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# Royal London Global Equity Diversified Fund

## Quarterly Investment Report

## 30 June 2026

# Quarterly Report

## The fund as at 30 June 2026

The purpose of this report is to provide an update on the Royal London Global Equity Diversified 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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ROYAL LONDON
ASSET MANAGEMENT

# The fund

## Fund performance objective and benchmark

The Fund aims to provide a return greater than that of the MSCI World Net Total Return Index GBP (the "Index") by 0.4% to 0.8% per annum over rolling 3-year periods, through capital growth, after the deduction of charges. The Index has been selected as a target benchmark because it is representative of the type of companies in which the Fund invests, and it is therefore an appropriate measure for the Fund's performance. The performance comparator for the Fund is the IA Global sector (the "IA Sector"). Funds in the IA Sector must: (i) invest at least 80% of their assets globally in equities and (ii) be diversified by country. The Fund's assets are consistent with these investment parameters therefore the IA Sector is considered appropriate as a performance comparator.

## Fund value

| | Total £m |
|---|---|
| 30 June 2026 | 7,927.57 |

## Fund analytics

| | Fund |
|---|---|
| Fund launch date | 10 October 2017 |
| Fund base currency | GBP |
| Benchmark | MSCI World Index (Net Total Return, GBP) |
| Number of holdings | 192 |
| Active share (%) | 57.7 |
| Tracking error (%) | 2.1 |

Ex-post tracking error calculated 3 years to 30 June 2026 using EOD prices. Please refer to the glossary for a description of the tracking error used.

# Performance and activity

## Performance

| | Fund (%) | Benchmark (%) | Relative (%) |
|---|---|---|---|
| Quarter | 15.99 | 13.03 | 2.96 |
| YTD | 10.38 | 11.17 | (0.78) |
| 1 Year | 25.94 | 25.28 | 0.66 |
| 3 Years (p.a.) | 17.99 | 17.53 | 0.47 |
| 5 Years (p.a.) | 13.98 | 12.36 | 1.62 |
| Since inception (p.a.) | 14.12 | 12.83 | 1.29 |

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. The impact of fees reduces your investment. 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 5 March 2018.

## Performance commentary

The fund outperformed its benchmark over the quarter, which was mainly the result of positive stock selection. Holdings in the healthcare and information technology sectors proved particularly beneficial.

Some of the best performers were stocks benefiting from investors' increasingly positive view on the semiconductor cycle and AI-related demand. Holdings in the Intel, SK Hynix, Micron Technology and TSMC were among the fund's strongest contributors.

Much of the negative attribution over the quarter came from stocks that we do not own, especially those related to the AI-memory boom. Not holding Lam Research, ASML or KLA Corp hit relative returns.

The holdings in late Life Cycle energy positions, Shell and EQT Corp, gave back some gains from the previous quarter, after agreement appeared to have been struck to end the US conflict with Iran and the 'war premium' in commodity prices faded.

# Performance and activity

## Top 10 holdings

| | Weighting (%) |
|---|---|
| NVIDIA Corporation | 5.84 |
| Alphabet Inc. Class A | 5.31 |
| Apple Inc. | 5.06 |
| Microsoft Corporation | 3.34 |
| Amazon.com, Inc. | 2.94 |
| Micron Technology, Inc. | 2.25 |
| JPMorgan Chase & Co. | 1.87 |
| Eli Lilly and Company | 1.60 |
| Intel Corporation | 1.50 |
| Broadcom Inc. | 1.36 |
| **Total** | **31.07** |

## Fund activity

We continued to upgrade the portfolio, increasing exposure to areas where we see stronger long-term wealth creation opportunities and more attractive risk-reward characteristics.

We added to Cisco Systems, Lumentum Holdings and Hannover Re, reflecting improving conviction in their respective wealth creation outlooks and attractive valuation support. We also initiated a position in QXO, taking advantage of share price weakness to gain exposure to what we believe could become a leading consolidator in the highly fragmented building products distribution market.

