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Royal London US Growth Trust

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 US Growth 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

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. The Index is regarded as a good measure of the share-price performance for the types of companies in which the Trust will invest. 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
30 June 2025	383.07

Fund analytics

	Fund
Fund launch date	19 February 2001
Fund base currency	GBP
Benchmark	MSCI USA Net Return GBP
Number of holdings	113
Active share (%)	48.8
Tracking error (%)	2.1

Ex-post tracking error calculated 3 years to 30 June 2025. Please refer to the glossary for a description of the tracking error used.

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	4.35	4.79	(0.44)
YTD	(4.83)	(3.01)	(1.82)
1 Year	1.89	6.39	(4.50)
3 Years (p.a.)	16.47	14.69	1.78
5 Years (p.a.)	15.40	13.59	1.81
10 Years (p.a.)	14.48	14.55	(0.07)
Since inception (p.a.)	8.80	8.30	0.50

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

Performance commentary

The portfolio underperformed the benchmark index during the quarter, which was mainly due to stock selection.

US equities rose in value, boosted by a rebound in sentiment towards technology stocks. Robust corporate earnings also helped to underpin investor confidence. But markets were affected by US policy uncertainty, which was partly behind the US dollar’s worst performance in the first six months of the year since 1973. This hit returns for overseas investors during what was otherwise a positive period for US equities.

Given the rebound in market sentiment towards what could be classified as ‘growth’ stocks, it was perhaps unsurprising to see some companies in the Accelerating portion of the Life Cycle outperforming. One such holding was MercardoLibre, which operates online e-commerce and financial services offerings in Latin America. The stock was a positive contributor to performance, driven by strong progression in company fundamentals. The runway for growth in both e-commerce and fin-tech remains attractive. In addition, the profitability of the business is starting to meaningfully improve, such as in Argentina, where profits nearly trebled.

After losing ground during the period of volatility in April, the rebound in May and June was such that some stocks in sectors such as information technology enjoyed double-digit gains. Some of the portfolio’s best performers came from this part of the market. Taiwan Semiconductor Manufacturing Co (TSMC) and Microsoft were among the fund’s biggest gainers in these areas and helped to boost performance. Microsoft has delivered reassuring and strong revenue, operating profit and operating cash flow growth amid economic uncertainty. This underscores our thesis that Microsoft is able to populate AI across its eco-system and drive meaningful monetisation. Recent quarterly results validated this thesis as Azure cloud growth exceeded expectations, with AI services a meaningful contributor. Unsurprisingly, the company continues to invest aggressively in infrastructure supporting this growing demand.

Meanwhile, TSMC benefited from easing trade tensions and positive sentiment following strong earnings from companies across the semiconductors sector. The company's exposure to AI-related demand has made it a key beneficiary of the broader tech sector's focus on artificial intelligence and advanced computing. We continue to believe that AI is a multi-year tailwind as TSMC maintain their market dominant position. Valuation continues to be attractive given the strength of its wealth creation.

Performance and activity

Performance commentary (continued)

Unfortunately, the negatives outweighed the positive contributors over the quarter. The biggest single negative position came from the holding in UnitedHealth Group. The company announced that its CEO stepped down, suspended earnings guidance and was then revealed to be under federal investigation for possible fraud linked to Medicare schemes.

Holdings in the industrials sector were responsible for much of the fund's underperformance. Saia was one of the main culprits. The company operates in the 'Less Than Truckload' freight transportation market, which Amazon entered earlier in the year. Saia's shares responded to the potential disruption risk. We sold our position in the company. Elsewhere in the sector, Copart also underperformed. The Slowing & Maturing business announced results that disappointed the market due to weak volumes relative to its peers.

