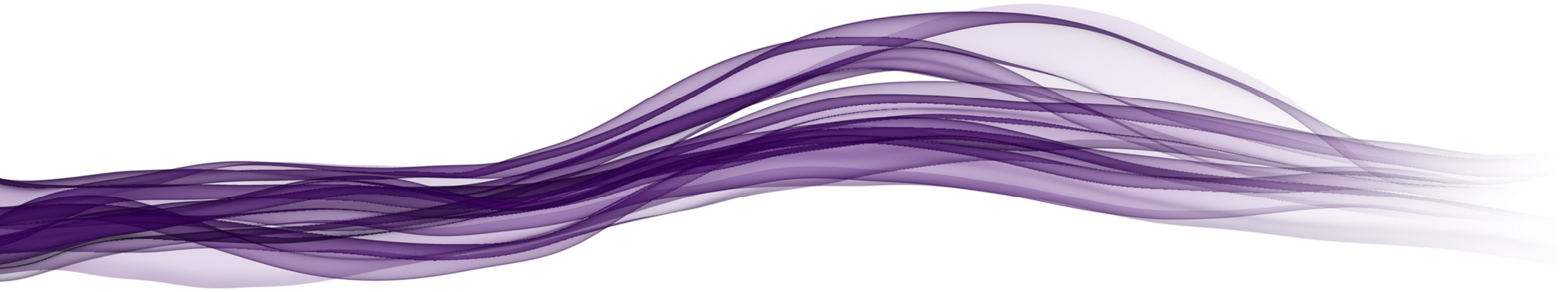


For professional clients only, not suitable for retail clients.



Royal London UK Growth Trust

Quarterly Investment Report

31 March 2025

Quarterly Report

The fund as at 31 March 2025

The purpose of this report is to provide an update on the Royal London UK 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	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 term (3-5 years) by investing at least 80% in the shares of UK companies included in the FTSE All-Share Index. The Fund's performance target is to outperform, after the deduction of charges, the FTSE All-Share Index (the "Index") over a rolling 5-year period. The Index is regarded as a good measure of the share-price performance of the approximately 600 largest companies on the London Stock Exchange. 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 UK All Companies sector is considered an appropriate benchmark for performance comparison.

Fund value

	Total £m
31 March 2025	1,118.33

Fund analytics

	Fund
Fund launch date	25 September 1989
Fund base currency	GBP
Benchmark	FTSE All Share (Total Return)
Number of holdings	50

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	3.70	4.51	(0.80)
1 Year	9.17	10.46	(1.29)
3 Years (p.a.)	5.28	7.21	(1.94)
5 Years (p.a.)	11.34	12.03	(0.70)
10 Years (p.a.)	5.28	6.15	(0.86)
Since inception (p.a.)	7.61	7.68	(0.07)

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; Net performance; Since inception date of the share class is 25 September 1989.

Performance commentary

The Trust started 2025 strongly as investor hopes that the new US government would not implement significant tariffs seemed to be playing out and markets moved higher. However, this proved to be temporary and by March equity markets were surrendering most of their gains from earlier in the year as the threat of increased tariffs appeared to be very real. Overall, the Trust was positioned in the second quartile relative to the peer group during the quarter. The best performing stocks in the portfolio included a large number of banks, notably Lloyds, Standard Chartered and NWG. They started the year on modest valuations, beneficiaries from higher interest rates compared to a few years ago and returning significant capital to shareholders. The largest negative impact came from our position in Greggs which warned of a high street slowdown and was derated as a result.

Performance and activity

Top 10 holdings

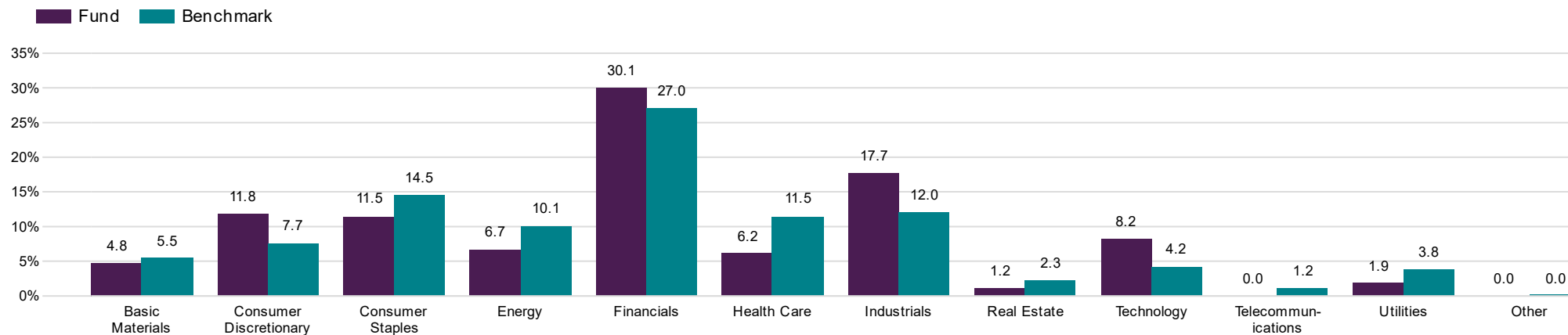
	Weighting (%)
SHELL PLC	5.50
HSBC HOLDINGS PLC	5.09
ASTRAZENECA PLC	5.05
RELX PLC	4.69
LONDON STOCK EXCHANGE GROUP PLC	4.35
LLOYDS BANKING GROUP PLC	4.17
COMPASS GROUP PLC	4.01
NATWEST GROUP PLC	3.65
3I GROUP PLC	3.46
EXPERIAN PLC	3.25
Total	43.22

