Royal London Global Equity Select 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 Select 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.

Contents

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 by 2.5% 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. Management of the Fund is not restricted by this target benchmark and the Fund does not base its investment process upon the Index. As a result, the Fund can invest in companies that are not part of the Index. The performance comparator for the Fund is the IA Global sector (the "IA Sector").

Fund value

	Total £m
30 June 2026	482.13

Fund analytics

	Fund
Fund launch date	10 October 2017
Fund base currency	GBP
Benchmark	MSCI World Index (Net Total Return, GBP)
Number of holdings	41
Active share (%)	75.6
Tracking error (%)	4.4

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	18.18	13.03	5.16
YTD	13.41	11.17	2.25
1 Year	25.56	25.28	0.28
3 Years (p.a.)	19.00	17.53	1.47
5 Years (p.a.)	17.34	12.36	4.98
Since inception (p.a.)	17.45	12.83	4.63

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, benefiting from the effects of strong stock selection across most parts of the market. Holdings in the industrials and communication services sectors proved particularly positive. One of the only negative influences was the energy exposure, which suffered as oil and gas prices fell as the situation in the Middle East calmed.

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

Other top contributors included Alphabet, which rose following the release of encouraging results, which also gave investors confidence about its direction of AI integration. The holding in Steel Dynamics performed well. The company primarily uses electric arc furnaces fed by scrap steel, rather than traditional coal-fired blast furnaces. This gives it lower production costs and a lower-carbon footprint than many competitors. It is benefiting from stronger US steel demand, improving steel prices and infrastructure spending in sectors such as construction and data centres.

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 Micron Technology or Advanced Micro Devices 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 (%)
Alphabet Inc. Class A	6.50
NVIDIA Corporation	5.95
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	4.88
Apple Inc.	4.83
Amazon.com, Inc.	3.98
Microsoft Corporation	3.80
Visa Inc. Class A	3.67
Royalty Pharma Plc Class A	3.43
Safran SA	3.31
Chubb Limited	3.21
Total	**43.56**

Fund activity

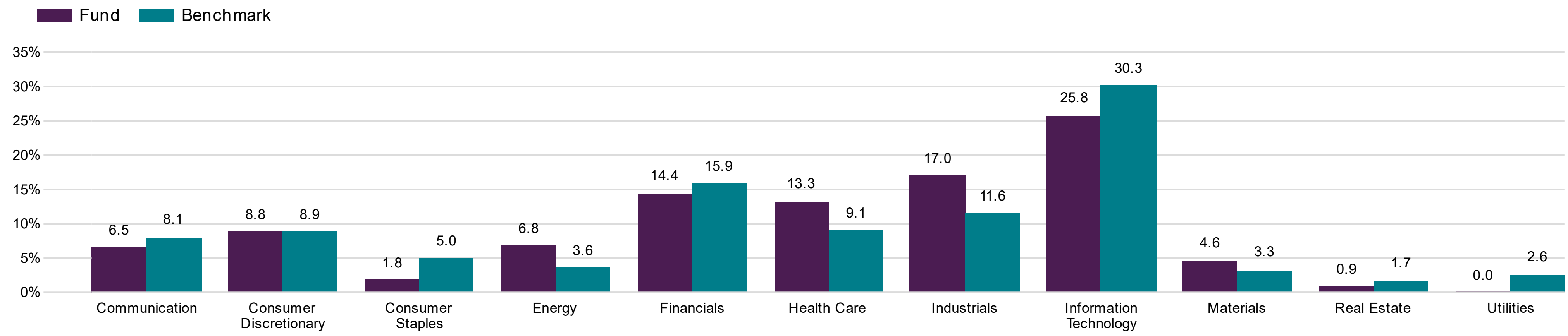
As AI and cyclicals led the market since the Iran-low in March, we took the opportunity to increase our Slowing & Maturing exposure with some contrarian, high quality companies trading at overly discounted valuations. We also introduced SK Square, a company which derives much of its value from leading memory company SK Hynix. This is partially to hedge our memory underweight, while also taking advantage of the conglomerate discount currently on offer. The purchase immediately proved beneficial, as SK Square was one of the portfolio's strongest performers over the quarter.

Other transactions included the purchase of Daimler Trucks – the world's largest commercial vehicle manufacturer, which is on a Turnaround path. Having spun out of Mercedes-Benz Group in 2021, the inefficiencies, particularly in Europe, were clear and the company has been strategically re-engineering its cost base. Expectations for profit margins appear too low. At the current price, the market is giving very little credit to any of these improvements with the company trading on just five times 2028 forecast earnings.

