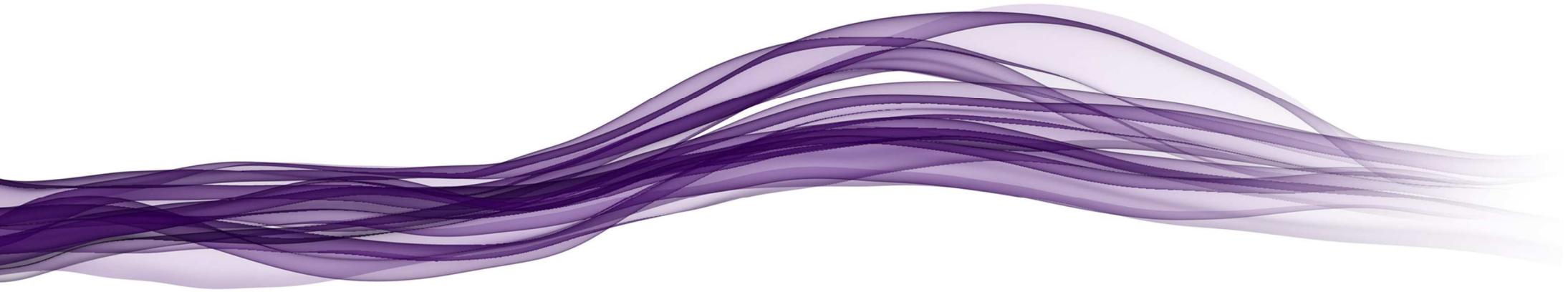


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Royal London US Equity Trust

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 US Equity Trust. 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.

Contents

The fund	3
Performance and activity	4
Fund breakdown	6
ESG	7
Market commentary	11
Further information	12
Disclaimers	13
Performance net and gross	15
Glossary	16

The fund

Fund performance objective and benchmark

The Fund's investment objective is to achieve capital growth over the medium-to-long term (5-7 years) by investing at least 80% in the shares of listed US companies. The Fund's performance target is to outperform, after the deduction of charges, the MSCI USA £ Net Total Return Index (the "Index") over a rolling 7-year period. For further information on the Fund's index, please refer to the Prospectus. The Fund is actively managed. The Index is considered an appropriate benchmark for the Scheme's performance, as the Scheme's potential investments will predominantly be included in the Index. In addition to the benchmark for the Scheme's performance as noted above (the "Index"), the IA North America sector is considered an appropriate benchmark for performance comparison.

Fund value

	Total £m
31 December 2025	403.23

Fund analytics

	Fund
Fund launch date	19 February 2001
Fund base currency	GBP
Benchmark	MSCI USA Index (Net Total Return, GBP)
Number of holdings	116
Active share (%)	47.3
Tracking error (%)	2.1

Ex-post tracking error calculated 3 years to 31 December 2025. Please refer to the glossary for a description of the tracking error used.

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	3.96	2.42	1.54
1 Year	8.35	9.23	(0.89)
3 Years (p.a.)	20.10	18.23	1.87
5 Years (p.a.)	15.83	13.74	2.09
10 Years (p.a.)	15.90	15.25	0.65
Since inception (p.a.)	9.18	8.65	0.54

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 A Inc GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 19 February 2001.

Please note the fund name changed from Royal London US Growth Trust to Royal London US Equity Trust on 31 July 2025.

Performance commentary

The fund outperformed its benchmark over the quarter, benefiting from strong stock selection. Holdings in the communications services sector performed relatively well. Amid concerns about valuations in parts of the market, investors began to appreciate companies with more defensive qualities, such as relatively reliable revenues. Some of our holdings benefited from these attributes and returned to favour over the quarter. Strong stock selection also helped to enhance returns from the information technology sector.

