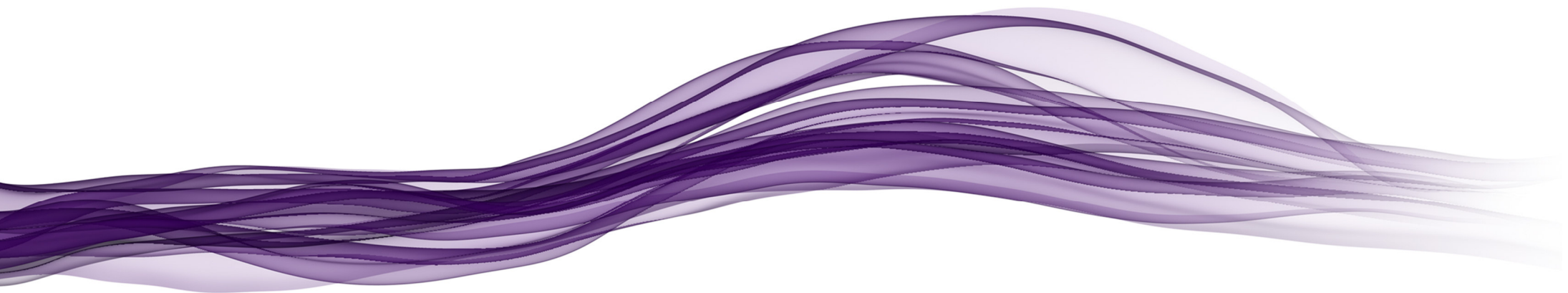


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Royal London UK Mid Cap Growth Fund

Quarterly Investment Report

30 June 2025

Quarterly Report

The fund as at 30 June 2025

The purpose of this report is to provide an update on the Royal London UK Mid Cap Growth 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 achieve capital growth over the medium term (3-5 years), by investing at least 80% in the shares of UK medium-sized companies listed on the London Stock Exchange. The Fund's performance target is to outperform, after the deduction of charges, the FTSE 250 ex-IT (investment trust) Total Return GBP Index (the "Index") over rolling 5-year periods. The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index. In addition to the benchmark for the Fund's performance as noted above (the "Index"), the IA UK All Companies sector is considered an appropriate benchmark for performance comparison.

Fund value

	Total £m
30 June 2025	369.32

Fund analytics

	Fund
Fund launch date	1 June 2006
Fund base currency	GBP
Benchmark	FTSE 250 (ex-Investment Trusts)
Number of holdings	50

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	11.06	14.35	(3.29)
YTD	3.23	7.86	(4.63)
1 Year	4.32	11.59	(7.27)
3 Years (p.a.)	7.15	9.75	(2.60)
5 Years (p.a.)	5.31	8.68	(3.37)
10 Years (p.a.)	4.47	4.65	(0.18)
Since inception (p.a.)	5.35	5.35	(0.01)

Past performance is not a guide to future performance. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on Z Acc GBP. Source: Royal London Asset Management; Net performance; Since inception date of the share class is 6 May 2014.

Performance commentary

The quarter began with a bang as President Trump announced wide ranging tariffs to be levied on imports into the US. Global equity markets had fallen in advance of the 'Liberation day' announcements and sold off further immediately after the event. However, they subsequently staged a broad recovery amid signs that the US government would seek to negotiate trade deals. Small and mid-cap equities outperformed their larger peers.

The fund produced a strong positive return over the quarter, albeit lagging the benchmark (FTSE 250 ex IT). Pro-cyclical sectors such as consumer discretionary, industrials and financials generally outperformed. The fund's overweight allocation to the industrial sector was a tailwind to relative performance.

Significant positive contributors included engineering group Spectris, defence group Chemring and investment platform AJ Bell. Chemring reported better than expected first half results with another new record order book for their energetics and countermeasures division. The shares also responded positively to the publication of the UK government's defence review, which was supportive of long-term demand for Chemring's unique capabilities. Spectris announced a recommended all cash takeover from private equity group Advent at an almost 80% premium to the undisturbed share price – subsequently trumped by a higher offer by private equity group KKR. AJ Bell delivered better than expected first half results, driven by sustained positive net inflows, alongside a £25m share buyback.

Negative contributors were largely companies which the fund did not own but which contributed to the benchmark index performance. Deliveroo agreed to a takeover by US peer DoorDash, at a circa 50% premium to the share price. Struggling luxury group Burberry, who produced a loss in the first half of the fiscal year, staged a circa 55% rally after announcing cost savings to return the group to profitability. Chemical group Johnson Matthey shares leapt after they announced the disposal of their problematic catalyst technologies business for £1.8bn.