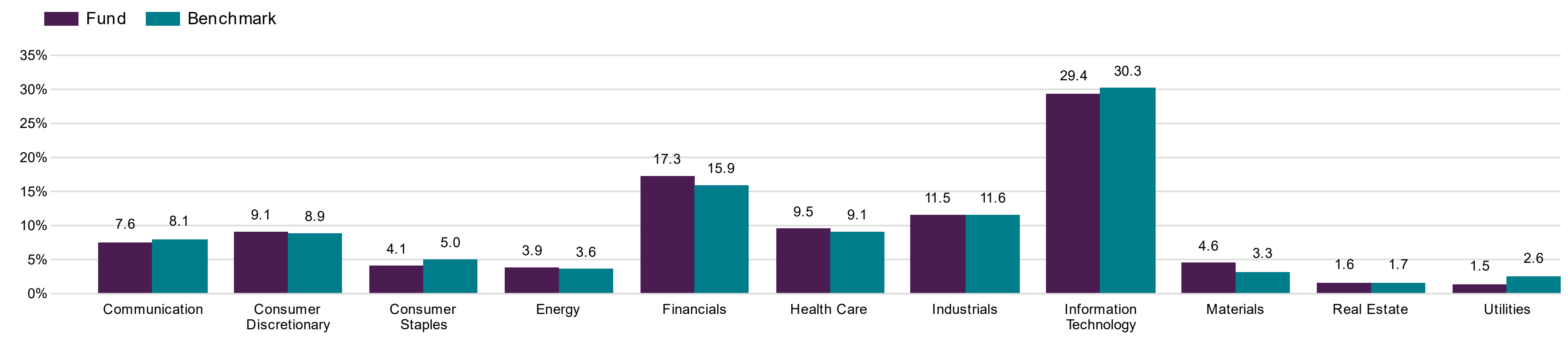
Within industrials, we switched part of our position from Volvo into Daimler Truck. While both companies score similarly within our framework, we believe Daimler Truck offers the more attractive valuation opportunity. The company is executing a significant operational turnaround, and current earnings expectations appear overly conservative given improving freight market conditions and the potential benefits from ongoing cost reduction initiatives.

We increased the portfolio's exposure to specific parts of the AI infrastructure theme through purchases of Nebius Group and Arm Holdings. Nebius is emerging as a compelling beneficiary of growing AI infrastructure demand through its neocloud platform and is increasingly moving from concept to commercial reality. Arm, meanwhile, remains a high-quality accelerator within our framework, with an expanding addressable market in data centre and AI workloads that we believe is not fully reflected in current consensus expectations.

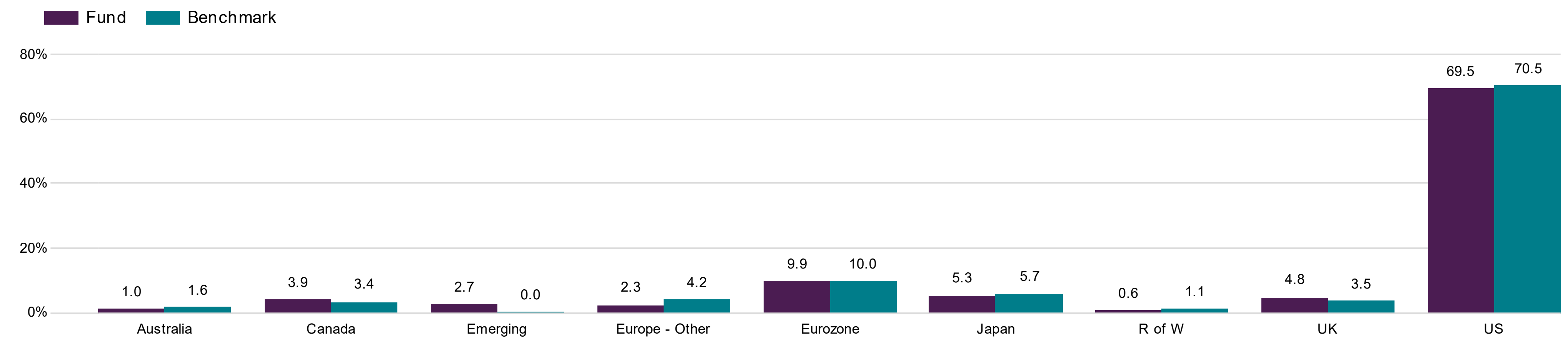
Funding for these purchases came from several lower-conviction holdings including Flutter Entertainment, Comcast, Church & Dwight, BJ's Wholesale Club and Tyson Foods, where we believe capital can be allocated more effectively elsewhere. We also trimmed TSMC following a period of strong share price performance, although it remains a significant active position within the portfolio.

