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# Royal London Global Equity Select Fund

Quarterly Investment Report

31 March 2026



# Quarterly Report

## The fund as at 31 March 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.

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# 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
31 March 2026	434.07

## 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 (%)	75.9
Tracking error (%)	4.3

Ex-post tracking error calculated 3 years to 31 March 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	(4.04)	(1.65)	(2.39)
1 Year	10.80	16.38	(5.58)
3 Years (p.a.)	15.74	14.28	1.47
5 Years (p.a.)	15.11	11.26	3.85
Since inception (p.a.)	15.62	11.54	4.08

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 officially underperformed its benchmark over the quarter, which was primarily driven by adverse market timing relative to its end-of-day benchmark. However, on a like-for-like basis, the fund outperformed its benchmark, benefiting from the overweight position in the energy sector amid surging oil and gas prices.

The holding in Taiwan Semiconductor Manufacturing Corp once again produced strong returns, benefiting from accelerating AI-driven demand for high-bandwidth memory. The company produced record revenues, supporting management's upgraded long-term outlook.

As investors continue to sift through the likely AI winners and losers, data centre builder Vertiv moved very much into the former camp. The company builds infrastructure for data centres, and its shares experienced a strong rise in February, reflecting robust order growth tied to AI data-centre investment with rising demand for high-density power and cooling solutions. Both Vertiv and TSMC suffered in March amid the rotation away from stocks with high geopolitical exposure and towards more defensive parts of the market, but still produced positive returns over the quarter.

The holding in Shell contributed to returns, capturing the tailwind of rising prices in the energy sector. Holdings in energy companies Kinder Morgan and EQT Corporation further benefited the fund. However, a lack of exposure to other energy sector heavyweights, such as Exxon Mobil, offset these benefits to some extent.

On the downside, 3i Group detracted from returns. The private equity and infrastructure investment company held its capital markets day during March and provided lower-than-expected growth guidance, which sent the shares significantly lower.

When we added Ferrari to the portfolio towards the end of 2025, the investment case was explicitly long term. This followed a period of share price weakness, which continued for some time after purchase. The company guided revenue and earnings growth below what the market had been extrapolating for the next several years, despite fundamentals remaining attractive. This led to a de-rating, with the share price falling even though margins, brand strength and order books remained intact. However, our long-term investment case remains intact and we have retained the holding.

Lithia Motors is a US-based automotive retailer, operating a nationwide network of franchised dealerships selling new and used vehicles, alongside finance, insurance and aftersales services. In the first quarter of the year, the holding detracted from performance, with the share price declining over the period. The weakness was consistent with broader pressure on consumer discretionary and auto-related stocks during the quarter.

# Performance and activity

## Top 10 holdings

	Weighting (%)
NVIDIA CORP	6.20
ALPHABET INC CLASS A	5.97
TAIWAN SEMICONDUCTOR MANUFACTURING	4.41
MICROSOFT CORP	4.30
AMAZON COM INC	3.97
VISA INC CLASS A	3.69
CHUBB	3.50
SHELL PLC	3.39
ROYALTY PHARMA PLC CLASS A	3.35
APPLE INC	3.27
<b>Total</b>	<b>42.04</b>

## Fund activity

At the start of the Middle East conflict, our positioning was relatively balanced compared to the wider market. One of the main positions was an underweight stance in companies within the Slowing & Maturing stage of Product Life Cycle.

In March we took the opportunity to start selectively adding to attractively valued cyclical industrials such as Willscot Holdings (US storage company), QXO Inc (US roofing products) and Borgwarner (US automotive and electric vehicle parts supplier). These actions were predicated on the view that growth expectations were low and valuations attractive, with rising geopolitical risks causing these shares to become significantly discounted and offering a margin of safety. Any reversal in US policy and an end to hostilities could be a significant catalyst to unlock this value.