Performance and activity

Top 10 holdings

	Weighting (%)
CRANSWICK PLC	3.07
ROTORK PLC	3.07
AJ BELL PLC	3.00
COATS GROUP PLC	2.93
INTEGRAFIN HOLDINGS	2.87
JTC PLC	2.79
TELECOM PLUS PLC	2.74
GENUIT GROUP PLC	2.74
CHEMRING GROUP PLC	2.70
PARAGON BANKING GROUP PLC	2.58
Total	28.49

Fund activity

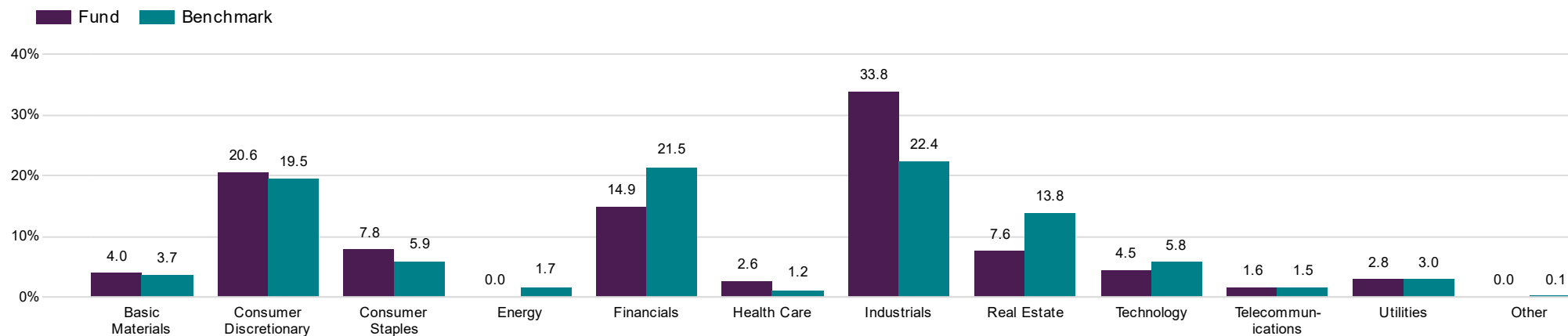
The fund started new positions in Volution and Elementis. These were partially funded by the sale of distributor Essentra and IT services group Kainos. Essentra is unfortunately highly exposed to US import tariffs due to their customers' supply chains and has struggled with weak end markets in recent years. The management team haven't managed to deliver promised improvements, and the shares are no longer in the FTSE 250 index. Kainos has been a victim of sustained weakness in the IT services market, not helped by the UK government's spending freeze and delays in decision making. However more fundamentally, their Workday Services business is facing a significant structural change in competitive dynamic as Workday Inc push more services businesses onto their approved roster.

Elementis is a speciality chemicals company, with a market leading capability in rheology supported by their unique Californian hectorite mine. Under the previous CEO they over-extended the balance sheet to acquire a Talc business which brought with it various unexpected liabilities. This has recently been sold, de-risking the balance sheet and significantly reducing the capital intensity of future growth. The resulting group is a pure speciality chemicals business with a personal care business generating operating profit margins of over 20%. The new CEO has a good track record operating within the group at the divisional level; the valuation substantially discounts the likelihood of accelerating growth.

Volution is a leading supplier of ventilation products with #1 brands across the UK, Continental European and Australian markets. Demand for their products is being driven by regulatory requirements for greater energy efficiency in new build residential buildings and improved air standards in social housing. The longstanding management team have driven margin expansion through continual investment in new product development and executed a series of bolt on acquisitions with distribution and manufacturing synergies. The current valuation doesn't reflect the high margins or return on capital profile of the business, nor the structural demand drivers.

Fund breakdown

Sector weights



Fund Engagement

Engagement definition

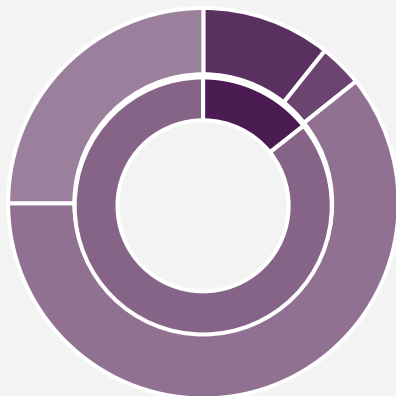
Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence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

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	20	36
Number of engagements	23	59

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



Diversity	4
Ethnic Diversity	3
Gender Diversity	1
Governance	24
Corporate Governance	17
Remuneration	7

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.

