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Royal London Multi Asset Strategies 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 Multi Asset Strategies 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

The fund	3
Performance and activity	4
Fund breakdown	7
Market commentary	8
Further information	9
Disclaimers	10
Performance net and gross	12
Glossary	13

The fund

Fund performance objective and benchmark

The Fund's investment objective is to achieve a combination of capital growth and income over rolling 5-year periods while seeking to target volatility of 4-8% per annum, by employing diversified multi-asset strategies. There is no guarantee that volatility in this range will be achieved and it has been chosen as it represents a level of risk which is appropriate for the Fund. Volatility is a statistical measure of the Fund's possible range of outcomes. For the Fund, volatility will be calculated as the annualised standard deviation of daily Fund prices over rolling 12-month periods. The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective. For performance comparison purposes, the average return of the Morningstar GBP Allocation 20-40% Equity category may be used. The Morningstar GBP Allocation 20-40% Equity category is a peer group of funds that each invest in a range of asset types including equities, bonds, property, commodities, cash and liquid alternatives, which broadly aligns to the Fund's own investment policy. For funds in this category, equity or equity equivalent risk will usually be between 20% and 40% in the normal running of the fund. Management of the Fund is not restricted by the use of the category as a comparator benchmark.

Fund value

	Total £m
Fund value as at 30 June 2026	939.89

Fund analytics

	Fund
Fund launch date	23 November 2018
Benchmark	EAA Fund GBP Allocation 20-40% Equity

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	4.95	4.92	0.02
YTD	7.59	3.91	3.67
1 Year	15.96	9.34	6.63
3 Years (p.a.)	9.15	7.38	1.77
5 Years (p.a.)	4.98	2.72	2.26
Since inception (p.a.)	4.17	3.63	0.53

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 23 November 2018.

Performance commentary

The fund outperformed the benchmark during the second quarter of this year.

The fund aims to capture upside in positive market trends, while limiting downside during periods of market turbulence through diversification, active positioning, and volatility management.

The core equity exposure within the fund was reduced significantly in Q1 as global volatility spiked on the outbreak of the Iran War. We derisked quickly over the first week of the conflict and then continued reducing our equity positioning further over the following weeks as volatility remained elevated, with the equity allocation reaching the low of 19.5% towards the end of March. As volatility started to subside over Q2 on the back of a ceasefire in the Middle East, the equity allocation was gradually increased again, finishing the quarter under review at 29.0%.

We continue to remain vigilant, in these volatile market conditions, with the ability to react accordingly. We continue to monitor the situation daily – this helps us manage volatility, and the potential for loss.

Asset allocation overview

On a tactical level, we held an underweight position in equities earlier in the year as tensions escalated in the Middle East and volatility rose sharply across financial markets. We have moved back overweight on signs of a deescalation and noting that investor sentiment had fallen to overly depressed levels. Having reduced our active risk across regions and US sectors in Q1, reflecting the volatile market conditions, we moved back overweight the AI beneficiaries, emerging markets and US tech, over the quarter. Our Investment Clock is in Stagflation for now, but direction of travel is dependent on the situation in the Middle East and where oil prices go from here.

Performance and activity

Top 10 holdings

	Weighting (%)
Royal London Sterling Lqd Money Mk	12.30
Royal London UK Government Bond R	10.07
Royal London International Governm	10.04
Royal London Investment Grade Short Dated Credit Fund Z Inc	7.59
Royal London Europe Ex UK Equity Tilt Fund S Acc	5.18
Royal London Asia Pacific ex Japan Equity Tilt Fund S Acc	5.15
Royal London UK Core Equity Tilt R	5.11
Royal London Japan Equity Tilt R A	5.08
Royal London Sust Short Duration C	5.04
Royal London US Equity Tilt R Acc	5.00
Total	70.57

Fund activity

Tactical asset allocation strategies build on the core portfolio and operate within a separate risk budget. We take an active approach to tactical asset allocation with a view to adding value irrespective of market direction and continue to see opportunities in relative value trades within and between the broad range of asset classes at our disposal.

Equities

While global equities were broadly unchanged in June, they finished Q2 with a gain of 15.1%, their strongest quarterly return since the post-pandemic recovery in 2020. Returns were supported by easing geopolitical tensions in the Middle East, which pushed oil prices lower following the reopening of the Strait of Hormuz, and by renewed AI enthusiasm.