Fund activity

During the quarter, the main activity was increasing exposure to Asia through HSBC and Prudential and these moves were funded by profit taking in Relx, Rolls Royce and selling out of Anglo American and RS Group. The Prudential in particular has started to look more attractive post a large fall in its share price over the last few years, a reopening of the Hong Kong market for life/health assurance business which they are beneficiaries and their decision to return capital to shareholders. We sold out of Anglo American as the outlook for commodities selling into China remains uncertain and the shares had bounced post their lows last year.

Fund breakdown

Sector weights



Fund Engagement

Engagement definition

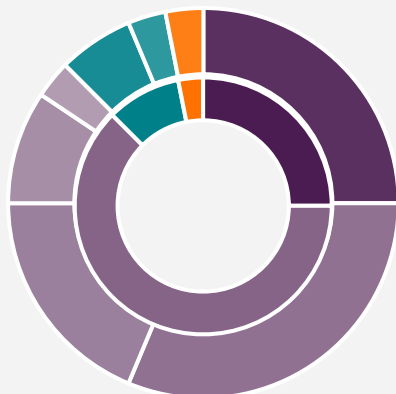
Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence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

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	23	42
Number of engagements	30	156

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



Climate	8
Climate - Transition Risk	8
Governance	20
Corporate Governance	10
Remuneration	6
Strategy	3
Board	1
Social & Financial Inclusion	3
Social & Financial inclusion	2
Just transition	1
Technology, Innovation & Society	1
Technology & Society	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

Diageo Plc - Net zero

Purpose:

We met with the Head of Sustainability at Diageo, a beverage company, to provide feedback on its climate policy. During the meeting, we encouraged improvements in disclosures to ensure investors have a clear understanding of the company's climate plans.

Outcome:

Diageo has published elements of a strong climate plan and the company is actively seeking to enhance its approach. The company aims to use a sector-specific target-setting methodology and improve the measurement of supplier emissions. Diageo has demonstrated a strong approach to supplier engagement, with the Head of Sustainability actively contributing to and advocating for improved climate reporting standards. However, the plan currently lacks detail on the decarbonisation strategy and capital allocation needed to achieve its climate goals. We hope to see these areas addressed in the near future.

Intercontinental Hotels Group Plc - Remuneration

Purpose:

We engaged with the Intercontinental Hotels Group (IHG) Remuneration Committee to discuss and review the company's remuneration policies and practices. The meeting aimed to address key issues related to employee retention, market competitiveness, and proposed changes to executive pay structures. This engagement was crucial for ensuring that IHG's remuneration strategies align with market standards and effectively support the retention and motivation of top talent.

Outcome:

We gained a comprehensive understanding of the challenges IHG faces in retaining senior talent and maintaining competitive remuneration packages. The discussions highlighted the need for IHG to enhance its pay structures to match market medians and address pay compression issues. As a result, proposed changes to the CEO and CFO remuneration packages were discussed, including increases in salary, bonus caps, and the introduction of Restricted Stock Units (RSUs). These changes aim to align executive pay with market standards and ensure long-term value creation for shareholders.

However, concerns remain regarding the reasoning behind the additional restricted share plan, which is only subject to discretionary performance. This aspect requires further scrutiny to ensure it aligns with the company's long-term strategic goals.

Fund Engagement

Engagement outcomes

Rio Tinto Plc – Multi-thematic

Purpose:

We met with Rio Tinto, a mining company, to engage with the Chair on a shareholder proposal to review the dual listing structure, the company's approach to sexual harassment and its new climate transition plan.

Outcome:

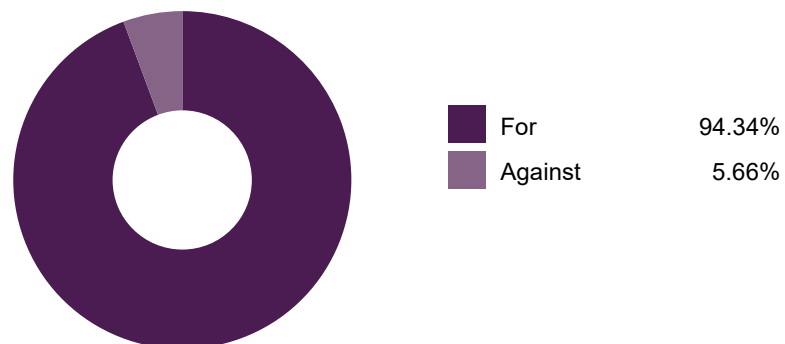
On climate, the company was asked to replicate its steelmaking decarbonisation approach for its bauxite and alumina value chain emissions, making timebound, measurable, and action-oriented commitments. The company responded favourably to this suggestion. Regarding Pilbara iron ores, the company acknowledged the transition risks posed by the shift to green steel and is collaborating with partners to find technological solutions.

