveness to market signals and maintaining competitive performance.

Further Information

Please click on the links below for further information:



Find out more

In an uncertain geopolitical and economic environment, we recognise the importance of keeping our clients updated on our current investment thinking.

Articles, videos, podcasts and webinars giving the latest views of our investment experts can be found in the Our Views section of www.rlam.com, including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

Disclaimers

Important information

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Notice for UK Investors

The Fund is recognised in the UK under the Overseas Fund Regime (OFR) but is not a UK authorised fund and is not authorised by the Financial Conduct Authority (FCA). It is therefore not subject to the same regulatory oversight as UK authorised Funds and is not required to adhere to the UK sustainable investment labelling disclosure requirements. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available. Investors are strongly encouraged to seek independent financial advice before making any investment decisions.

The Fund is a sub-fund of Royal London Asset Management Funds plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds.

Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. It is a recognised scheme under the Financial Services and Markets Act 2000.

The Management Company is FundRock Management Company SA, Registered office: Airport Center Building, 5 Heienhaff, L-1736 Senningerberg, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

The Investment Manager is Royal London Asset Management Limited.

The Prospectus and Key Investor Information Document (KIID) are available in English via the relevant Fund Information page on www.rlams.com. A summary of investor rights is also available in English, and can be accessed at www.rlams.com/uk/policies-and-regulatory

RLAM may terminate the arrangements made for marketing of the fund pursuant to Article 93a of Directive 2009/65/EC.

For more information on the Fund or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on www.rlams.com.

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Risks 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.

Exchange rate risk

Investing in assets denominated in a currency other than the base currency of the Fund means the value of the investment can be affected by changes in exchange rates.

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.

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.

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.

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.

Responsible investment style risk

The Fund can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number of securities in which the Fund may invest and there may as a result be occasions where it forgoes more strongly performing investment opportunities.

Performance to 31 December 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	Since Inception	3 Years (p.a.)	Since Inception (p.a.)
Fund (gross)	2.48	9.16	20.01	76.71	85.03	20.90	21.30
Fund (net)	2.31	8.80	19.21	73.19	81.07	20.07	20.48

Annualised (%)

Year on year performance (%)

	31/12/2024 - 31/12/2025	31/12/2023 - 31/12/2024	31/12/2022 - 31/12/2023	31/12/2021 - 31/12/2022	31/12/2020 - 31/12/2021
Fund (gross)	20.01	17.20	25.63	-	-
Fund (net)	19.21	16.42	24.79	-	-

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment.

Source: RLAM as at 31 December 2025. All figures are mid-price to mid-price for the Royal London Global Equity Transitions Fund Z Acc USD share class. Since inception date 25 October 2022.

Glossary

Carbon footprint

Exposure to high emitters in the portfolio, expressed in tCO2e/\$M invested. Financed emissions are divided by the portfolio value, the same approach for listed companies and private issuers is applied in this metric.

Derivatives

A financial instrument whose price is dependent upon or derived from one or more underlying asset.

ESG Integration

The consideration of environmental, social and governance (ESG) risk as part of the investment process. ESG integration does not mean the fund is trying to achieve a particular positive ESG outcome. Please check prospectus documentation for details on specific fund-level objectives.

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Efficient Portfolio Management (EPM) techniques

The Fund may engage in EPM techniques including holdings of derivative instruments. The use of these instruments may expose the Fund to volatile investment returns and increase the volatility of the net asset value of the Fund. EPM techniques may involve the Fund entering into transactions with counterparties where there may be a risk of counterparty default. The Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

Exclusions

Explicitly prohibits investing in a particular company, sector, business activity, country or region.

Financed emissions

The emissions from activities in the real economy that are financed through lending and investment portfolios, expressed in tCO2e. Emissions are attributed to a portfolio based on the portion of the company's value the portfolio holds, and using different accounting values for public and private corporates. We provide financed emissions for scope 1 and 2 emissions.

Fund restrictions definitions

Adult Entertainment: Companies which own or produce adult entertainment services, or engage in the distribution or sale of adult entertainment services.

Alcohol: Companies which have involvement in brewing, distillation or sale of alcoholic drinks.

Animal Welfare: Companies that conduct animal testing (other than for purposes of human or animal health and/or where it is required by law or regulation).

Armaments: Companies who manufacture armaments or nuclear weapons or associated products.

Controversial Weapons: Weapons which have an indiscriminate and disproportional impact on civilians or weapons that are illegal and prohibited by international conventions and treaties.

Fossil Fuels: Companies involved in the exploration, extraction or refining of oil, or gas, or coal, plus any activity relating to thermal coal.

Gambling: Companies who promote irresponsible gambling which includes betting shops, casinos or amusement arcades.

High Environmental Impact: Companies which have a high environmental impact, and which have 'no evidence' of appropriate environmental management systems.

Fund restrictions definitions

Human Rights Risks: Companies with a strategic presence operating in countries of concern and which have 'no evidence' of policies or systems to manage human rights risks.

Nuclear Power: Companies who generate energy from Nuclear Power.

Nuclear Weapons: Companies that manufacture, nuclear; or are involved in the production of intended-use parts, whole weapons systems, or exclusive delivery platforms.

Tobacco: Companies which are growing, processing or selling tobacco products.

Implied temperature rise (ITR)

ITR aims to measure the global warming outcome from the emissions trajectory of a company, if the whole economy followed the same trajectory.

Number of holdings

Total number of unique holdings of the Fund excluding cash, currency and derivatives.

Performance

Both the Fund and Index performance are based on close of business prices.

Pricing

The Fund's price may swing to bid or offer to protect existing investors from the costs associated with buying or selling the fund's underlying assets when other investors are entering or leaving the fund. Performance is based on this pricing.

Glossary

Promotes environmental or social factors

An ESG Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

Regional weights

Breakdown of holdings by country of risk relative to the benchmark index and grouped using RLAM's proprietary regional classification scheme.

SBTi

The Science-Based Targets initiative is a consortium of organisations that set up the definition and promotion of science-based target setting.

Sector weights

Breakdown of holdings by GICS (Global Industry Classification Standard) sector relative to the benchmark index.

Sustainable fund objective

A product that has sustainable investment or a reduction in carbon emissions as its objective.

Top 10 holdings

Top 10 assets held by market value, excluding derivatives and cash.

Weighted Average Carbon Intensity (WACI)

Portfolio's exposure to carbon-intensive companies, expressed in tCO2e / \$M revenue. Scope 1 and scope 2 GHG emissions are divided by companies revenues, then multiplied based on portfolio weights (the current value of the investment relative to the current portfolio value). The WACI is calculated as a weighted average sum of the holdings with carbon intensity coverage.