Performance and activity

Top 10 holdings

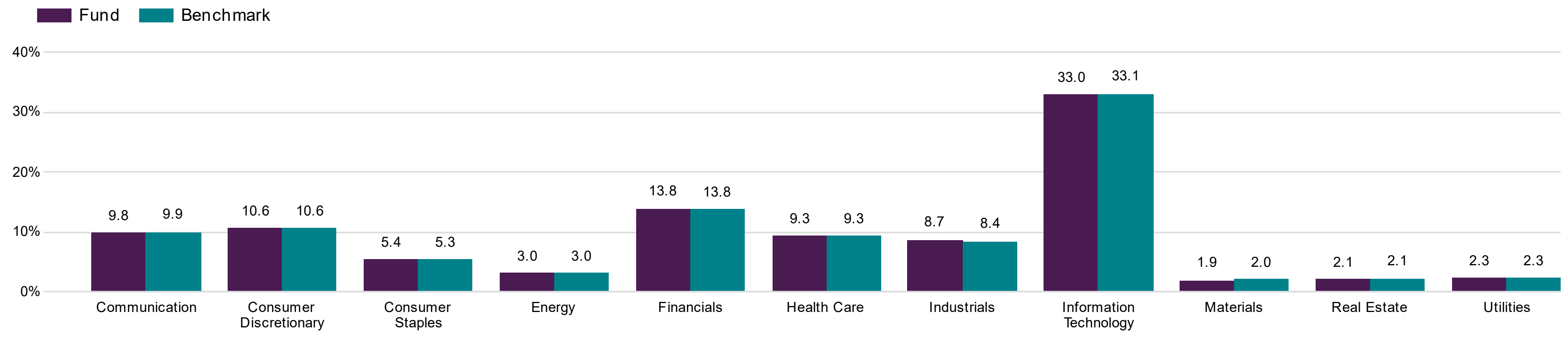
	Weighting (%)
MICROSOFT CORP	8.83
NVIDIA CORP	7.10
APPLE INC	5.98
ALPHABET INC CLASS A	4.65
AMAZON COM INC	4.53
JPMORGAN CHASE	2.85
META PLATFORMS INC CLASS A	2.69
BROADCOM INC	2.26
VISA INC CLASS A	1.87
BERKSHIRE HATHAWAY INC CLASS B	1.79
Total	**42.55**

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. During the quarter, the team continued to manage the portfolio in line with the investment guidelines.

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	35	63
Number of engagements	49	133

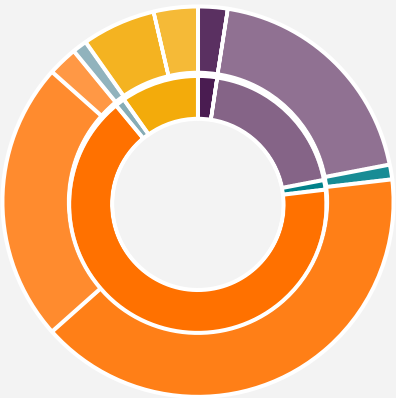
This is an estimate. Some engagements at the issuer level may not have been attributed to the specific bond held in the fund, resulting in a lower number of engagement activities.

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.

Total engagements by theme and topic



Biodiversity	2
Climate	16
Climate - Transition Risk	16
Diversity	1
Gender Diversity	1
Governance	54
Corporate Governance	33
Remuneration	19
Reputational Risks	2
Health	1
Health - Community	1
Social & Financial Inclusion	8
Labour & Human Rights	5
Social & Financial inclusion	3

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

Fund Engagement

Engagement outcomes

Dollar General - Labour & human rights

Purpose:

We engaged with Dollar General, a U.S.-based discount retailer, to better understand its labour management practice, an area where we consider a material social risk for the business. The engagement discussion focused on health and safety, pay, and employee relations.

Outcome:

The engagement provided a clearer view of how Dollar General is addressing key social issues. Manager turnover, a core internal metric, had worsened during recent supply chain disruptions but is now improving. Following Occupational Safety and Health Administration's (OSHA) health and safety recommendations, Dollar General has taken incremental steps, including reinforcing existing policies, hiring additional district managers, and appointing a new director of safety. While safety metrics have improved, public disclosure remains limited. On pay, the company is unlikely to adopt a living minimum wage framework, citing business variability, but emphasised its focus on internal career progression and opportunity creation. Dollar General was open to feedback but cautious about expanding disclosures. We will continue to monitor Dollar General's disclosures and performance on key social indicators, particularly around workforce stability, safety, and transparency.

MercadoLibre Inc - Multi-thematic

Purpose:

The engagement aimed to better understand the sustainability strategy of MercadoLibre, a Latin American e-commerce and fintech company, with a particular focus on workforce development, operational improvements, and leadership transition planning.

Outcome:

MercadoLibre demonstrated meaningful progress in its logistics operations since internalising its warehouse workforce in 2019. Employee approval ratings have risen from 63% to 91%, and workplace accidents have decreased by 95%. The company has also introduced structured career development pathways, enabling employees to pursue further education and access advancement opportunities, including fast-track promotions. Additionally, the planned leadership transition from the founder and CEO to an internal successor is being managed as a gradual, strategic shift, ensuring continuity in the company's culture, strategy, and capital allocation.

Fund Engagement

Engagement outcomes

Nvidia Corporation - Sustainable AI

Purpose:

Nvidia, a US accelerated computing company, was engaged to understand its progress in reporting and managing Scope 3 emissions, particularly those linked to the use of sold products, a highly material source of emissions in its value chain.