# Fund breakdown

## Sector weights




## Regional 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 | 13 | 57 |
| Number of engagements | 18 | 124 |

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** | 2 |
| **Climate** | 9 |
| Climate - Transition Risk | 8 |
| Climate - Physical Risk | 1 |
| **Diversity** | 1 |
| Gender Diversity | 1 |
| **Governance** | 4 |
| Corporate Governance | 2 |
| Remuneration | 2 |
| **Social & Financial Inclusion** | 2 |
| Labour & Human Rights | 2 |
| **Technology, Innovation & Society** | 6 |
| Technology & Society | 6 |

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

## 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.

# Fund Engagement

## Engagement outcomes

### TotalEnergies SE - Climate - Transition Risk

Purpose:

We engaged TotalEnergies SE, an integrated energy company, as part of Royal London Asset Management's Net Zero Stewardship Programme to understand management's views on the Middle East conflict and its implications for oil, gas and liquefied natural gas (LNG) markets, alongside updates on capital allocation, upstream growth and transition strategy.

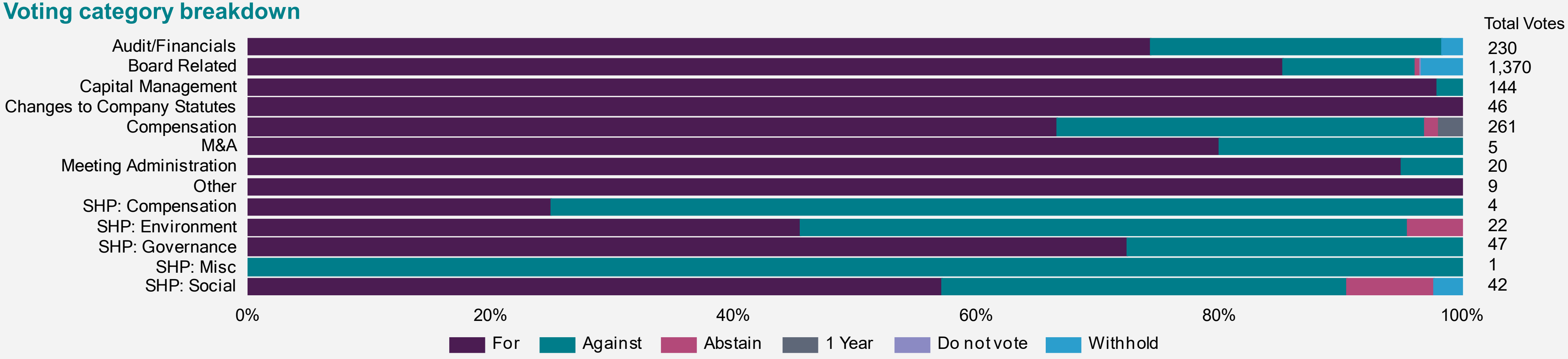
Outcome:

The meeting provided an update on the implications of the ongoing conflict in the Middle East, with management highlighting disruption to energy markets and broader uncertainty across the sector. TotalEnergies expressed confidence in the resilience of its business and long-term strategy.

We also discussed the company's transition strategy and recent changes to climate-related terminology. TotalEnergies clarified that the reframing of its "net zero" target to a "neutrality" target reflects regulatory considerations rather than a change in strategic direction. The company reaffirmed its long-term decarbonisation strategy and confirmed that its two-pillar growth model across oil and gas and electricity remains unchanged. We will continue to monitor how the company delivers against its long-term decarbonisation commitments and wider transition strategy.

