

For professional clients only, not suitable for retail clients. This is a marketing communication.



Royal London Asset Management

Equity Fund Commentary

31 October 2025

Fund Commentary

31 October 2025

The purpose of this report is to provide an update on the Royal London Equity Funds. The report has been produced by Royal London Asset Management. All content within this report is at the report date unless otherwise stated.

Contents

[Royal London Global Equity Diversified Fund](#)

[Royal London Global Equity Diversified Fund \(IRL\)](#)

[Royal London Global Equity Income Fund](#)

[Royal London Global Equity Select Fund](#)

[Royal London Global Equity Select Fund \(IRL\)](#)

[Royal London UK Dividend Growth Fund](#)

[Royal London UK Equity Fund](#)

[Royal London UK Equity Income Fund](#)

[Royal London UK Growth Trust](#)

[Royal London UK Income With Growth Trust](#)

[Royal London UK Mid Cap Growth Fund](#)

[Royal London UK Smaller Companies Fund](#)

[Disclaimers](#)

Equity

Royal London Global Equity Diversified Fund

Global equities built on the year's momentum in October as investors balanced a decisive move from central banks with an earnings season that continued to validate profit growth. Technology stocks again led the way, spurred by strong corporate earnings growth. Apple, Amazon and Alphabet all boosted sentiment with encouraging results.

The fund outperformed its benchmark over the month. Key contributors to performance were Alphabet, SK Hynix and Micron. Key detractors were Sprouts Farmers Market, Progressive Corporation and Brown & Brown.

We continue to focus on enhancing the long-term wealth creation and valuation opportunities in the portfolio. The result is a highly idiosyncratic portfolio with balance across the corporate Life Cycle.

Royal London Global Equity Diversified Fund (IRL)

Global equities built on the year's momentum in October as investors balanced a decisive move from central banks with an earnings season that continued to validate profit growth. Technology stocks again led the way, spurred by strong corporate earnings growth. Apple, Amazon and Alphabet all boosted sentiment with encouraging results.

The fund's key contributors to performance included Alphabet, SK Hynix and Micron. Key detractors were Sprouts Farmers Market, Progressive Corporation and Brown & Brown.

We continue to focus on enhancing the long-term wealth creation and valuation opportunities in the portfolio. The result is a highly idiosyncratic portfolio with balance across the corporate Life Cycle.

Royal London Global Equity Income Fund

Global equities built on the year's momentum in October as investors balanced a decisive move from central banks with an earnings season that continued to validate profit growth. Technology stocks again led the way, spurred by strong corporate earnings growth. Apple, Amazon and Alphabet all boosted sentiment with encouraging results.

The fund's largest active position, Alphabet, contributed strongly to performance alongside technology holdings such as Micron Technology and Samsung Electronics. These positions more than offset the impact from the fund's large underweight exposure to key benchmark constituents like NVIDIA, Amazon and Apple which all performed strongly.

During the month we exited our positions in Lloyds Bank and Roche and trimmed positions in a range of other holdings. We also used proceeds from our sales to initiate positions in Edenred, Illinois Tool Works and Qualcomm.

Equity

Royal London Global Equity Select Fund

Global equities built on the year's momentum in October as investors balanced a decisive move from central banks with an earnings season that continued to validate profit growth. Technology stocks again led the way, spurred by strong corporate earnings growth. Apple, Amazon and Alphabet all boosted sentiment with encouraging results.

The Fund outperformed the benchmark during October. The outperformance was broad-based across the Life Cycle, with Slowing & Maturing, Accelerating and Mature holdings all contributing positively. Key drivers were new additions to the fund, including Vertiv, and Hoya, as well as core holdings Steel Dynamics and Amazon. Holdings in Progressive and Sprouts Farmers Market lagged.

We are currently focused on ensuring that companies are delivering against their key milestones. With most of our companies having reported, the emphasis will once again turn to rock turning and idea generation.

Royal London Global Equity Select Fund (IRL)

Global equities built on the year's momentum in October as investors balanced a decisive move from central banks with an earnings season that continued to validate profit growth. Technology stocks again led the way, spurred by strong corporate earnings growth. Apple, Amazon and Alphabet all boosted sentiment with encouraging results.