Outcome:

Nvidia reaffirmed its commitment to full Scope 3 reporting in 2026, including Category 11 (use of sold products), and shared updates on collaboration with large customers to improve emissions data and reductions. The company's proposed science-based targets (SBTs) were validated by the Science Based Targets initiative (SBTi), including a Scope 3 intensity target to reduce emissions from GPU product use by 75% per PFLOP by FY2030, relative to a FY2023 baseline. PFLOP (PetaFLOP) is a standard measure of computational performance. The full Scope 3 inventory will cover all relevant categories and include progress against the new targets.

Steel Dynamics Inc - Net zero

Purpose:

We engaged with Steel Dynamics, a U.S. steel producer, to explore its decarbonisation strategy in light of newly announced 2030 and 2050 sustainability targets. The discussion focused on renewable energy sourcing, biocarbon development, and upstream Scope 3 emissions, aiming to understand how these initiatives align with the company's net zero ambitions.

Outcome:

Steel Dynamics reaffirmed its commitment to reducing Scope 1, 2, and upstream Scope 3 emissions. Updates included progress on a biocarbon facility aimed at replacing coking coal, development of aluminium operations with high recycling rates, and clean energy integration via the Tennessee Valley Authority grid. Each steel mill has its own decarbonisation strategy. The company welcomed further engagement and invited follow-up with internal climate experts. A review of the next sustainability report is planned to deepen the dialogue.

Fund Engagement

Engagement outcomes

Valero Energy Corporation - Net zero

Purpose:

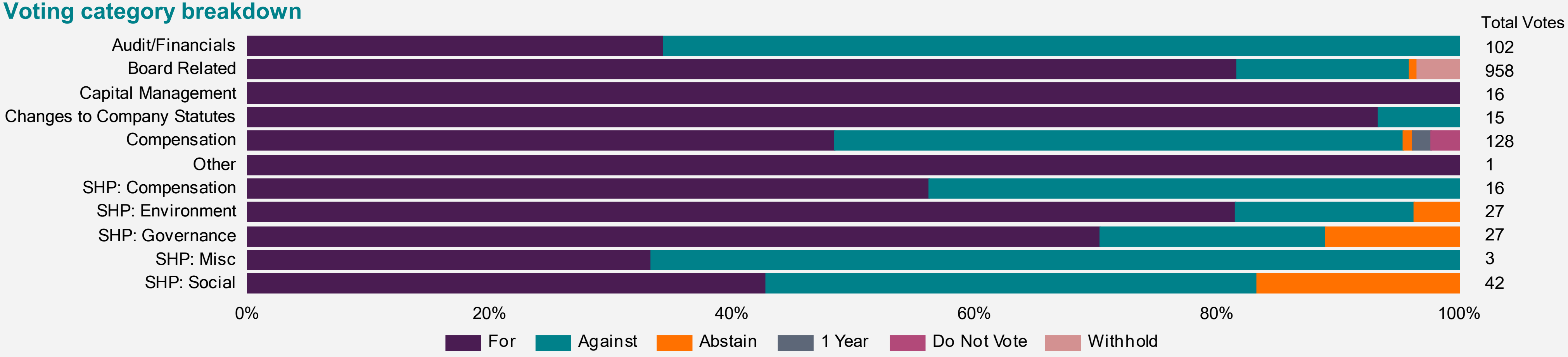
As part of our Net Zero Stewardship programme, we engaged with Valero Energy Corp, a U.S. refiner, to discuss its climate transition strategy and broader sentiment around the refining and low-carbon fuels market.

Outcome:

Valero offered clearer insight into how it uses refining profits to fund low-carbon fuel investments, supported by improved disclosure-including a new greenhouse gas (GHG) intensity metric and basic scenario analysis. However, it continues to resist setting clearer emissions targets and disaggregated reporting. Political and regulatory uncertainty is delaying further investment in sustainable aviation fuel (SAF) and carbon capture and storage (CCS). While most revenue still comes from refining, ~70% of growth since 2022 has been in low-carbon fuels. The company remains sceptical of the Science Based Targets initiative (SBTi) and Greenhouse Gas (GHG) Protocol, citing misalignment with its business model. While we understand some of the company's concerns, we reiterated our expectations. We will continue to monitor disclosures and engage to improve its Climate Transition Assessment.