# Fund Voting

## Voting category breakdown




## Notable votes

### Amazon.com Inc.

Elect Jonathan J. Rubinstein - against:
We voted against as the nominee serves as incumbent Chair of the E&S Committee. Our primary concern this year relates to Amazon's oversight of human rights risks associated with AWS, particularly in higher risk government and defence contexts. Amazon provides limited disclosure on how it monitors, enforces and escalates compliance with its AWS Acceptable Use Policy at a customer level, despite credible and ongoing concerns raised by external stakeholders, including the UN.
While the company references high level policies and past examples of human rights due diligence, it has not demonstrated how these translate into systematic customer level due diligence, oversight, or escalation in practice. This includes unresolved governance and transparency gaps relating to AWS contracts under Project Nimbus, which have previously been raised by shareholders and employees. We would therefore encourage Amazon to conduct and disclose a Human Rights Impact Assessment covering AWS contracts, in a manner comparable to the Devices Supply Chain HIRA. In addition, we remain supportive of the request to commission an independent, third party assessment of Amazon's adherence to its stated commitments on workers' freedom of association and collective bargaining, and the Board's oversight of these issues. While we continue to appreciate the company's disclosures to date, given the ongoing issues raised over the company's labour practices and legal action in the UK, we would welcome an independent assessment in this area to provide valuable assurance given persistent concerns regarding labour practices.

### Booking Holdings Inc

Elect Charles H. Noski - against:
We voted against as the nominee serves as Chair of the Corporate Governance Committee. Since the last AGM, Booking Holdings has strengthened its policy framework, including the publication of a Human Rights Statement, updates to supplier standards, and the introduction of heightened due diligence and labelling for listings in conflict-affected areas.

# Fund Voting

## Notable votes

### Booking Holdings Inc

These steps represent progress. However, material risks persist, most notably the company's continued exposure to listings in the West Bank, where credible third-party investigations continue to allege links to land-rights violations. The company has not disclosed the outcomes of its enhanced due-diligence processes, nor demonstrated how identified risks have been mitigated or remedied. Combined with the absence of explicit board-level oversight of human-rights risks, these gaps indicate that improvements to date are insufficient. We would welcome an engagement opportunity to discuss.

### Goldman Sachs Group, Inc.

Elect David M. Solomon - against:
We voted against this nominee who serves as both Chair and CEO. We would prefer to see these roles separated. We also have some concerns regarding the company's decision to downgrade its restrictions on the direct financing of Arctic oil projects, new thermal coal mines, and new coalfired power plants.
Advisory Vote on Executive Compensation - against:
We voted against as we retain our concerns over the discretionary nature of variable cash awards. Excessive one-off retention awards have been granted. Overall, the response to heightened shareholder dissent is not sufficient in addressing substantial concerns regarding the company's granting practices.
Shareholder Proposal Regarding Energy Supply Ratio - for:
We are supportive of increased disclosure in this area.
Shareholder Proposal Regarding Lobbying Report - for:
Although the company maintains stringent and robust policies concerning its electioneering expenditures, it could reasonably enhance its disclosure of indirect payments made for the purposes of lobbying.

### PepsiCo Inc

Elect Michelle D. Gass - against:
We voted against this nominee who serves as Chair of the E&S Committee. While the company acknowledges significant potential harms related to supply chain labour standards, workplace safety, product safety, and operations in high risk markets, it provides limited evidence of systematic human rights risk assessment, supplier monitoring, remediation mechanisms, or board level oversight specific to human rights.
Shareholder Proposal Regarding Report on Supply Chain Animal Welfare - against:
Given the company's engagement with PETA since spring of 2025 and declaration about cane sugar being sourced from outside the State of Maharashtra, we believe that the company provides significant disclosure concerning its animal welfare policies and considerations, and has demonstrated responsiveness to the concerns raised by the proponent. This will be kept under review.

# Market commentary

## Market review

Headlines and markets were dominated by the US and Iran during the past quarter. The disruption to oil supply via the Strait of Hormuz pushed oil prices to levels last seen following the Russian invasion of Ukraine in 2022. However, a ceasefire was announced towards the end of the period, causing prices to fall back towards pre-crisis levels.

