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Royal London GMAP Diversified Bond Fund

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 GMAP Diversified Bond 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.

Contents

The fund	3
Performance and activity	5
Fund breakdown	7
Market commentary	8
Further information	9
Disclaimers	10
Performance net and gross	12
Glossary	13

The fund

Fund performance objective and benchmark

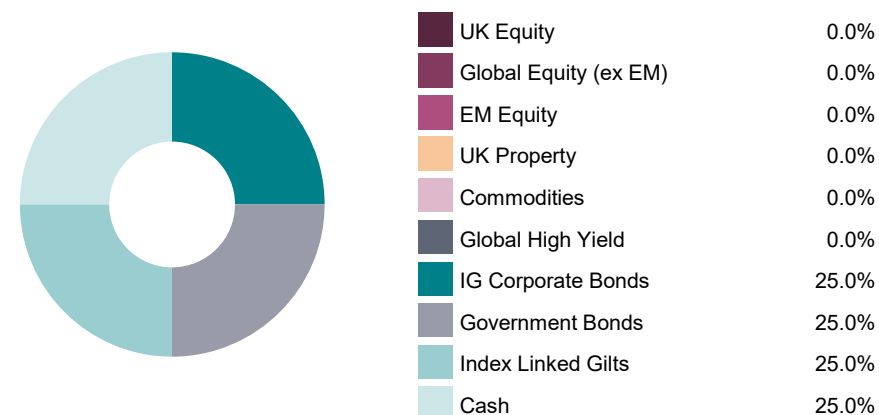
The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3-5 years, by predominantly (ie at least 80%) investing in a range of different fixed income strategies through investment in Collective Investment Schemes (CIS). The Fund forms part of the Royal London Global Multi-Asset Portfolio (GMAP) range. Each Fund in the range is assigned a level of potential risk and return relative to the other funds in the range. Within this range, this Fund aims to achieve a low level of risk and return. The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective. The Fund forms part of the Morningstar GBP Diversified Bond category, a peer group of funds with similar characteristics. Funds in this category have a generalist mandate and do not exhibit significant risk concentrations. The Morningstar GBP Diversified Bond category is considered an appropriate benchmark for performance comparison purposes. Management of the Fund is not restricted by the use of the category as a comparator benchmark.