Having started the quarter underweight equities given elevated geopolitical risk, we moved back overweight as investor sentiment reached overly panicked levels. The Investment Clock has moved towards Stagflation, but this could change rapidly if oil prices stay where they are, or fall further, and inflationary pressure eases.

Bonds

Government bond returns were modestly positive over the quarter as retreating energy prices supported the asset class despite a 25bp rate hike from both the European Central Bank (ECB) and Bank of Japan (BoJ).

Later in the quarter, following Warsh's first meeting as Federal Reserve Chair, markets moved to price a slightly more hawkish policy path for the US central bank again, with a rate hike expected in October.

Our tactical government bond position fluctuated between neutral and underweight over the period. Elsewhere, we remained neutral on global high yield, having reduced exposure when the Iran war started. While risky assets have rallied sharply over recent few months, fixed income markets have remained volatile, and credit spreads remain near historically tight levels.

Equity regions

The strong performance of chip stocks extended over the quarter, where exceptional performances of Korean stocks (+67%) and Taiwan (+40%) were particular bright spots.

Performance and activity

Fund activity (continued)

We reinitiated overweight positions in regions with the strongest earnings trends, principally emerging markets and the US, which added value over the period. These positions were funded largely through an underweight in Australia and Hong Kong.

Having spent the whole 2026 underweight European equities, we moved overweight for the first time this year as the region began to benefit from lower energy prices over the second half of June.

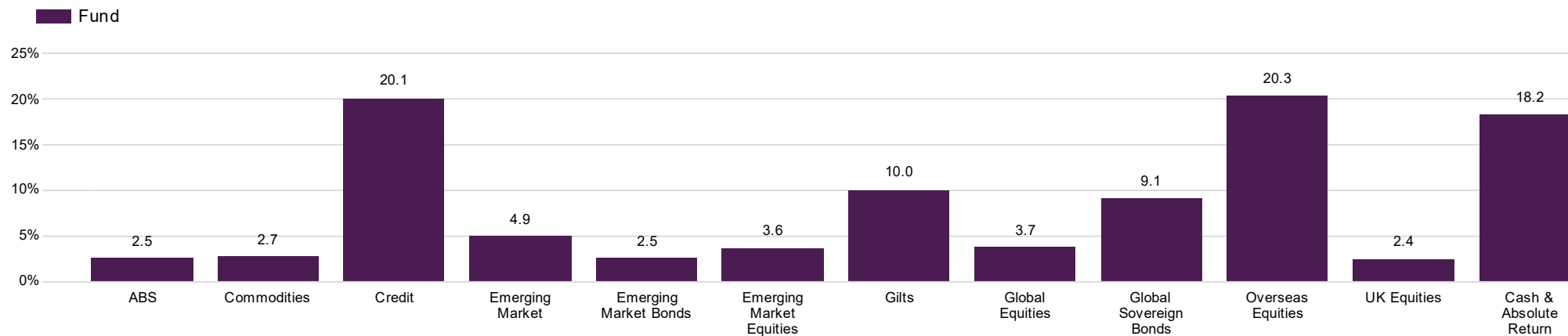
Equity sectors

Within US sectors, we remained overweight technology, which continues to be supported by strong relative earnings growth. We moved underweight energy as oil prices continued to decline and reduced underweight positions across defensive sectors, while moving overweight utilities.

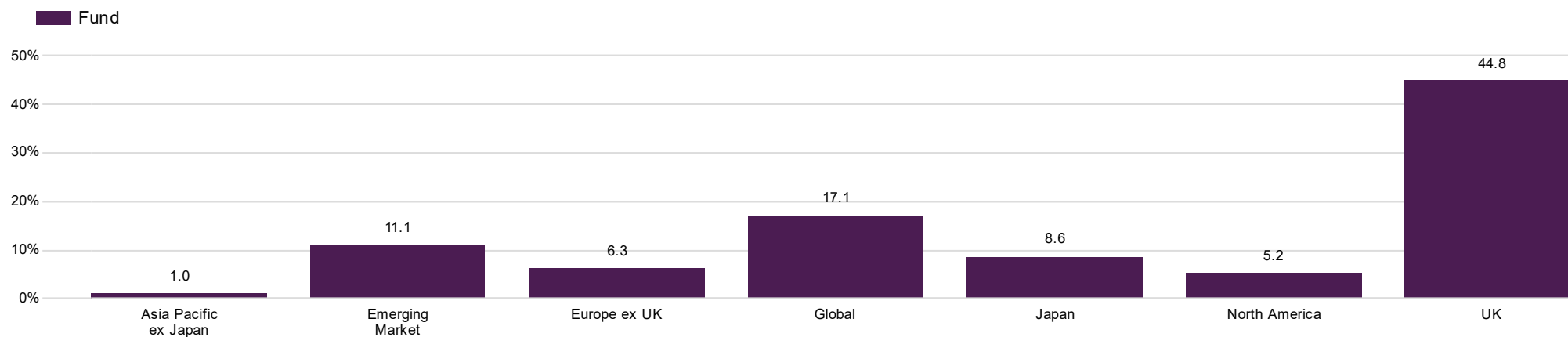
Tactical asset allocation strategies build on the core portfolio and operate within a separate risk budget. We take an active approach to tactical asset allocation with a view to adding value irrespective of market direction and continue to see opportunities in relative value trades within and between the broad range of asset classes at our disposal.