Market commentary

Market Overview

Financial markets started the quarter with a sharp drop following 'Liberation day'. Bond yields rose as global equity markets plunged and the US dollar sold off. However, a subsequent 90 day delay in implementation alongside signals that the US would seek trade deals, meant that equity markets staged a broad recovery. US large cap equities underperformed their UK and European counterparts, while US dollar weakness persisted. In a positive reversal, small and mid-cap companies outperformed, having fallen in the first quarter of the year ahead of the tariff announcements.

Tensions between Iran and Israel sparked into outright war in June. Alongside no sign of a ceasefire in the Russia Ukraine war, and repeated headlines about NATO investment into their armed forces, this drove share prices of European and UK defence stocks to outperform through the quarter.

Data showed UK GDP growth of +1.3% through the first quarter, demonstrating resilience with initial estimates suggesting continued growth through the second quarter. The UK government announced trade deals signed with the US and Indian governments, paving the way for lower tariffs, enhanced trading relationships and the potential for further growth. The Bank of England cut interest rates by another 0.25% in May.

The theme of UK smaller companies shifting their listing from the Alternative Investment Market (AIM) to the premium list of the LSE continued, with GB Group, GlobalData and Johnson Service Group all announcing their intention to move from AIM. This resulted in noticeable selling pressure on their share prices.

Merger and Acquisition activity continued at pace. Ricardo agreed to a takeover by Canadian-listed professional services group WSP, at a c. 70% premium to the undisturbed share price. Urban Logistics REIT agreed to a cash and shares takeover by UK listed peer LondonMetric. Alpha Group reported an approach by US listed group Corpay. Both Craneware and GlobalData reported interest from private equity buyers, but in both instances no deals were agreed and the bidders walked away. In the case of Craneware, the board turned down a cash offer at an over 40% premium to the undisturbed share price.

Outlook

Even by the high standards of recent years, we are facing considerable economic and political uncertainty. Economic policy from President Trump is extremely hard to predict and conflicts in Ukraine and the Middle East remain very concerning. Closer to home, the state of UK government finances raises further challenges, particularly following the Labour government's failure to achieve their welfare reforms or cuts to winter fuel allowances. There are now suggestions that taxes need to rise again later this year.

In spite of these challenges, corporate results have been relatively robust and UK small and mid-cap companies remain well capitalised. Private equity and industry buyers continue to snap up good companies at attractive prices, demonstrating that much of our investment universe is undervalued. The takeover approach for Spectris at a more than 80% premium, is stark evidence that sequential years of outflows from the UK market has left valuations at irrational levels. We're confident that our portfolio companies have the balance sheets and management capabilities to navigate short term uncertainty and emerge stronger than their competitors. As such we believe that the UK small and mid-cap universe remains an attractive market for investors.

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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This is a financial promotion and is not investment advice.

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The Fund is a sub-fund of Royal London Equity Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC000807.

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 Key Investor Information Document (KIID), available via the relevant Fund Information page on www.rlam.com.

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FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Royal London Asset Management.

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.

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 30 June 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	11.23	3.55	4.96	25.36	33.63	7.82	5.97
Fund (net)	11.06	3.23	4.32	23.06	29.57	7.15	5.31

Annualised (%)

Year on year performance (%)

	30/06/2024 - 30/06/2025	30/06/2023 - 30/06/2024	30/06/2022 - 30/06/2023	30/06/2021 - 30/06/2022	30/06/2020 - 30/06/2021
Fund (gross)	4.96	14.90	3.94	(19.05)	31.68
Fund (net)	4.32	14.19	3.30	(19.55)	30.87

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.

Source: RLAM as at 30 June 2025. All figures are mid-price to mid-price for the Royal London UK Mid Cap Growth Fund Z Acc GBP share class.

Glossary

Fund value

Total value of the fund as of the last business day of the calendar month. The fund value is as at close of business and on a mid-price basis.

Number of holdings

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

Performance

Performance is calculated using the daily end of day NAV per share produced by HSBC based on the mid price.

Sector weights

Breakdown of holdings by FTSE ICB (Industry Classification Benchmark) sector relative to the benchmark index.

Top 10 holdings

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