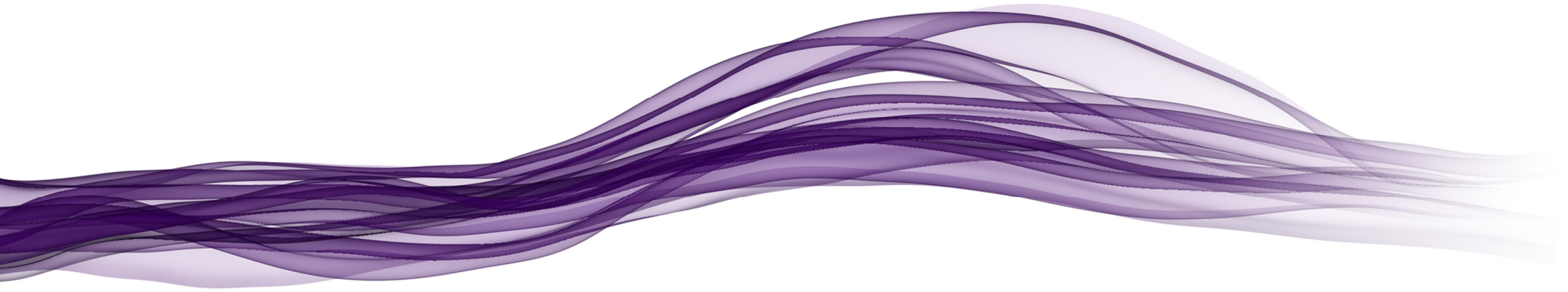


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Royal London UK Dividend Growth Fund

Quarterly Investment Report

30 September 2025

Quarterly Report

The fund as at 30 September 2025

The purpose of this report is to provide an update on the Royal London UK Dividend Growth 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.

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The fund

Fund performance objective and benchmark

The Fund's investment objective is to achieve a growing income with some capital growth over the medium term (3-5 years) by investing at least 80% in the shares of medium-sized and larger UK companies listed on the London Stock Exchange. The Fund's performance target is to outperform, after the deduction of charges, the FTSE All-Share Total Return GBP Index (the "Index") over rolling 5-year periods. 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 Fund's performance, as the Fund's potential investments will predominantly be included in the Index. In addition to the benchmark for the Fund'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
30 September 2025	1,336.41

Fund analytics

	Fund
Fund launch date	1 June 1981
Fund base currency	GBP
Benchmark	FTSE All-Share Index (Total Return, GBP)
Number of holdings	57

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	5.79	6.87	(1.07)
YTD	14.63	16.58	(1.95)
1 Year	11.56	16.17	(4.61)
3 Years (p.a.)	14.73	14.45	0.28
5 Years (p.a.)	12.41	12.98	(0.57)
Since inception (p.a.)	6.93	6.18	0.75

Past performance is not a guarantee or reliable indicator of future returns. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on M Inc GBP. Source: Royal London Asset Management; Net performance; Since inception date of the share class is 15 May 2018.

Performance commentary

The fund underperformed the benchmark during the period under review, but performed better than its peer group median

The main detractor from relative performance was being underweight in HSBC. Holdings in Hikma and WH Smith were weak after downgrading earnings expectations. Shares in Sage and RELX were also weak as some worried that their business models could be disrupted by AI. The largest positive contribution was from the holding in Just Group, which was bid for.