Fund value

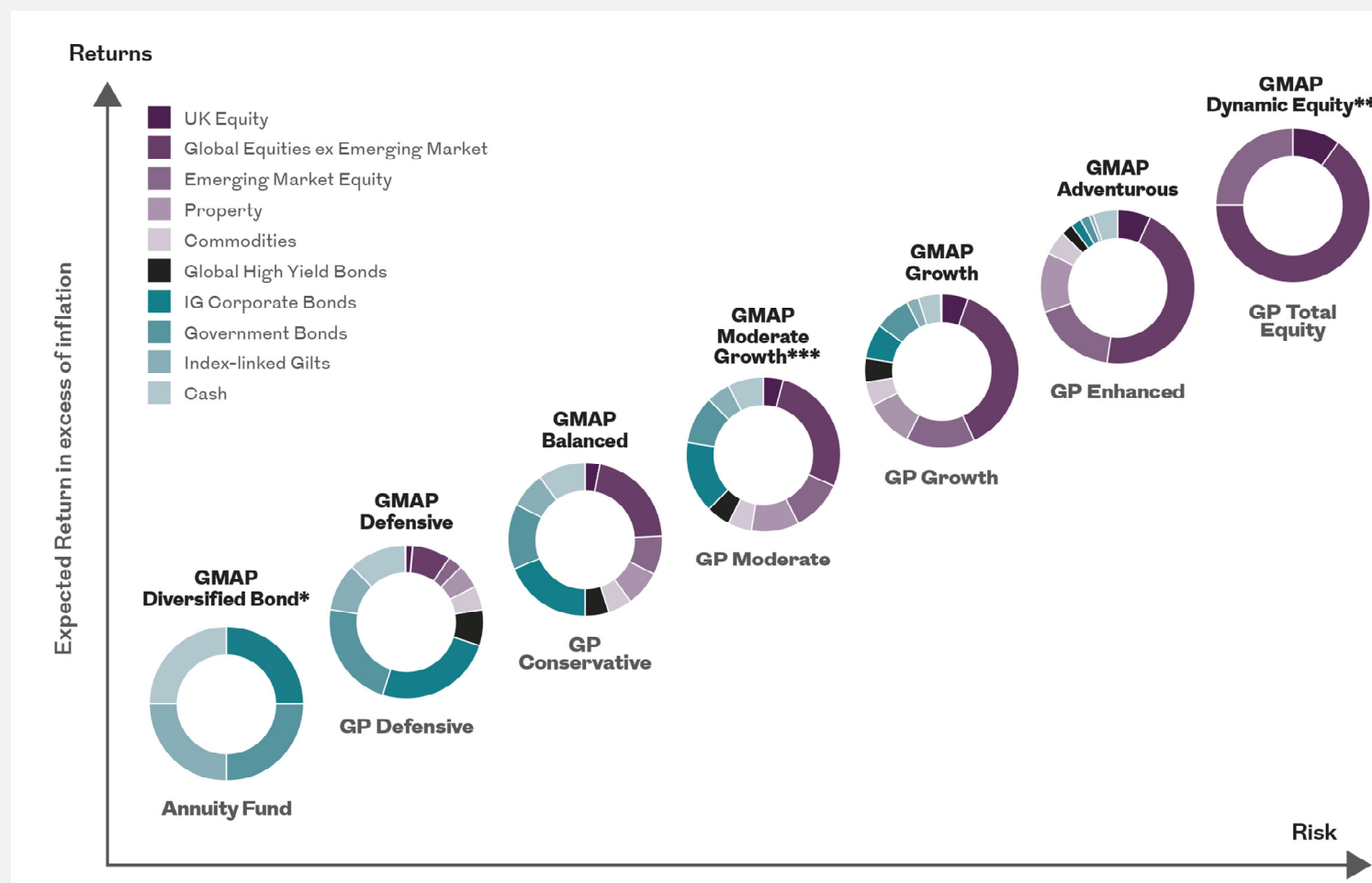
	Total £m
31 March 2025	406.06
Fund launch date	14 March 2016
Benchmark	Morningstar GBP Diversified Bond category

Strategic asset allocation

The chart below shows the long-term Strategic Allocation (SAA) of the fund. The SAA is designed to meet the risk and return objective of the fund and is reviewed annually. Percentages are subject to rounding.



RL GMAP range



For illustrative purposes – reflects Strategic Asset Allocation weightings, may vary in accordance with tactical asset allocation. Our fund range is designed to span the risk return spectrum, with each fund aiming to maximise the long-term real return for its given level of risk through a broadly diversified portfolio of investments

* Fund name changed from Conservative to Diversified Bond on 15 March 2024.

** Fund name changed from Dynamic to Dynamic Equity on 15 March 2024.

*** Fund launched on 25 July 2024.

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	0.87	0.84	0.04
1 Year	1.60	1.45	0.15
3 Years (p.a.)	(1.06)	(2.44)	1.38
5 Years (p.a.)	0.10	(1.84)	1.94
Since inception (p.a.)	1.73	0.67	1.06

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 M Acc GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 14 March 2016.

Performance commentary

Tactical asset allocation strategies build on the core portfolio and operate within a separate risk budget. We take an active approach to tactical asset allocation with a view to adding value irrespective of market direction and continue to see opportunities in relative value trades within and between the broad range of asset classes at our disposal.

Equities

Global equities started the period with continued strength but ended up underperforming other asset classes over the quarter amid heightened volatility. Having benefitted from the initial equity market strength, we took profits over the second half and reduced our equity overweight towards neutral, driven by rising volatility and the deteriorating soft data in the US. Our positioning in global equities added value over the period.

