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# **Royal London Asset Management**

**Multi Asset Fund Commentary**

**31 July 2025**

# Fund Commentary

**31 July 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.

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# Multi Asset

## Royal London GMAP Adventurous Fund

Equity markets extended their rally in July, marking a third consecutive month of gains despite an uncertain macro backdrop and persistently elevated policy uncertainty. This continued strength in stocks was underpinned by a very strong start to US corporate earnings season, alongside a series of positive economic data surprises. We remained slightly overweight equities over the month. Our Investment Clock model remains in the Reflation quadrant, which historically is the time when central banks cut interest rates to stimulate activity; a clear breakthrough into Recovery would see us turn more positive on equities.

Regionally, the UK was the best performing region, benefitting from local currency weakness against a rebounding US dollar. European equities continued to underperform as outlook for company earnings continued to deteriorate relative to other regions. We continued to prefer emerging markets and the US to Europe and UK. We remained overweight growth sectors, with a preference towards communication services and information technology. We closed the contrarian overweight position in healthcare as a risk control measure, as the sector continued to underperform with no signs of a reversal.

In our view, the technical backdrop remains supportive for equities while macro indicators have been more mixed, and the economic outlook remains very uncertain with the full impact from tariffs yet to be felt.

## Royal London GMAP Balanced Fund

Equity markets extended their rally in July, marking a third consecutive month of gains despite an uncertain macro backdrop and persistently elevated policy uncertainty. This continued strength in stocks was underpinned by a very strong start to US corporate earnings season, alongside a series of positive economic data surprises. We remained slightly overweight equities over the month. Our Investment Clock model remains in the Reflation quadrant, which historically is the time when central banks cut interest rates to stimulate activity; a clear breakthrough into Recovery would see us turn more positive on equities.

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## Royal London GMAP Defensive Fund

Equity markets extended their rally in July, marking a third consecutive month of gains despite an uncertain macro backdrop and persistently elevated policy uncertainty. This continued strength in stocks was underpinned by a very strong start to US corporate earnings season, alongside a series of positive economic data surprises. We remained slightly overweight equities over the month. Our Investment Clock model remains in the Reflation quadrant, which historically is the time when central banks cut interest rates to stimulate activity; a clear breakthrough into Recovery would see us turn more positive on equities.

Regionally, the UK was the best performing region, benefitting from local currency weakness against a rebounding US dollar. European equities continued to underperform as outlook for company earnings continued to deteriorate relative to other regions. We continued to prefer emerging markets and the US to Europe and UK. We remained overweight growth sectors, with a preference towards communication services and information technology. We closed the contrarian overweight position in healthcare as a risk control measure, as the sector continued to underperform with no signs of a reversal.

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## Royal London GMAP Diversified Bond Fund

Bond yields ended higher over the month, supported by positive economic data surprises in the US that led markets to dial back expectations of Fed rate cuts for the rest of the year.

We re-initiated an overweight position to global high yield as technical backdrop remained supportive, with low volatility and strong performance versus other fixed income assets.

While credit spreads are tight compared to historical average and could widen significantly in a recessionary environment, credit quality remains high compared to history and defaults are rare, for now.

## Royal London GMAP Dynamic Equity Fund

Equity markets extended their rally in July, marking a third consecutive month of gains despite an uncertain macro backdrop and persistently elevated policy uncertainty. This continued strength in stocks was underpinned by a very strong start to US corporate earnings season, alongside a series of positive economic data surprises.

UK was the best performing region, benefitting from local currency weakness against a rebounding US dollar. European equities continued to underperform as outlook for company earnings continued to deteriorate. We continued to prefer emerging markets and the US to Europe and UK.

In our view, the technical backdrop remains supportive for equities while macro indicators have been more mixed, and the economic outlook remains very uncertain with the full impact from tariffs yet to be felt.

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## Royal London GMAP Growth Fund

Equity markets extended their rally in July, marking a third consecutive month of gains despite an uncertain macro backdrop and persistently elevated policy uncertainty. This continued strength in stocks was underpinned by a very strong start to US corporate earnings season, alongside a series of positive economic data surprises. We remained slightly overweight equities over the month. Our Investment Clock model remains in the Reflation quadrant, which historically is the time when central banks cut interest rates to stimulate activity; a clear breakthrough into Recovery would see us turn more positive on equities.

Within sectors, we remained overweight communication services and information technology. We closed a contrarian overweight position in healthcare as it continued to underperform with no signs of a reversal.

In our view, the technical backdrop remains supportive for equities while macro indicators have been more mixed, and the economic outlook remains very uncertain with the full impact from tariffs yet to be felt.

## Royal London GMAP Moderate Growth Fund

Equity markets extended their rally in July, marking a third consecutive month of gains despite an uncertain macro backdrop and persistently elevated policy uncertainty. This continued strength in stocks was underpinned by a very strong start to US corporate earnings season, alongside a series of positive economic data surprises. We remained slightly overweight equities over the month. Our Investment Clock model remains in the Reflation quadrant, which historically is the time when central banks cut interest rates to stimulate activity; a clear breakthrough into Recovery would see us turn more positive on equities.

Regionally, the UK was the best performing region, benefitting from local currency weakness against a rebounding US dollar. European equities continued to underperform as outlook for company earnings continued to deteriorate relative to other regions. We continued to prefer emerging markets and the US to Europe and UK. We remained overweight growth sectors, with a preference towards communication services and information technology. We closed the contrarian overweight position in healthcare as a risk control measure, as the sector continued to underperform with no signs of a reversal.

In our view, the technical backdrop remains supportive for equities while macro indicators have been more mixed, and the economic outlook remains very uncertain with the full impact from tariffs yet to be felt.

## Royal London Multi Asset Strategies Fund

Equity markets extended their rally in July, marking a third consecutive month of gains despite an uncertain macro backdrop and persistently elevated policy uncertainty. This continued strength in stocks was underpinned by a very strong start to US corporate earnings season, alongside a series of positive economic data surprises.

We remained slightly overweight equities over the month. Our Investment Clock model remains in the Reflation quadrant, which historically is the time when central banks cut interest rates to stimulate activity; a clear breakthrough into Recovery would see us turn more positive on equities.

We remained overweight growth sectors, with a preference towards communication services and information technology. We closed the contrarian overweight position in healthcare as a risk control measure, as the sector continued to underperform with no signs of a reversal.

# Disclaimers

## Important information

For professional clients only, not suitable for retail clients.  
This is a financial promotion and is not investment advice.

The views expressed are the presenter's own and do not constitute investment advice. Telephone calls July be recorded. For further information please see the privacy policy at [www.rlam.com](http://www.rlam.com).

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.