The holding in semiconductor manufacturer Micron Technology continued to provide a positive contribution to returns. We view Micron as a Mature company in a historically commoditised memory market, but one now showing signs of transformation due to rising AI workloads and tight semiconductor supply. Demand for the company's products is benefiting from the AI boom. DRAM pricing has continued to rise sharply, creating a favourable environment for Micron, enabling improved profitability.

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.

Brown & Brown underperformed as the soft pricing in the US insurance market has been broadly confirmed and a subdued hurricane season means this likely extends into next year. Its shares have recently suffered due to concerns over its valuation amid falling profit margins.

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

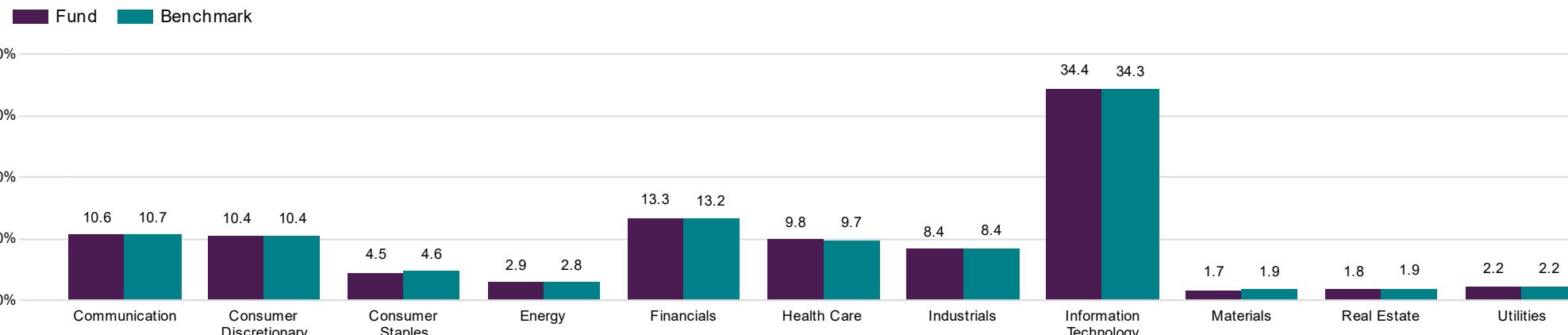
	Weighting (%)
NVIDIA CORP	8.04
APPLE INC	7.05
MICROSOFT CORP	7.03
ALPHABET INC CLASS A	6.98
AMAZON COM INC	4.15
JPMORGAN CHASE	2.91
ELI LILLY	2.27
BROADCOM INC	2.09
META PLATFORMS INC CLASS A	2.01
MICRON TECHNOLOGY INC	1.84
Total	44.38

Fund activity

Overall, we believe that business fundamentals are the long-term drivers of stock prices. However, we recognise that different fundamentals matter at different points of a company's life, and that these are often unappreciated or misunderstood by the market. Our approach therefore aims to identify and exploit these inefficiencies, identifying stocks that we believe have superior shareholder wealth creation potential, at attractive prices.

Fund breakdown

Sector weights



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	22	52
Number of engagements	31	116

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	2
Climate	19
Climate - Transition Risk	19
Governance	10
Corporate Governance	6
Remuneration	4
Social & Financial Inclusion	3
Labour & Human Rights	2
Social & Financial Inclusion	1
Technology, Innovation & Society	8
Technology & Society	8

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:

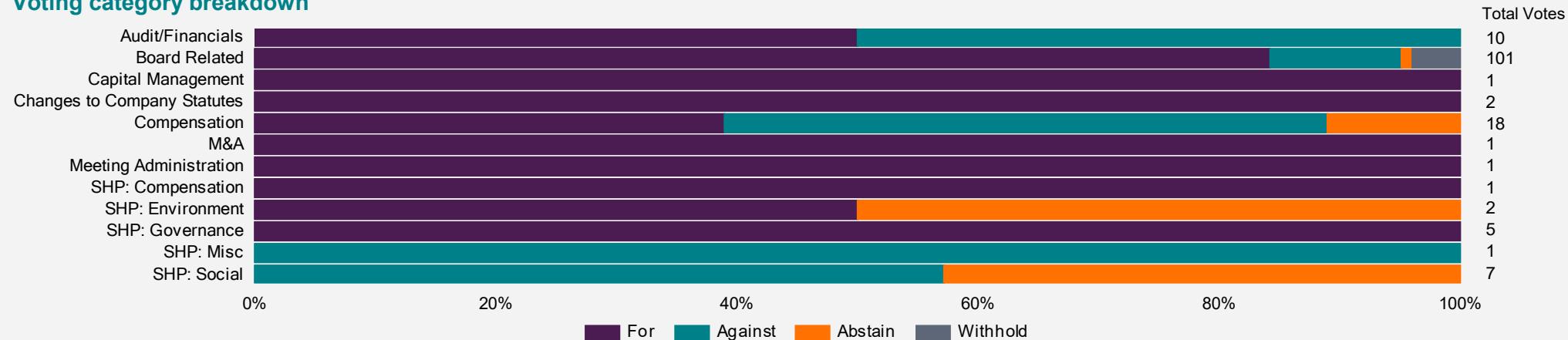
Microsoft Corp was engaged to review its sustainability performance and address investor concerns related to human rights and ethical AI practices.

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.

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.

Oracle Corp.

Elect George H. Conrades - withhold: The nominee serves as Chair of the Remuneration Committee and we have long standing concerns with remuneration at the Company.

Elect Lawrence J. Ellison - withhold: We would prefer to see the appointment of a fully independent chair to the board.

Advisory Vote on Executive Compensation - against: We continue to hold concerns over the overall pay structure, noting awards granted under the long-term incentive plan are not sufficiently performance based.

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

Tesla Inc

Elect Ira Ehrenpreis - against: We have governance concerns about the nominee's role on the board, particularly regarding board diversity and shareholder rights.

Elect Kathleen Wilson-Thompson - against: We have governance concerns about the nominee's role on the board, particularly regarding executive pay oversight and governance accountability.

Advisory Vote on Executive Compensation - against: While Tesla's pay structure prioritises long-term equity incentives, the proposed CEO awards raise serious concerns due to their unprecedented size and potential share concentration, discretionary one-off grants for NEOs, selective board oversight, and generous provisions that risk undermining alignment with shareholder interests and accountability.

Amendment to the 2019 Equity Incentive Plan - against: We believe the dilution associated with this request is excessive.

Approval of 2025 CEO Performance Award - against: While Tesla's pay structure prioritises long-term equity incentives, the proposed CEO awards raise serious concerns due to their unprecedented size and potential share concentration, selective board oversight, and generous provisions that risk undermining alignment with shareholder interests and accountability.

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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For more information on the Trust 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.

EPM techniques risk

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

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.

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.

Performance to 31 December 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	3.96	13.84	8.35	73.30	108.60	20.10	15.83
Fund (net)	3.70	13.27	7.27	67.80	96.99	18.81	14.51

Please note the fund name changed from Royal London US Growth Trust to Royal London US Equity Trust on 31 July 2025.

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)	8.35	27.01	25.94	(9.80)	33.44
Fund (net)	7.27	25.70	24.45	(10.92)	31.78

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 US Equity Trust A Inc GBP share class.

Glossary

7-Year rolling period

Any period of seven years, no matter which day you start on.

Active share

Active share is a measure used to assess the degree of difference between the portfolio's holdings and its benchmark.

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.

Number of holdings

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

Performance

The Fund price is taken at mid-day using swing prices where applicable, while the index performance is priced at close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons.

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.

Sector weights

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

Top 10 holdings

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

Tracking error

Tracking error indicates how closely a fund follows its benchmark index. It is a measure of the risk in the fund that is due to active management decisions made by the fund manager. It is calculated on an ex-post basis (actual basis, post period end).