Performance and activity

Top 10 holdings

	Weighting (%)
SHELL PLC	5.92
ASTRAZENECA PLC	4.58
BARCLAYS PLC	4.10
RELX PLC	3.84
LLOYDS BANKING GROUP PLC	3.83
UNILEVER PLC	3.28
HSBC HOLDINGS PLC	3.12
RIO TINTO PLC	3.10
IMPERIAL BRANDS PLC	2.94
GLAXOSMITHKLINE	2.67
Total	37.37

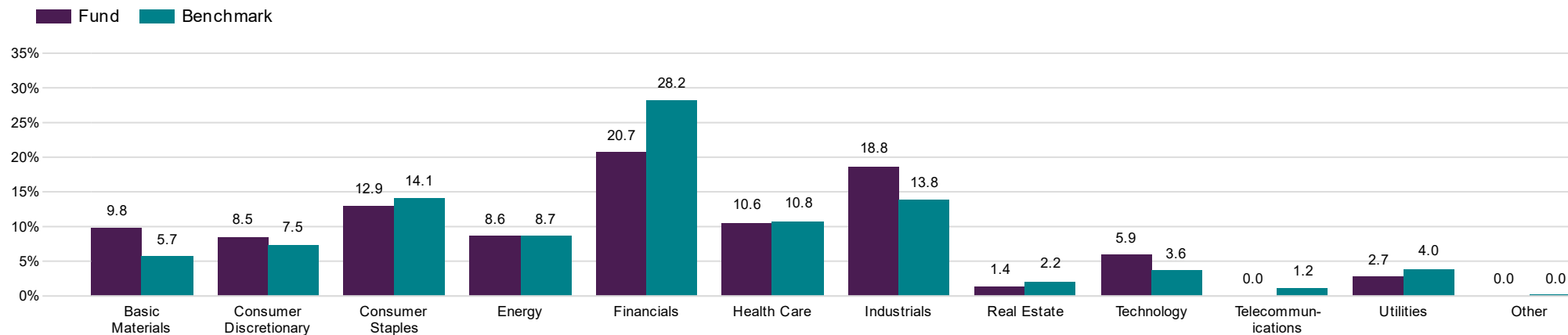
Fund activity

Two of the main sales in the period were selling holdings into bids for the companies, Just Group and Spectris. The holding in Ashtead was also significantly reduced and the holding in Genus exited after a strong run in the shares.

The two main buys were reducing the underweight positions in HSBC and Rolls Royce. The fund also significantly increased its holding in the chemical company Croda.

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	28	51
Number of engagements	46	160

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



Biodiversity	4
Climate	11
Climate - Transition Risk	7
Climate - Physical Risk	4
Environment	2
Governance	27
Corporate Governance	18
Remuneration	5
Board	2
Strategy	2

Social & Financial Inclusion	14
Just transition	8
Labour & Human Rights	5
Social & Financial inclusion	1
Technology, Innovation & Society	4
Cybersecurity	2
Technology & Society	2
Other	1

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.

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

Fund Engagement

Engagement outcomes

BP Plc - Multi-thematic

Purpose:

This meeting was our first interaction with BP PLC, a global energy company, under the strategic engagement programme, covering various material issues beyond climate concerns. The meeting aimed to understand how BP is balancing traditional energy and renewables, embedding anti-corruption frameworks, improving safety culture, and managing pollution prevention and community engagement.

Outcome:

BP outlined its evolving strategy in response to global events, with a renewed focus on capital allocation and performance across oil, gas and renewables. Recent leadership changes, including a new Chair and CEO, are shaping strategic direction, supported by ongoing portfolio and cost reviews.

The company continues to strengthen ethical business practices through mandatory training, whistleblower protections, and anti-corruption policies. In 2024, 251 employee separations were linked to non-compliance with its Code of Conduct. Safety remains a top priority, with lessons from incidents like the Husky Toledo refinery fire driving improvements in emergency response and safety culture.

Environmental risk management is supported by digital platforms such as LENS, which track incidents and share learnings. BP is focused on designing out pollution risks and engaging with communities through liaison officers. Future engagement will monitor progress on strategic delivery, ethical conduct, safety performance, and environmental stewardship.

Bunzl Plc - Workplace culture

Purpose:

The purpose of the engagement meeting with Bunzl, a global distribution and outsourcing company, was to discuss the company's approach to workforce engagement, whistleblowing, and reporting on workplace conduct, as well as to explore opportunities for improving transparency and disclosures.