Bonds

Bond yields were mixed over the quarter. UK yields ended broadly unchanged, while yields in the US fell as forward-looking data started to soften amid rising policy uncertainty. Meanwhile, the larger-than-expected fiscal support announcement in the euro area saw German 10-year bund yields record the largest weekly rise since the 1990 reunification period. We remained underweight government bonds, with our Investment Clock moving into the overheat quadrant – historically the phase where bond yields rise on inflationary pressures. Choppiness and regional divergence saw us lose some value from our positioning.

Equity regions

US equities led the losses at the regional level, with the Magnificent 7 index entering bear market territory, as lofty valuations were questioned amid fears of slowing growth and rising competition from China's AI model DeepSeek. European stocks rallied on hopes of positive developments around fiscal spending. Having been overweight US and underweight Europe in late 2024, we turned neutral earlier in the year as earnings expectations started to turn, and benefitted from the underperformance of the US market against rest of the world.

Equity sectors

Growth stocks that had been leading the way higher last year came under pressure in the first quarter. We started the year overweight growth and cyclical sectors against an underweight in defensives, flagging the resilient macro backdrop as our Investment Clock remained in the recovery quadrant. However, as data started to turn and equity market volatility rose, we started to move towards a more defensive positioning. We lost some value in the initial tech-led sell-off, and then as the market recovered briefly in the middle of March.

Performance and activity

Top 10 holdings

	Weighting (%)
Royal London UK Government Bond R	20.02
Royal London Index Linked Fund R ACC	20.01
RL SUS CORP BOND TRUST D ACC	13.53
Royal London Short Term Money Mark	8.31
Royal London Sterling Lqd Money Mkt R	8.07
RL Global Sustainable Cr FD Class	7.57
Royal London Absolute Return Govt	6.59
Royal London Short Duration Gbl I	5.06
Royal London International Governm	5.04
Royal London Ethical Bond Rac Fund	4.00
Total	98.20