The fund's performance driven by stocks across the Life Cycle, with Slowing & Maturing, Accelerating and Mature holdings all contributing positively. Key drivers were new additions to the fund, including Vertiv, and Hoya, as well as core holdings Steel Dynamics and Amazon. Holdings in Progressive and Sprouts Farmers Market lagged.

We are currently focused on ensuring that companies are delivering against their key milestones. With most of our companies having reported, the emphasis will once again turn to rock turning and idea generation.

Royal London Global Equity Transitions Fund

Global equities built on the year's momentum in October as investors balanced a decisive move from central banks with an earnings season that continued to validate profit growth. Technology stocks again led the way, spurred by strong corporate earnings growth. Apple, Amazon and Alphabet all boosted sentiment with encouraging results.

Key drivers of performance included technology holdings such as Alphabet, TSMC and Amazon. These were linked to recent positive earnings showing strong growth linked to AI demand. Our holding in Steel Dynamics also positively contributed following strong earnings. Alibaba was a headwind to performance, having performed very strongly the previous month.

We continue to focus on enhancing the long-term Wealth Creation/valuation in the portfolio. The result is a highly idiosyncratic portfolio aiming to be Life Cycle balanced alongside identifying Improvers and Enablers aligned with our four Transitions themes.

Equity

Royal London UK Dividend Growth Fund

UK equities delivered another strong month of performance in October with the FTSE All-Share Index pushing on to a new all-time high and outperforming other developed markets. Soft inflation and unemployment data prompted a rally in gilts, as investors priced in a steeper path of interest rate cuts. This provided something of a reprieve for more interest rate and domestically sensitive companies, while continued strength in industrial and precious metals supported the mining sector's recent momentum.

The UK Dividend Growth fund outperformed the benchmark. The fund's overweight in materials was a notable contributor to performance, with diversified mining companies Rio Tinto and Glencore rising in sympathy with commodity prices, and specialty chemical holdings Croda and Johnson Matthey both responding positively to third-quarter trading updates. Holdings in GSK and Hikma Pharmaceuticals were also strong as fears around policy risks to US drug pricing receded after the Trump administration struck a deal with US pharma giant Pfizer. While the fund's underweight to financials was a headwind, stock selection in UK banks Barclays and Lloyds partially offset this after strong third-quarter results.

Over the month we introduced two new holdings to the fund: Tate & Lyle and Unite Group. Geopolitics and the global economy remain very hard to predict but we continue to feel that our approach of investing in a broad range of companies from different sectors and stages of their lifecycle is very appropriate and will allow fund performance to continue to be driven by the success of our hunting for undervalued long-term cashflows.

Royal London UK Equity Fund

UK equities delivered another strong month of performance in October with the FTSE All-Share Index pushing on to a new all-time high and outperforming other developed markets. Soft inflation and unemployment data prompted a rally in gilts, as investors priced in a steeper path of interest rate cuts. This provided something of a reprieve for more interest rate and domestically sensitive companies, while continued strength in industrial and precious metals supported the mining sector's recent momentum.

The fund outperformed the benchmark and was ranked in the first quartile when compared with the peer group. Positives came from UK domestically exposed names including Marks and Spencer, Persimmon, Tesco and Next. The latter reported better than expected sales and updated their full year guidance. Tobacco was a detractor with Imperial Brands shares dipping after giving a full year trading update.

Transactions were limited in the month, although the fund did trim some Next after the positive results and continued to build positions in Informa and Istock. We invest broadly across sectors and in companies at different stages of the corporate lifecycle that we believe are undervalued relative to their long-term cash flow potential.

Equity

Royal London UK Equity Income Fund

UK equities delivered another strong month in October with the FTSE All-Share Index pushing on to a new all-time high and outperforming other developed markets. Soft inflation and unemployment data prompted a rally in gilts, as investors priced in a steeper path of interest rate cuts. This provided something of a reprieve for more interest rate and domestically sensitive companies, while continued strength in industrial and precious metals supported the mining sector's recent momentum. The pharmaceutical sector was also strong as fears around policy risks to US drug pricing receded after the Trump administration struck a deal with US pharma giant Pfizer.