Outcome:

Bunzl has shown a strong commitment to workforce engagement, with directors leading listening sessions across regions and languages. Although its decentralised model creates challenges for centralised reporting, the company is open to improving disclosures and performance monitoring. Bunzl shared whistleblowing data, noting an increase in reports, particularly from recent acquisitions in Latin America, which the company suggests growing employee confidence in reporting mechanisms. Serious cases are escalated to the board, with outcomes ranging from dismissals to educational interventions. The company is strengthening local reporting, conducting annual self-assessments, and using employee surveys, including discrimination-specific questions, to monitor culture, with positive results observed.

We encouraged Bunzl to enhance the granularity of its Speak Up data, benchmark performance against industry standard, provided by Navex, a leading compliance and risk management platform, and showcase positive survey outcomes. The company is considering tracking substantiation rates for future board reporting. Next steps include delivering a more detailed breakdown of Speak Up data, exploring external benchmarking, and reporting substantiation rates by risk category.

Fund Engagement

Engagement outcomes

DCC Plc - Just adaptation

Purpose:

The meeting focused on DCC PLC, an international sales, marketing and support services group, exploring its exposure to physical climate risks, current adaptation plans and introducing the emerging concept of just adaptation. We aimed to assess whether the company's existing activities already reflect just adaptation principles and to begin a dialogue on how stakeholder impacts could be more explicitly integrated into future planning.

Outcome:

DCC has completed a comprehensive physical climate risk assessment across 100 strategically important sites using the Standard and Poor's Climonomics tool, finding no material risks at the group level. The company recognises the limitations of climate modelling and the need to strengthen its adaptation approach, particularly as evolving regulations such as the Corporate Sustainability Reporting Directive (CSRD) will require more detailed disclosures.

DCC has begun implementing adaptation measures to protect workers from extreme heat at a site in France including through nature-based solutions, such as planting shade trees to lower ambient temperatures. The company acknowledges the need for a more structured framework and metrics to guide future efforts. Stakeholder engagement is embedded in operations, and the company sees value in developing a formal just adaptation policy to address stakeholder impacts.

RLAM shared adaptation guidance from the Transition Plan Taskforce (TPT) and Accelerate Climate Transition (ACT) to support further development of DCC's approach.

Drax Group Plc - Net zero

Purpose:

The purpose of our engagement with Drax Group PLC, an energy company, was to provide feedback on its recently published climate transition plan and to offer positive feedback on the clarity improvements that we have seen in its disclosure. We also took the opportunity to highlight areas for further improvement and to learn more about the company's overall sustainability strategy.

Outcome:

Drax provided valuable insight into its climate strategy, including how climate emissions are integrated into pay decisions and the models and assumptions used in scenario analysis. The updated strategy reflects a systems-based approach, strengthened governance and a focus on double materiality, looking at how sustainability issues affect the financial performance (financial materiality), but also on how its activities impact people, the environment, and society (impact materiality). The company is considering a 'say on climate vote' and is progressing towards its 2040 net zero target. Scenario analysis is focused on 1.5°C pathways, and the company is 71 per cent aligned with the European Union taxonomy while supporting the development of a United Kingdom green taxonomy.

We welcomed the updated climate transition plan and learned more about the three-pillar strategy of climate positive, nature positive and people positive, alongside a commitment to transparency in biomass sourcing through the development of a biomass tracker. Drax is progressing nature action plans aligned with the Taskforce on Nature related Financial Disclosures (TNFD) and is considering adoption of Science Based Targets for Nature (SBTN). The company remains on track for Scope 3 emissions and is working to secure credible third-party data for social impact reporting.