The effect on equities was to cause some volatility, though it was not enough to prevent a positive quarter for most markets. In the US, the main positive driver was further progress among large-cap technology and semiconductor stocks, as investors responded to another solid earnings season, evidence of sustained AI infrastructure spending, and relief that growth momentum remains intact. Strong earnings and technology leadership pushed both the S&P 500 and Nasdaq to fresh highs. However, these gains were tempered towards the end of the quarter, amid significant volatility. There were signs that investors have become increasingly concerned about the narrow nature of the rally, and that valuations among large AI-related technology stocks could have risen too far.

Elsewhere, Asia and emerging markets delivered some prolific returns, driven in particular by Korean and Taiwanese indices, which hit record highs. This reflected the performance of AI-related hardware stocks, including SK Hynix, Samsung and Taiwan Semiconductor Manufacturing Co (TSMC). Demand for advanced microchips and increased memory to boost AI infrastructure is coming from so-called hyperscalers, such as Microsoft, Google and Amazon, which are using these products in their data centres and to enhance their AI capabilities.

Given the relatively low weighting of AI-related technology stocks in European indices, returns from markets in the region were more subdued. However, sectors such as financials, defence and industrials continued to attract investor attention, resulting in positive returns overall.

From a macroeconomic perspective, growth forecasts remain subdued, while inflation is still above central bank target levels. The major change over the quarter was central bank rate expectations. At the start of the period, markets were pricing in multiple hikes in the US, euro zone and UK, but these expectations were tempered as the period progressed – with the changing outlook proving a key driver of markets over the quarter.

## Outlook

The next couple of months will test whether markets can look past a complicated macroeconomic backdrop. Investor focus will be on the second quarter earnings season to see if corporate profits can justify elevated valuations among AI-related stocks. Concurrently, markets will monitor whether energy-driven price hikes are bleeding into core inflation.

On the geopolitical front, energy markets took comfort from a Middle East memorandum of understanding and the stabilisation of shipping activity in the Strait of Hormuz. While markets currently favour resilient earnings over geopolitical risks, this balance remains fragile. Any reversal in diplomatic progress could quickly affect oil prices, inflation expectations, and equity valuations.

# Further Information

Please click on the links below for further information:

Stewardship and Responsible Investment at RLAM

Royal London Voting and Engagement

TCFD climate report

## 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

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Issued in July 2026 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 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.

**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.

**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.

**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.

# Performance to 30 June 2026

## Cumulative (%)

| | 3 Month | 6 Month | 1 Year | 3 Years | 5 Years |
|---|---|---|---|---|---|
| **Fund (gross)** | 15.99 | 10.38 | 25.94 | 64.35 | 92.48 |
| **Fund (net)** | 15.87 | 10.16 | 25.42 | 62.35 | 88.58 |

## Annualised (%)

| 3 Years (p.a.) | 5 Years (p.a.) |
|---|---|
| 17.99 | 13.98 |
| 17.51 | 13.52 |

## Year on year performance (%)

| | 30/06/2025 - 30/06/2026 | 30/06/2024 - 30/06/2025 | 30/06/2023 - 30/06/2024 | 30/06/2022 - 30/06/2023 | 30/06/2021 - 30/06/2022 |
|---|---|---|---|---|---|
| **Fund (gross)** | 25.94 | 4.23 | 25.20 | 16.03 | 0.93 |
| **Fund (net)** | 25.42 | 3.81 | 24.69 | 15.56 | 0.52 |

**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. The impact of fees reduces your investment.**

Source: RLAM as at 30 June 2026. All figures are mid-price to mid-price for the Royal London Global Equity Diversified Fund M Acc GBP share class.

# Glossary

### Active share

Active share is a measure used to assess the degree of difference between the portfolio's holdings and its benchmark.

### Derivatives

A financial instrument whose price is dependent upon or derived from one or more underlying asset.

### 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.

### Regional weights

Breakdown of holdings by country of risk relative to the benchmark index and grouped using RLAM's proprietary regional classification scheme.

### Rolling 3-year period

A rolling 3-year period is any period of three years, no matter which day you start on.

### Sector weights

Breakdown of holdings by GICS (Global Industry Classification Standard) sector relative to the benchmark index.

### Top 10 holdings

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

### Tracking error

Tracking error indicates how closely a fund follows its benchmark index. It is a measure of the risk in the fund that is due to active management decisions made by the fund manager. It is calculated on an ex-post basis (actual basis, post period end).