The UK Equity Income fund underperformed the benchmark over the month. Stock selection within financials was the main detractor to relative performance, as the lack of exposure towards large cap UK banks proved to be a headwind as the sector outperformed on the back of third-quarter results. Alternatives asset manager ICG was also weak due to concerns around specific private credit exposures in the US. Partially offsetting this was the fund's overweight positioning in the materials sector, with diversified mining companies Rio Tinto and Glencore rising in sympathy with commodity prices, and specialty chemical holdings Croda and Johnson Matthey both responding positively to third-quarter trading updates.

Over the month we exited the position in Ninety One and introduced two new holdings to the fund: Bunzl and Tate & Lyle. Geopolitics and the global economy remain very hard to predict but we continue to feel that our approach of investing in a broad range of companies from different sectors and stages of their lifecycle is very appropriate and will allow fund performance to continue to be driven by the success of our hunting for undervalued long term cashflows.

Royal London UK Growth Trust

UK equities delivered another strong month of performance in October with the FTSE All-Share Index pushing on to a new all-time high and outperforming other developed markets. Soft inflation and unemployment data prompted a rally in gilts, as investors priced in a steeper path of interest rate cuts. This provided something of a reprieve for more interest rate and domestically sensitive companies, while continued strength in industrial and precious metals supported the mining sector's recent momentum.

The UK Growth Trust outperformed both the benchmark and the peer group over the month. Our holding in Next was the most notable contributor as the UK retailer released a very robust set of results and in the process upgraded its profit outlook for the year. Stock selection in UK banks NatWest Group, Lloyds and Standard Chartered were a highlight as the sector reported positive third-quarter results across the board. London Stock Exchange shares also recovered sharply after an encouraging update that helped to ease recent market concerns that AI could potentially be disruptive to its desktop and data feeds businesses. The main detractor to performance on a relative basis over the month was the underweight position to the pharmaceutical sector – notably AstraZeneca and GSK – as fears around policy risks to US drug pricing receded after the Trump administration struck a deal with US pharma giant Pfizer.

Activity over the month was focused on scaling positions including British American Tobacco, Informa and Segro, funded by trimming profits across UK banks, Next, Tesco and Computacenter. We continue to invest broadly across sectors and in companies at different stages of the corporate lifecycle that we believe are undervalued relative to their long-term cash flow potential

Equity

Royal London UK Income With Growth Trust

UK equities delivered another strong month of performance in October with the FTSE All-Share Index pushing on to a new all-time high and outperforming other developed markets. Soft inflation and unemployment data prompted a rally in gilts, as investors priced in a steeper path of interest rate cuts. This provided something of a reprieve for more interest rate and domestically sensitive companies, while continued strength in industrial and precious metals supported the mining sector's recent momentum.

The fund underperformed the benchmark in the month. With bonds less strong than equities, asset allocation was the main cause, but the equity portfolio also trailed the index. The key driver of the equity underperformance was the holding in ITV, whose shares were weak after a large US shareholder sold a block of shares into the market. The main trades were to start new equity holdings in Paragon, Unite and Tate & Lyle and to sell out of the holding in Ninety One.

Geopolitics and the global economy remain very hard to predict but we continue to feel that our approach of investing in a broad range of companies from different sectors and stages of their lifecycle is very appropriate and will allow fund performance to continue to be driven by the success of our hunting for undervalued long term cashflows.

Royal London UK Mid Cap Growth Fund

UK small and mid-cap equities posted modest gains in October, partly driven by falling gilt yields. The decline in yields reflected easing inflationary pressures and indications that Chancellor Rachel Reeves could cut public spending alongside tax increases. Separately, several IPOs took place on the UK market, signalling renewed optimism in London as a listing destination. The fund outperformed the FTSE 250 ex IT benchmark. Stock selection in the consumer discretionary sector contributed positively.

Not holding B&M was the largest positive contributor to relative performance, as the company profit warned twice during the month. For the companies held in our fund, Safestore was a contributor as peer Big Yellow attracted takeover interest from Blackstone. Integragin also outperformed as it reported sustained net inflow momentum through Q4.