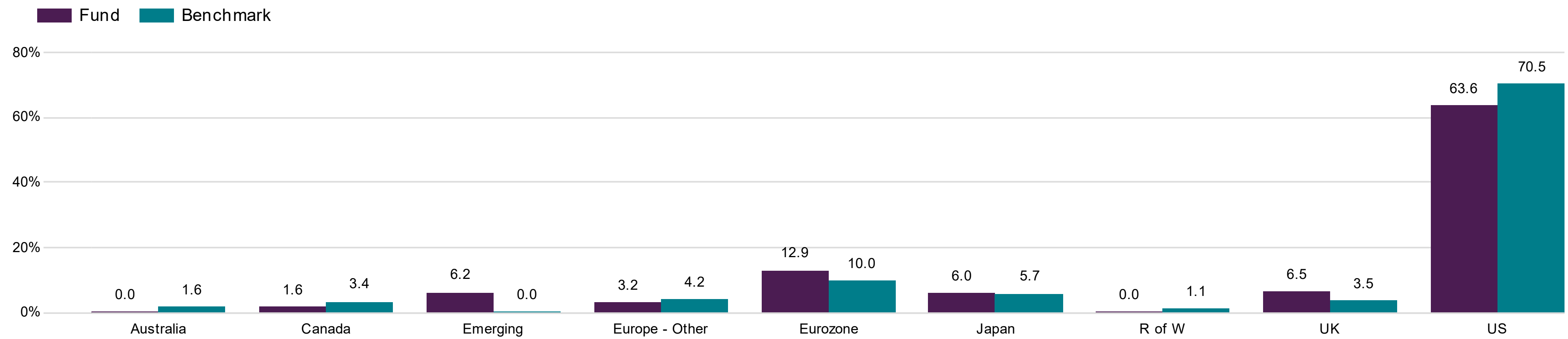
We also added Arm Holdings, which designs the technology that powers many of the world's computer chips and earns money by licensing its designs to other companies. Many investors still see Arm as a company mainly tied to smartphones, with limited growth prospects. However, we believe the rise of AI could drive much stronger growth than the market expects. As AI systems become more advanced and operate continuously, they require far more processing power. This is increasing demand for Arm's latest chip designs and is supporting strong growth in royalty revenues. Arm is also expanding into new areas such as AI-focused processors, giving it access to a much larger market. With a strong financial position and growing demand for its technology, Arm is well placed to benefit from the AI revolution. While there are risks, such as legal disputes or challenges in executing its strategy, we believe the potential rewards outweigh the downside.

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	5	14
Number of engagements	9	41

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

Climate	5
Climate - Transition Risk	5
Social & Financial Inclusion	2
Labour & Human Rights	2
Technology, Innovation & Society	3
Technology & Society	3

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

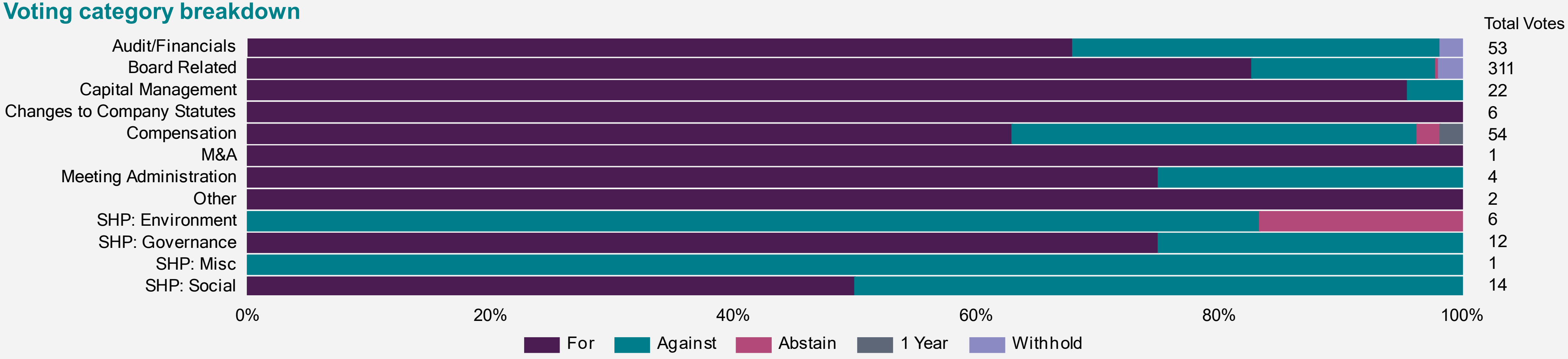
Engagement focus

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 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.

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.

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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.

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.

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)	18.18	13.41	25.56	68.59	122.58
Fund (net)	17.98	13.02	24.67	65.05	114.85

Annualised (%)

3 Years (p.a.)	5 Years (p.a.)
19.00	17.34
18.16	16.52

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)	25.56	3.65	29.54	22.96	7.38
Fund (net)	24.67	2.92	28.63	22.09	6.62

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 Select 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).