Next steps include a further call to discuss the three-pillar strategy and how Drax is addressing the climate nature nexus and its trade-offs. We also offered expertise on the just transition and will continue monitoring through our Net Zero Stewardship Programme. Our investment teams have also discussed the Cruachan pump storage hydroelectric plant role in grid stability and learning about its ability to generate electricity during peak demand and pump water uphill using surplus wind power. We also shared views on Drax's broader capital allocation, FlexGen strategy, and the regulatory challenges facing biomass and pellet production.

Fund Engagement

Engagement outcomes

Imperial Brands Plc - Just nature

Purpose:

The meeting was convened to engage with Imperial Brands PLC, a global tobacco company, on its approach to just nature, and to understand what initiatives the company is already undertaking in this area. The discussion spanned workers, supply chains, communities, and consumers, with a particular emphasis on how fairness is being embedded across the supply chain. The engagement aimed to raise awareness of the just nature concept, surface existing efforts, and encourage stronger management of indirect supply chain impacts.

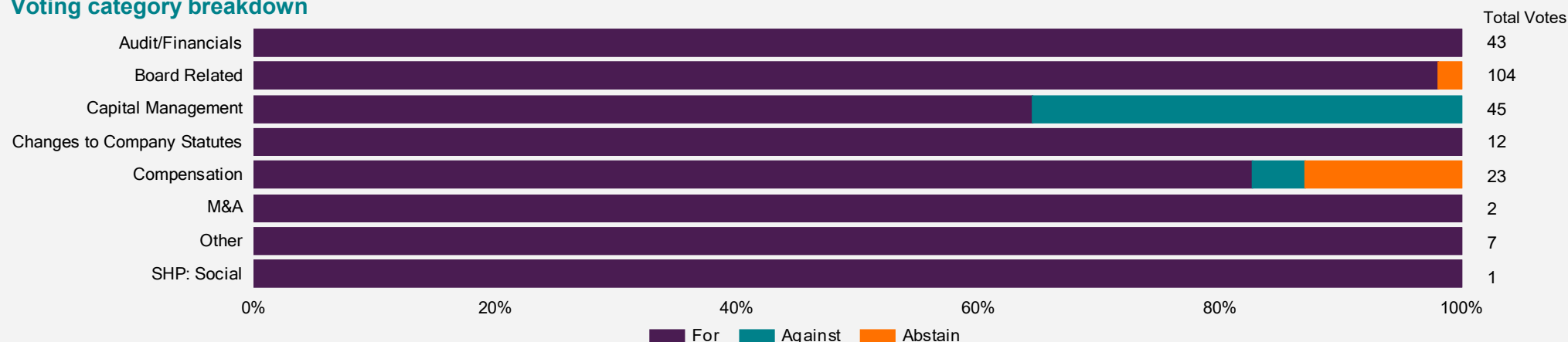
Outcome:

Imperial Brands PLC has made encouraging progress in integrating sustainability into its operations. The company has embedded climate key performance indicators into supplier contracts and plans to expand these to include nature related metrics, while mandating environmental harm reporting. Deforestation risk is actively considered in sourcing decisions, and governance has been strengthened by separating the leaf sustainability team from commercial operations. Although farmer support is viewed as the responsibility of suppliers, Imperial Brands facilitates sustainability transitions through education programmes, improved fertiliser and irrigation practices, and regular farm visits by field technicians to monitor environmental and social risks. These visits currently prioritise larger suppliers, with the expectation that learnings will cascade through the supply chain.

The company is committed to ensuring no farmers are left behind as technologies evolve and is exploring crop transition education to support generational shifts in farming. Imperial Brands acknowledges the complexity of land rights, particularly in regions with weak regulation, and conducts regular reviews of land ownership under frameworks such as the European Union Deforestation Regulation. While it does not directly engage with indigenous communities, supplier oversight indirectly affects them. Next steps include providing feedback on the company's climate transition plan, which will incorporate biodiversity considerations.