We discussed the company's responsible mining policies and their effectiveness, particularly in relation to key transition metals and just transition issues.

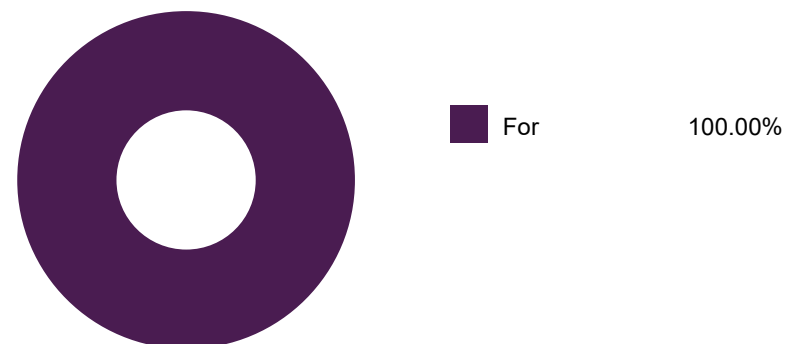
The new RemCo Chair intends to link workforce culture survey results to pay metrics and is seeking feedback on specific targets and measures. The meeting also addressed the early stages of the class action lawsuit concerning sexual harassment. The discussion underscored the company's commitment to transparency while balancing the legal risks associated with releasing the report. The court filings are not yet publicly available, and the next steps involve contacting women who worked between 2003 and the present to gather more information.

Fund Voting

Total proxy voting activity



Executive remuneration voting activity



Market commentary

The first quarter of 2025 proved to be volatile marked by political shifts that brought about a significant change in equity market leadership. US policy risk around tariffs has weighed on growth expectations and fanned stagflation fears, while an emboldened Europe has embarked on a fiscal spending path that has taken many by surprise in terms of its scale. A significant rotation in markets was evident, with US equities selling off in favour of more cyclical and value-oriented parts of the market, alongside notable momentum in defence-related companies. UK equities were no exception and delivered a positive return, outperforming many other regional markets.

An increasingly antagonistic stance from the Trump administration with regards to global trade seemingly leaves Europe no longer able to count on the US as a reliable trading partner let alone an ally. This appears to have galvanised policymakers on the continent. Germany's likely incoming coalition government opted to go for growth by removing its 'debt brake' to unlock spending on defence and a new €500bn infrastructure plan. This has triggered an even bigger policy response from the EU, following up with an €800bn defence fund for member states.

Closer to home investors had to wait until the end of March for the Chancellor's Spring Statement. Spending cuts worth £8.4bn were imposed to meet the government's own fiscal rules, while tax rises on employer National Insurance Contributions (NICs) are due to come into effect in April (at the same time as rises in the National Living Wage). It is expected that this will be inflationary as companies pass on costs in the form of higher prices to protect profit margins. It is unfortunate that UK fiscal tightening is taking place amid uncertainty around the global economy, but perhaps Germany's U-turn on its fiscal rules shows what could be possible.

This combination of volatile US trade dynamics and a divergence in fiscal policy has culminated in a fading of the widely held view around 'US exceptionalism.' Having had loose fiscal policy for the best part of a decade there is now bipartisan support in the US to reign in on spending, while Europe on the other hand is now turning on the taps and mobilising itself to unlock growth. This may be enough to reverse the wall of liquidity that has been finding its way towards US assets, and particularly its technology companies. For those that believe US exceptionalism lies in its innovation rather than being cyclical, even this thinking was dented earlier in January with the Chinese AI breakthrough coming from DeepSeek. It may not take much to prompt a significant re-rating of other parts of the market as we have seen in recent months.

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

For professional clients only, not suitable for retail clients.

This is a financial promotion and is not investment advice.

Telephone calls and written communications may be recorded and monitored. For further information please see the Privacy Policy at www.rlam.com.

Issued in April 2025 by Royal London Asset Management Limited, 80 Fenchurch Street, London EC3M 4BY. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

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.

FTSE indexes and data are an intellectual property of FTSE International Limited ("FTSE"). "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. The Index is calculated by FTSE or its agent.

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.

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.

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 31 March 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	3.96	3.48	10.26	20.76	81.88	6.48	12.70
Fund (net)	3.70	2.97	9.17	16.70	71.13	5.28	11.34

Annualised (%)

Year on year performance (%)

	31/03/2024 - 31/03/2025	31/03/2023 - 31/03/2024	31/03/2022 - 31/03/2023	31/03/2021 - 31/03/2022	31/03/2020 - 31/03/2021
Fund (gross)	10.26	10.69	(1.06)	11.96	34.52
Fund (net)	9.17	9.40	(2.28)	10.57	32.62

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 31 March 2025. All figures are mid-price to mid-price for the Royal London UK Growth Trust A Inc 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.