Fund Voting

Voting category breakdown



Notable votes

Alphabet Inc

Elect Larry Page - against: We have concerns with the nominee's attendance record at board and committee meetings during the year absent a compelling rationale.
Elect John L. Hennessy - against: The nominee serves as chair of the nomination committee, and we have concerns with the company's approach to diversity.
Elect L. John Doerr - against: We do not consider the nominee fully independent due to the length of tenure, and they serve on the Remuneration Committee that lacks sufficient independence, additionally we have concerns over the average length of tenure on the board and balance of independence.
Elect K. Ram Shriram - against: We do not consider the nominee fully independent due to the length of tenure, and we have concerns over the average length of tenure on the board and balance of independence.
Shareholder proposal regarding disclosure related to 2030 climate goals - for: We are supportive of more disclosures in this area.
Shareholder proposal regarding GenAI discrimination - for: Given the significant risks involved, we are supportive of the proponent's request for increased disclosure into this area.
Shareholder proposal regarding human rights impact assessment of AI-driven targeted advertising - for: Although the company has provided some disclosure and has taken some action with respect to the issues raised by the proponent, we believe that an independent review of how the company is managing human rights considerations in its AI-driven targeted advertising would benefit shareholders.
Shareholder proposal regarding alignment of lobbying and policy influence activities with child safety commitments - for: Given the significant risks involved, we are supportive of the proponent's request for increased disclosure into this area.
Shareholder proposal regarding targets on child safety impacts - for: While we consider that the company provides disclosure on efforts to remove content and technology development to assist in this, there continues to be little focus on the risks to the platform and company, along with more proactive rather than reactive efforts to address exploitative content.

Fund Voting

Notable votes

MercadoLibre Inc

Elect Marcos Galperin - against: We oppose the combined Chair and CEO roles and recommend appointing an independent Chair to better serve shareholder interests.
Elect Emiliano Calemzuk - against: We raise concerns over the nominee's leadership on gender diversity and remuneration, given the board's declining gender balance and longstanding pay structure issues.
Executive Compensation - against: We remain concerned about the company's Remuneration framework. Namely, the lack of performance conditions, a cash-based long-term incentive as opposed to shares, and weak shareholding and hedging/pledging policies.
Reincorporation from Delaware to Texas - against: We believe the governance and legal uncertainties in Texas outweigh the operational and cost benefits of re-domestication.

Meta Platforms Inc

Elect Peggy Alford - against: The nominee serves as chair of the nomination committee and the board lacks sufficient gender diversity. Moreover, the nominee is chair of the governance committee, and the company maintains a multi-class share structure with unequal voting rights and has not provided for a reasonable time-based sunset of this structure.
Elect Marc L. Andreessen - against: The nominee is not independent and serves on the Remuneration and Nominating Committees which lack sufficient independence.
Elect Mark Zuckerberg - against: The nominee serves as CEO and Chair. We would like to see the separation of these two roles and the appointment of an independent chair.
Executive Compensation - against: We have concerns over the lack of sufficiently performance-based long-term awards and the discretionary assessment of the bonus plan.
Shareholder proposal regarding report on efforts to combat hate - for: Due to recent changes in the Company's content moderation policies, we believe the additional reporting proposed will help shareholders better understand the related risks and how they're being managed.
Shareholder proposal regarding report and targets on child safety impacts - for: Given the significant risks involved, we are supportive of the proponent's request for increased disclosure into this area.
Shareholder proposal regarding transition plan and renewable energy - for: We are supportive of increased disclosure in this area.
Shareholder proposal regarding transparency report on data collection and advertising practices - for: Given the extensive ongoing risks associated with data collection, privacy and security we believe it would be beneficial for the company to produce a report explaining how they are managing these risks.
Shareholder proposal regarding disclosure of vote results by share class - for: We are supportive of the request to see more transparency over voting results by share class, particularly for non-controlling shareholders.

Unitedhealth Group Inc

Elect Timothy P. Flynn - against: The nominee is not considered independent and serves on the Remuneration and Nominating Committees that lack sufficient independence.
Elect Stephen J. Hemsley - against: The nominee serves as both Chairman and CEO; we would prefer to see these roles separated.
Elect John H. Noseworthy - against: The nominee serves as Chair of the Nominating Committee, and we have some concerns over the Company's approach to diversity. Furthermore, there is scope for increased transparency around the Company's Code of Conduct in terms of specific metrics used in the Company's endeavour to create a safe and inclusive environment. We would welcome an engagement opportunity to discuss these matters with the Company.
Executive Compensation - against: We hold concerns over the incoming CEO's grant of upfront equity awards, which are not linked to any performance criteria.
Shareholder proposal regarding severance approval policy - for: We are supportive as shareholders should be consulted before the Company enters into severance agreements that provide benefits exceeding 2.99 times salary and bonus.

