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# Royal London Asset Management

Multi Asset Fund Commentary

31 May 2025

# Fund Commentary

**31 May 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

Global equities continued to recover from the April losses and finished May at a level just 2% below all-time highs. Performance was helped by positive developments on trade and tariffs, especially the trade deal between the UK and the US as well as the 90-day pause effectively decreasing tariff rates between the US and China.

Having increased equity exposure towards neutral in late April as investor sentiment fell to attractive oversold levels, the portfolio remained slightly overweight stocks during May. We covered the underweight in US equities to neutral amid improving earnings outlook and moved underweight UK that lagged in the recovery.

Markets witnessed extreme levels of panic after Donald Trump shocked the world with his April 2 'Liberation Day' speech. While tariffs have come down from the high level initially threatened, they are still at the highest level since the 1930s. We will be watching growth and inflation data closely to assess lasting damage.

## Royal London GMAP Balanced Fund

Global equities continued to recover from the April losses and finished May at a level just 2% below all-time highs. Performance was helped by positive developments on trade and tariffs, especially the trade deal between the UK and the US as well as the 90-day pause effectively decreasing tariff rates between the US and China.

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## Royal London GMAP Defensive Fund

Global equities continued to recover from the April losses and finished May at a level just 2% below all-time highs. Performance was helped by positive developments on trade and tariffs, especially the trade deal between the UK and the US as well as the 90-day pause effectively decreasing tariff rates between the US and China.

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## Royal London GMAP Diversified Bond Fund

Bond yields ended higher on the month, with longer end maturities in the US and Japan leading the move. 30-year yields in the US rose above 5% and 30-year Japanese yields made all-time highs above 3%. This was driven by fiscal concerns from Trump's "big and beautiful" tax bill and subdued auction demand for ultralong Japanese government bonds.

We moved to neutral global high yield in the portfolio, having been slightly underweight earlier amid heightened volatility and market stress. While credit quality remains high compared to history and defaults are rare, credit spreads are very tight and could widen significantly in a recessionary environment.

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## Royal London GMAP Dynamic Equity Fund

Global equities continued to recover from the April losses and finished May at a level just 2% below all-time highs. Performance was helped by positive developments on trade and tariffs, especially the trade deal between the UK and the US as well as the 90-day pause effectively decreasing tariff rates between the US and China.

We covered the underweight in US equities to neutral over the period, driven by strong price action and a sharp improvement in relative corporate earnings expectations as recession fears subsided. We moved underweight the UK, having previously been overweight, as the region lagged in the recovery given its more defensive characteristics.

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## Royal London GMAP Growth Fund

Global equities continued to recover from the April losses and finished May at a level just 2% below all-time highs. Performance was helped by positive developments on trade and tariffs, especially the trade deal between the UK and the US as well as the 90-day pause effectively decreasing tariff rates between the US and China.

Having increased equity exposure towards neutral in late April as investor sentiment fell to attractive oversold levels, the portfolio remained slightly overweight stocks during May. We covered the underweight in US equities to neutral amid improving earnings outlook and moved underweight UK that lagged in the recovery.

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## Royal London GMAP Moderate Growth Fund

Global equities continued to recover from the April losses and finished May at a level just 2% below all-time highs. Performance was helped by positive developments on trade and tariffs, especially the trade deal between the UK and the US as well as the 90-day pause effectively decreasing tariff rates between the US and China.

Having increased equity exposure towards neutral in late April as investor sentiment fell to attractive oversold levels, the portfolio remained slightly overweight stocks during May. We covered the underweight in US equities to neutral amid improving earnings outlook and moved underweight UK that lagged in the recovery.

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## Royal London Multi Asset Strategies Fund

Global equities continued to recover from the April losses and finished May at a level just 2% below all-time highs. Performance was helped by positive developments on trade and tariffs, especially the trade deal between the UK and the US as well as the 90-day pause effectively decreasing tariff rates between the US and China.

As volatility continued to ease and investor sentiment recovered from extremely oversold levels, the equity exposure within the fund was increased back to neutral levels over the month. We covered the underweight in US equities to neutral amid improving earnings outlook and moved underweight UK that lagged in the recovery.

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# 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 may 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.