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# Royal London Asset Management

Equity Fund Commentary

30 April 2026

# Fund Commentary

30 April 2026

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.

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# Equity

## Royal London Global Equity Diversified Fund

Global equities delivered positive returns during April. Appetite for risk was supported by a combination of still-resilient growth, and a calming in the Middle East. Investors have been choosing to look through the current energy shock and focus on the AI-driven uplift to productivity and profits.

The fund closed the month ahead of the benchmark. During April this outperformance mainly came from the portfolio's AI exposure. The top contributors included Intel, SK Hynix and Micron. There were no standout negatives, although we gave back a little bit from the oil exposure in the fund following a strong start to the year.

The near-term focus is likely to remain on inflation and labour market data. Geopolitics also remains a meaningful swing factor for risk sentiment. Any renewed escalation in existing flashpoints, or a deterioration in major power relations could challenge the more highly valued parts of the market.

## Royal London Global Equity Diversified Fund (IRL)

Global equities delivered positive returns during April. Appetite for risk was supported by a combination of still-resilient growth, and a calming in the Middle East. Investors have been choosing to look through the current energy shock and focus on the AI-driven uplift to productivity and profits.

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## Royal London Global Equity Income Fund

Global equities delivered positive returns during April. Appetite for risk was supported by a combination of still-resilient growth, and a calming in the Middle East. Investors have been choosing to look through the current energy shock and focus on the AI-driven uplift to productivity and profits.

The fund outperformed its benchmark during April. This was the result of positive stock selection, especially among information technology, communications services and materials stocks. Top performing names included Micron, Qualcomm and Samsung.

The near-term focus is likely to remain on inflation and labour market data. Geopolitics also remains a meaningful swing factor for risk sentiment. Any renewed escalation in existing flashpoints, or a deterioration in major power relations could challenge the more highly valued parts of the market.

# Equity

## Royal London Global Equity Select Fund

Global equities delivered positive returns during April. Appetite for risk was supported by a combination of still-resilient growth, and a calming in the Middle East. Investors have been choosing to look through the current energy shock and focus on the AI-driven uplift to productivity and profits.

The fund outperformed its benchmark during April, further enhancing comparative year-to-date returns. Our semiconductor holdings also rebounded sharply. Intel and TSMC recovered their March losses as supply chain fears abated. Detractors were primarily driven by a reversal of the performance of the defensive holdings that had helped protect the portfolio in March.

The near-term focus is likely to remain on inflation and labour market data. Geopolitics also remains a meaningful swing factor for risk sentiment. Any renewed escalation in existing flashpoints, or a deterioration in major power relations could challenge the more highly valued parts of the market.

## Royal London Global Equity Select Fund (IRL)

Global equities delivered positive returns during April. Appetite for risk was supported by a combination of still-resilient growth, and a calming in the Middle East. Investors have been choosing to look through the current energy shock and focus on the AI-driven uplift to productivity and profits.

The fund outperformed its benchmark during April, further enhancing comparative year-to-date returns. Our semiconductor holdings also rebounded sharply. Intel and TSMC recovered their March losses as supply chain fears abated. Detractors were primarily driven by a reversal of the performance of the defensive holdings that had helped protect the portfolio in March.

The near-term focus is likely to remain on inflation and labour market data. Geopolitics also remains a meaningful swing factor for risk sentiment. Any renewed escalation in existing flashpoints, or a deterioration in major power relations could challenge the more highly valued parts of the market.

## Royal London Global Equity Transitions Fund

Global equities delivered positive returns during April. Appetite for risk was supported by a combination of still-resilient growth, and a calming in the Middle East. Investors have been choosing to look through the current energy shock and focus on the AI-driven uplift to productivity and profits.

The fund outperformed its benchmark, which was due to positive stock selection. Holdings in the materials sector made notable contributions, alongside AI-related holdings. Intel was a particularly strong performer, with the share price rising sharply during April.

The near-term focus is likely to remain on inflation and labour market data. Geopolitics also remains a meaningful swing factor for risk sentiment. Any renewed escalation in existing flashpoints, or a deterioration in major power relations could challenge the more highly valued parts of the market.

# Equity

## Royal London UK Dividend Growth Fund

UK equities recovered in April as investors looked through the ongoing uncertainty and became more positive about the attempts to negotiate a ceasefire between the US and Iran. Energy prices continued to rise, contributing to renewed UK inflation concerns and an expectation that monetary policy may have to be tightened. While the Bank of England struck a cautious tone, market expectations nonetheless point to two rate hikes in the second half of this year.

The fund outperformed the benchmark but was slightly behind the peer group median over the month. Holdings in financial stocks Lloyds, Barclays and Intermediate Capital helped performance and the largest single contributor was energy distributor DCC, which revealed a private equity takeover offer for the company. The main trades in the month were to reduce the position in Bunzl and establish new holdings in specialist filter manufacturer Porvair and consumer goods company Reckitt Benckiser.