ICG was a detractor as investors focused on potential stress in the private credit market, following the First Brands bankruptcy in the US. GlobalData detracted after lowering full year margin guidance due to continued investment, and slower-than-expected integration of recent acquisitions. Positively, forward bookings accelerated in the third quarter.

Royal London UK Smaller Companies Fund

UK small and mid-cap equities posted modest gains in October, partly driven by falling gilt yields. The decline in yields reflected easing inflationary pressures and indications that Chancellor Rachel Reeves could cut public spending alongside tax increases. Separately, several IPOs took place on the UK market, signalling renewed optimism in London as a listing destination. The fund underperformed the FTSE Small Cap ex IT benchmark. The underperformance was driven by stock selection, whilst sector allocation was positive. Stock selection in the financials sector contributed positively.

ActiveOps was a positive contributor following an impressive trading update. Organic revenue growth of 34% was achieved through expanding within existing clients and several new logo wins. Serica Energy was another contributor as it announced the proposed acquisition of BP's stake in the Culzean field, currently the UK's largest producing gas field.

The largest detractors were benchmark stocks not held in the portfolio. These included TT Electronics, which received a takeover bid from Cicor; Costain, which announced a major new contract; and Ceres Power, which benefited from optimism around fuel cell technology for data centres. For the companies held in our fund, GlobalData detracted after lowering full year margin guidance due to continued investment, and slower-than-expected integration of recent acquisitions. Positively, forward bookings accelerated in the third quarter.

Disclaimers

Important information

For professional investors only, not suitable for retail clients. This marketing communication is a financial promotion and is not investment advice. The views expressed are those of Royal London Asset Management at the date of publication unless otherwise indicated, which are subject to change, and is not investment advice. Telephone calls may be recorded. Telephone calls may be recorded. For further information please see the Privacy Policy at www.rlam.com.

RL Global Equity Diversified, RL Global Equity Income Fund, RL Global Equity Select, RL UK Dividend Growth, RL UK Equity, RL UK Equity Income, RL UK Mid-Cap Growth and RL UK Smaller Companies:

The Funds are sub-funds 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.

RL Global Equity Diversified (IRL), RL Global Equity Select Fund (IRL), RL Global Equity Enhanced Fund, RL Global Equity Transitions Fund:

Notice for UK Investors

The Fund is recognised in the UK under the Overseas Fund Regime (OFR) but is not a UK authorised fund and is not authorised by the Financial Conduct Authority (FCA). It is therefore not subject to the same regulatory oversight as UK authorised Funds and is not required to adhere to the UK sustainable investment labelling disclosure requirements. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available. Investors are strongly encouraged to seek independent financial advice before making any investment decisions.

The Fund is a sub-fund of Royal London Asset Management Funds plc, which is an umbrella fund with segregated liability between sub-funds. As a consequence, the holdings of one sub-fund are kept separate from the holdings of other sub-funds and your investment in the Fund cannot be used to pay the liabilities of any other sub-fund. Investors may exchange their shares in the Fund for shares in other sub-funds of Royal London Asset Management Funds plc.

The Prospectus and Key Investor Information Document (KIID) are available in English. A summary of investor rights is also available in English. RLAM may terminate the arrangements made for marketing of the fund pursuant to Article 93a of Directive 2009/65/EC.

RL UK Growth Trust and RL UK Income With Growth Trust:

The Trusts are authorised unit trust schemes. 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.

Disclaimers

Important information

For more information on the funds 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.

MSCI indexes and data are the intellectual property of MSCI Inc. MSCI has no liability to any person for any loss, damage, cost, or expense suffered as a result of any use of or reliance on any of the information.

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.

Issued in November 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.

FC RLAM ON 0416 RA

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.

Charges from capital risk

Charges are taken from the capital of the Fund. Whilst this increases the yield, it also has the effect of reducing the potential for capital growth.

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 stock market and therefore more volatile.

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.

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.

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.

Exchange rate risk

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

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.

Smaller companies risk

The Fund invests in smaller companies, the prices for which can be less liquid and be more volatile than those of larger companies and therefore may have a greater impact on the value of the Fund.