Fund Voting

Voting category breakdown



Notable votes

Ashtead Group Plc

Remuneration Report - against: We continue to oppose the combined LTIP introduced last year due to the level of vesting at threshold performance and poor engagement practices, noting that over one-third of shareholders voted against it. In addition, we have concerns over the choice of some targets under the annual bonus plan.

Dr. Martens Plc

Elect Paul Mason - abstain: As highlighted in previous years, while we acknowledge the presence of a senior independent director, we would prefer to see the appointment of a fully independent Chair to the board. We would welcome engagement with the company to further discuss the issue.

Marks & Spencer Group

Shareholder Proposal Regarding Report on Wage Policies - for: We are supportive as additional reporting would better allow shareholders to understand how the company is managing and mitigating human capital risks.

Market commentary

Market review

It was a positive three months for financial markets, buoyed by expectations for interest rate cuts in the US and a broadly resilient global economy despite the previous imposition of tariffs. Commodities also posted strong gains, most notably precious metals, as investors increasingly demand hard assets as a hedge against a weaker US dollar.

UK equities rose to an all-time high against this backdrop, perhaps serving a reminder that the fortunes of the market are not closely tied to that of the underlying economy. There was something of a cyclical shape to the market over the period, as seen by a very strong rally in the mining sector, while industrials also outperformed. Aerospace and defence companies continued to move higher, reflecting a strong outlook for European defence budgets. A weaker British pound also aided companies in sectors with a high degree of international earnings.

Corporate activity remains a theme that is alive and well in the UK market. In September, mining conglomerate Anglo American announced the proposal of a large-scale \$53bn 'merger of equals' with Canadian copper miner Teck Resources that would create one of the world's largest copper producers. This underscores a growing desire among the sector to acquire copper assets given its importance in electrification. Elsewhere, shareholder returns in the form of dividends and share buybacks remained a support to the market.

Outlook

While an improved global backdrop has been supportive for equity markets, the domestic outlook remains somewhat subdued; consumers and businesses alike must wait late into November for the Chancellor to deliver a budget that is widely expected to further increase the UK tax burden. This is something of an overhang for the UK economy in what is normally a seasonally important period of trading. While clearly this presents risks of a slowdown in the final quarter of the year, and nobody knows for sure what the upcoming budget will contain, anything that falls short of the worst-case scenarios set out by various commentators may restore some confidence going into the new year.

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

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The Fund is a sub-fund 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.

For more information on the fund 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.

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.

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.

Performance to 30 September 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	5.98	13.37	12.35	54.33	86.02	15.55	13.21
Fund (net)	5.79	12.97	11.56	51.09	79.55	14.73	12.41

Annualised (%)

Year on year performance (%)

	30/09/2024 - 30/09/2025	30/09/2023 - 30/09/2024	30/09/2022 - 30/09/2023	30/09/2021 - 30/09/2022	30/09/2020 - 30/09/2021
Fund (gross)	12.35	16.35	18.06	(11.33)	35.94
Fund (net)	11.56	15.53	17.23	(11.96)	34.98

Past performance is not a guarantee or reliable indicator of future returns. 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 September 2025. All figures are mid-price to mid-price for the Royal London UK Dividend Growth Fund M Inc GBP share class.

Glossary

Efficient Portfolio Management (EPM) techniques

The Fund may engage in EPM techniques including holdings of derivative instruments. The use of these instruments may expose the Fund to volatile investment returns and increase the volatility of the net asset value of the Fund. EPM techniques may involve the Fund entering into transactions with counterparties where there may be a risk of counterparty default. The Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

Number of holdings

Total number of unique holdings of the Fund excluding cash, currency and derivatives.

Performance

The Fund price is taken at mid-day using swing prices where applicable, while the index performance is priced at close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons.

Pricing

The Fund's price may swing to bid or offer to protect existing investors from the costs associated with buying or selling the fund's underlying assets when other investors are entering or leaving the fund. Performance is based on this pricing.

Rolling 5-Year Period

A rolling 5-year period is any period of five years, no matter which day you start on.

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.