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 recovered in April as investors looked through the ongoing uncertainty and became more positive about the attempts to negotiate a ceasefire between the US and Iran. Energy prices continued to rise, contributing to renewed UK inflation concerns and an expectation that monetary policy may have to be tightened. While the Bank of England struck a cautious tone, market expectations nonetheless point to two rate hikes in the second half of this year.

The fund underperformed the benchmark and peer group median over the month. The main detractor to performance was the holding in Imperial Brands, which declined after a trading update that was seen as cautious by investors. Marks & Spencer shares were also softer as the UK consumer was under pressure due to inflation. Among the positives were Diploma, which continued to rally following strong results and Standard Chartered, which outperformed its banking peers and posted solid results.

The fund initiated a new holding in Hill & Smith, an attractively valued engineering company with exposure to US and UK infrastructure and exited its holding in Intermediate Capital Group. On valuation grounds, we trimmed Rolls Royce, preferring to reinvest in Babcock. 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 potential for growth in cash flows.

# Equity

## Royal London UK Equity Income Fund

UK equities recovered in April as investors looked through the ongoing uncertainty and became more positive about the attempts to negotiate a ceasefire between the US and Iran. Energy prices continued to rise, contributing to renewed UK inflation concerns and an expectation that monetary policy may have to be tightened. While the Bank of England struck a cautious tone, market expectations nonetheless point to two rate hikes in the second half of this year.

The fund underperformed the benchmark and peer group median over the month. Relative performance was held back by having less exposure than the benchmark to the banks HSBC, Barclays and Standard Chartered. The largest single positive contributor was the holding in the energy distributor DCC, which revealed a private equity takeover offer for the company. The main trades in the month were to reduce the position in BAT and establish new holdings in the soft drinks manufacturer AG Barr and the consumer goods company Reckitt Benckiser.

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 recovered in April as investors looked through the ongoing uncertainty and became more positive about the attempts to negotiate a ceasefire between the US and Iran. Energy prices continued to rise, contributing to renewed UK inflation concerns and an expectation that monetary policy may have to be tightened. While the Bank of England struck a cautious tone, market expectations nonetheless point to two rate hikes in the second half of this year.

The Trust lagged the benchmark and the peer group over the month. The main detractor to performance was the holding in Imperial Brands, which declined after a trading update that was seen as cautious by investors. Marks & Spencer shares were also softer in sympathy with other UK retailers over the month. Among the positives were Diploma and Computacenter, supported by strong share price reactions following upgrades to profit guidance for the coming year. We used this opportunity to take profits by exiting the holding in 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 potential for growth in cash flows.

# Equity

## Royal London UK Income With Growth Trust

UK equities recovered in April as investors looked through the ongoing uncertainty and became more positive about the attempts to negotiate a ceasefire between the US and Iran. Energy prices continued to rise, contributing to renewed UK inflation concerns and an expectation that monetary policy may have to be tightened. While the Bank of England struck a cautious tone, market expectations nonetheless point to two rate hikes in the second half of this year.

The fund underperformed the benchmark due to asset allocation, as bonds underperformed equities. The equity portion of the fund was ahead of the benchmark, with the key contributor being the holding in the energy distributor DCC, which revealed a takeover approach from a private equity firm.

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 equities recovered in April - small and mid-sized companies performed better than the FTSE-100. Investors looked through the ongoing uncertainty and became more positive about the attempts to negotiate a ceasefire between the US and Iran. Energy prices continued to rise, contributing to renewed UK inflation concerns and an expectation that monetary policy may have to be tightened. While the Bank of England struck a cautious tone, market expectations nonetheless point to two rate hikes in the second half of this year.

The fund underperformed the benchmark but was ahead of its peer group median over the month. Relative underperformance was mainly due to not holding some benchmark stocks which were strong, for example Ceres Power and TP ICAP. Holdings in Hill & Smith, Globaldata and Bodycote performed well. The sales in the month were to sell out of the position in IMI and to reduce holdings in Telecom Plus and Cranswick. New holdings were established in Aberdeen, Serica, Oxford Biomedica and Vesuvius and the holding in Genus increased.

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.

# Equity

## Royal London UK Smaller Companies Fund

UK equities recovered in April - small and mid-sized companies performed better than the FTSE-100. Investors looked through the ongoing uncertainty and became more positive about the attempts to negotiate a ceasefire between the US and Iran. Energy prices continued to rise, contributing to renewed UK inflation concerns and an expectation that monetary policy may have to be tightened. While the Bank of England struck a cautious tone, market expectations nonetheless point to two rate hikes in the second half of this year.

The fund performed better than its benchmark and was in line with the peer group median. Holdings in Globaldata and Volex were strong and relative performance was also helped by not holding either Ferrexpo or Crest Nicholson, both of whom reported stretched balance sheets.

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 allows diversified exposure to smaller UK listed stocks.

# Disclaimers

## Important information

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**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 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](http://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](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.

## **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**

Investing in assets denominated in a currency other than the base currency of the Fund means the value of the investment can be affected by changes in exchange rates.

## **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.