Fund breakdown

Asset split



Geographical breakdown



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 to pre-crisis levels.

The effect on equities was significant volatility, though this 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 Investment Clock is in Stagflation, reflecting the high oil price and weaker business surveys amid the still uncertain US-Iran conflict.

Energy prices had fallen towards pre-war levels on signs of a fragile peace deal over Q2 but tensions have since risen again.

The AI boom is raising corporate earnings of technology stocks. Cycle-adjusted valuations are near dot com era levels. New innovation waves often get overblown in financial markets, even when their long-term impact is transformative.

Strategically, we are tilted away from US equities on valuation grounds towards the better-value UK market. Tactically, we are moderately positive on technology stocks and emerging market tech plays. The danger will come if Federal Reserve Chair Warsh raises rates to a restrictive level but we do not believe this is imminent.

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

Important information

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The Fund is a sub-fund of Royal London Multi-Asset Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC001058.

The Company is a non-UCITS retail scheme. 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 Non-UCITS retail scheme Key Investor Information Document (NURS KII Document), available via the relevant Fund Information page on www.rlam.com.

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.

Credit risk

Should the issuer of a fixed income security become unable to make income or capital payments, or their rating is downgraded, the value of that investment will fall. Fixed income securities that have a lower credit rating can pay a higher level of income and have an increased risk of default.

Derivative risk

This fund may undertake transactions in derivatives and forward transactions (both on exchange and over the counter (OTC)). These may include interest rate swaps and interest rate futures for the purposes of meeting the investment objective, protecting the risk to capital, duration and credit management, as well as for hedging. While the discerning use of derivatives can be beneficial, derivatives also involve specific risks. These risks relate specifically to market risk, management risk, credit risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices. The use of derivative instruments may from time to time alter the economic exposure of the fund causing it to deviate significantly from the performance of the market as a whole. The use of these derivatives will be within the parameters allowed for linked funds by the Financial Conduct Authority and Prudential Regulation Authority.

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.

Interest rate risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

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.

Fund investing in funds risk

The Fund is valued using the latest available price for each underlying investment, however it may not fully reflect changing stockmarket conditions and the Fund may apply a 'fair value price' to all or part of its portfolio to mitigate this risk. In extreme liquidity conditions, redemptions in the underlying investments, and/or the Fund itself, may be deferred or suspended.

Performance to 30 June 2026

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years		
						Annualised (%)	
						3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	4.95	7.59	15.96	30.08	27.53	9.15	4.98
Fund (net)	4.80	7.30	15.33	27.96	24.08	8.56	4.41

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)	15.96	0.90	11.17	1.54	(3.45)
Fund (net)	15.33	0.35	10.56	0.99	(3.98)

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. 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 Multi Asset Strategies Fund M Acc GBP share class.

Glossary

Asset allocation

Breakdown of the assets by asset classes. Based on RLAM asset classification scheme.

Bonds

Securities that represent an obligation to repay a debt, with interest. Investment grade bonds are high quality bonds that are viewed as being highly likely to make all scheduled payments of interest and principal. Low quality bonds carry higher risk but also typically pay higher rates of interest. Corporate bonds are those issued by companies to raise finance.

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.

Geographical breakdown

Breakdown of assets by geographical regions. 'Global' region includes global fixed income and overseas securities exposures, which are sterling hedged and commodity exposures.

Performance

Fund performance is based on 2pm prices.

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.

Top 10 holdings

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

Total return

A total return is a combination of capital growth and income. Capital growth is defined as the rise in an investment's value over time and income as the payment an investment generates, such as dividends or bond coupons.