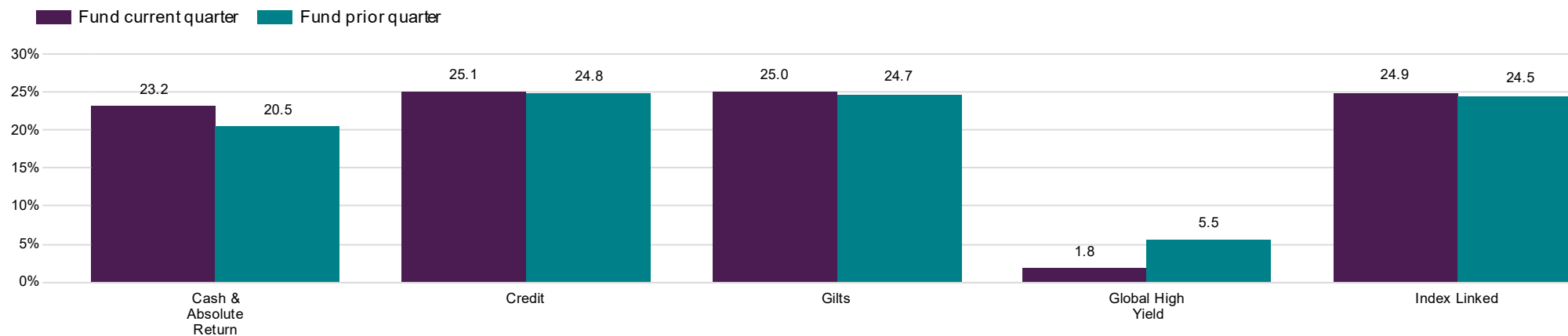
Fund activity

Asset allocation overview

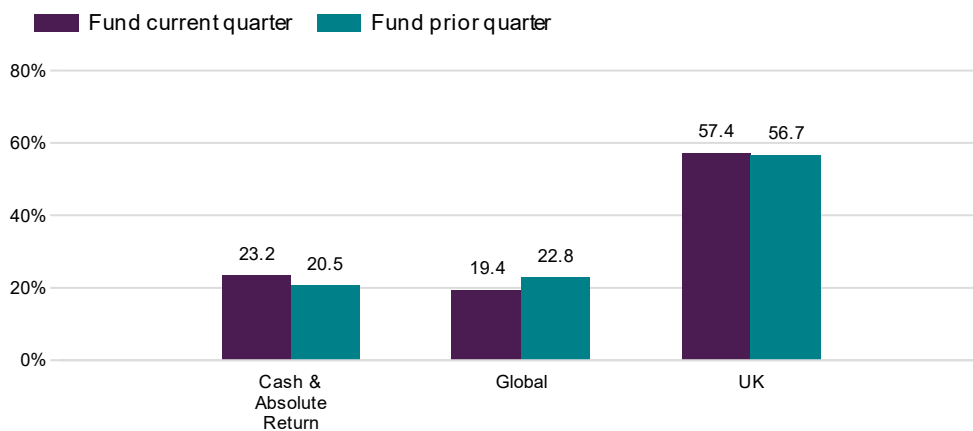
On a tactical level, we have trimmed our equity overweight position closer to neutral, with a preference towards Europe and away from the US. Our Investment Clock has moved into overheat, which historically has seen commodities outperform bonds. While US hard data remains resilient, forward-looking indicators are starting to flash warning signs, with business and consumer confidence being challenged by policy uncertainty – we continue to closely monitor the damage from tariffs, both for the US and globally.

Fund breakdown

Asset split



Geographical breakdown



Market commentary

Outlook

The geopolitical outlook is uncertain, with Trump back in power and wars continuing in Eastern Europe and the Middle East. The macro backdrop remains supportive for now, but the US-led post-election boom looks to be reversing. Risk of tariffs and other policy changes have started to weigh on business and consumer confidence. We have taken profits on global equities and moved underweight US equities; we prefer Europe where company earnings have been stronger and fiscal policy is likely to support growth.

We believe the pandemic ushered in a new regime of 'spikeflation' characterised by periodic price level shocks and shorter boom-bust cycles. A global trade war reminiscent of the 1930s could raise the cost of imports for the world over and challenge the low inflation consensus. Commodities, as always, are a useful hedge.

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 Fund is a sub-fund 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.

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.

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

This fund may undertake transactions in derivatives and forward transactions (both on exchange and over the counter (OTC)). These may include interest rate swaps and interest rate futures for the purposes of meeting the investment objective, protecting the risk to capital, duration and credit management, as well as for hedging. While the discerning use of derivatives can be beneficial, derivatives also involve specific risks. These risks relate specifically to market risk, management risk, credit risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices. The use of derivative instruments may from time to time alter the economic exposure of the fund causing it to deviate significantly from the performance of the market as a whole. The use of these derivatives will be within the parameters allowed for linked funds by the Financial Conduct Authority and Prudential Regulation Authority.

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.

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. Unlike the income from a single fixed interest security, the level of income (yield) from a fund is not fixed and may go up and down. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background.

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.

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.

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)	0.87	(0.95)	1.60	(3.15)	0.50	(1.06)	0.10
Fund (net)	0.72	(1.24)	1.00	(4.88)	(2.46)	(1.65)	(0.50)

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)	1.60	2.75	(7.23)	(0.59)	4.39
Fund (net)	1.00	2.13	(7.78)	(1.18)	3.77

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 GMAP Diversified Bond Fund M Acc GBP share class.

Glossary

Asset allocation

Based on RLAM's holistic approach to fixed income management and fund weights relative to their respective benchmarks. May not reflect tactical exposures.

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.

Geographical breakdown

Breakdown of assets by geographical regions. 'Global' region includes global fixed income and overseas securities exposures, which are sterling hedged and commodity exposures.

Performance

Performance is calculated using the signed off NAV per share. 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 the return.

Top 10 holdings

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