Market commentary

Market Review

The second quarter of 2025 was mixed: geopolitical news and US policy contributed to a spike in volatility in many markets, but over the quarter as a whole, the major equity markets shook off a weak start to finish in positive territory.

The quarter started with 'Liberation day'. US President Donald Trump announced a broad range of materially higher tariffs that it would be imposing on almost all countries it traded with. However, these were rapidly postponed for 90 days, partly due to the adverse market reaction to the announcement. Updates on tariffs and whether these would or would not be implemented for one country or another generally had a more muted impact than that initial shock.

Uncertainty about tariffs, whether these would be implemented, and if so, what impact these would have on global growth and inflation created a difficult backdrop for monetary policymakers in central banks. The Federal Reserve therefore left rates unchanged, while the European Central Bank remained on its modest rate cutting cycle, trimming rates at its April and June meetings.

US policy uncertainty was partly behind the US dollar's worst performance in the first six months of the year since 1973. This hit returns for overseas investors during what was otherwise a positive period for US equities. Demand for currencies seen as relative havens, such as the Swiss franc, benefited from a rise in demand.

On a regional basis, European equities were boosted by a loosening in fiscal stimulus measures and planned increases in defence spending. The region was popular among investors looking to diversify away from the US. Emerging markets produced some of the biggest gains, with China benefiting from new stimulus measures and improving US trade relations. Emerging markets also benefited from US dollar weakness, which reduced inflationary pressures and provides potential scope for rate cuts. During the second quarter the MSCI World Growth Index rose 9.85% while the MSCI World Value Index fell in value by 1.46%.

Looking at sectors, technology was the standout performer, boosted by the sharp rebound in sentiment during May and June. The energy sector suffered some of the biggest losses after Iran and Israel agreed a ceasefire. There had been fears that a larger Middle East conflagration would lead to disruption in the oil supply, but as these fears abated energy prices slid. Healthcare stocks also came under pressure. This was due to a combination of company-specific issues, and amid a push for pharmaceutical companies to lower their drug prices in the US.

Outlook

Looking ahead, the most immediate focus will be on the minutes of Federal Reserve meetings as investors try to plot the path of future rate cuts. China PMI data and the next round of US earnings guidance will also be a key focus. US dollar weakness is something investors will watch closely as the US dollar had its worst first half since 1973. While the geopolitical landscape is currently a little calmer, clearly the likelihood of further flashpoints is high.

Whatever way the US administration finally moves on tariffs, the full impact will probably not be obvious until we are well in 2026. In the near term, we expect distortion to data on some spending is brought forward (as we saw with some imports in first quarter US GDP data) while other spending gets deferred. On the whole, the US economy still looks okay which in turn means there is unlikely to be a massive increase in the speed or extent of rate cuts.

While this are still significant geopolitical and macroeconomic risks, we remain focused on using our established investment process to generate alpha through bottom-up stock picking. With this volatile background, we believe in our approach of diversifying the strategies across a broad range of companies from different sectors and stages of their Life Cycle. We continually hunt for superior shareholder wealth creating companies with undervalued long-term cash flows, which strongly drive and influence performance, rather than the prevailing winds of the macroeconomy, or factors such as growth and value styles being in vogue.

For a wider view on prospects for the rest of 2025, and how Royal London Asset Management approaches volatile markets, read the thoughts of Piers Hillier, Chief Investment Officer, Mike Fox, Head of Equities, Trevor Greetham, Head of Multi Asset, and Will Nicoll, Head of Fixed Income in our mid-year outlook at www.rlam.com.

Further Information

Please click on the links below for further information:

Stewardship and Responsible Investment at RLAM

Royal London Voting and Engagement

TCFD climate report

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

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The Trust is an authorised unit trust scheme. The Manager is RLUM Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144032.

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.rlam.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

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

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
Fund (gross)	4.35	(4.83)	1.89	58.06	104.70
Fund (net)	4.09	(5.30)	0.88	52.85	92.84

Annualised (%)

3 Years (p.a.)	5 Years (p.a.)
16.47	15.40
15.18	14.03

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)	1.89	30.08	19.26	0.93	28.32
Fund (net)	0.88	28.64	17.79	(0.32)	26.57

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 US Growth Trust A Inc GBP share class.

Glossary

Active share

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

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

Official Fund performance is shown on a mid-to-mid price basis, gross of fees and taxes, with gross income reinvested unless otherwise stated. Supplementary end of day performance has also been provided at fund level in order to show a comparison vs the benchmark which is also priced at end of day.

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).