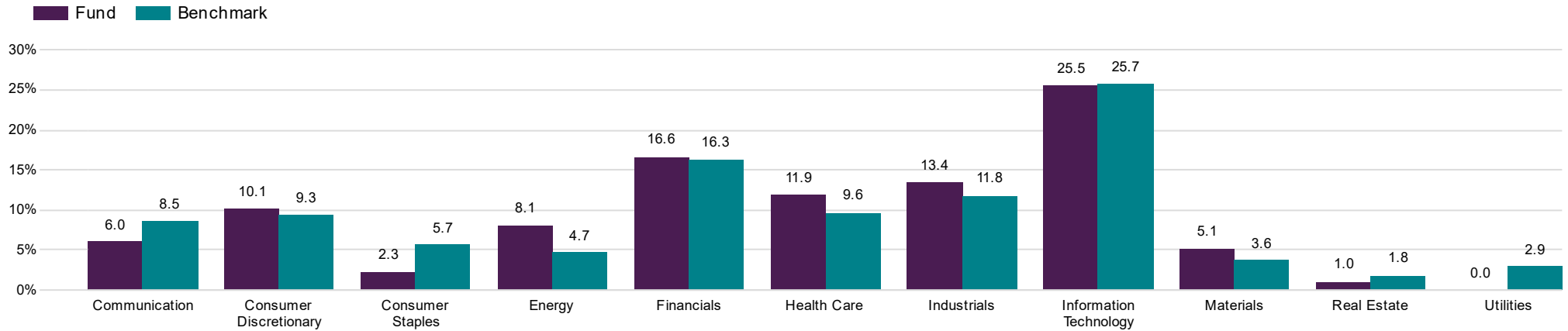
A month later, there is growing evidence that a swift return to business as usual is unlikely, and highly improbable. The Strait of Hormuz is likely to become a perpetual pressure point going forward. This has meaningful implications for our energy holdings, but also for inflation and therefore interest rates, both with risks to the upside. As a result, we have introduced Chubb, the leading P&C insurer in the US which stands to benefit from higher interest rates and higher geopolitical risk premiums.

We also switched our gold mining exposure from Agnico Eagle to Wheaton Precious Metals, a Canadian multinational precious metals 'streaming' company. It makes agreements with mining companies to provide finance in return for the rights to purchase a proportion of future production. Unlike miners, which have high margin sensitivity to rising energy costs, Wheaton has limited exposure to the costs of operating expenditure.

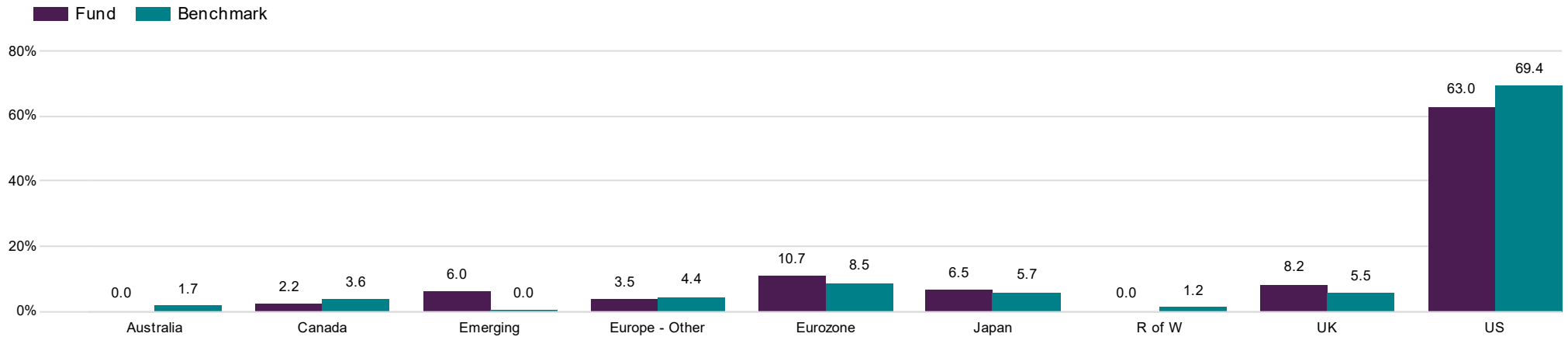
Overall, we continue to have a constructive view on equity markets. The fund is positioned to benefit from holdings across the Life Cycle. These vary from tangible AI accelerators and attractively valued compounders to companies that will benefit from higher-for-longer interest rates and rising commodity prices.

# 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	7	20
Number of engagements	9	56

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	6
Climate - Transition Risk	6
Governance	5
Corporate Governance	3
Remuneration	1
Strategy	1
Technology, Innovation & Society	2
Technology & Society	2

## 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

### Shell PLC – Net Zero

#### Purpose:

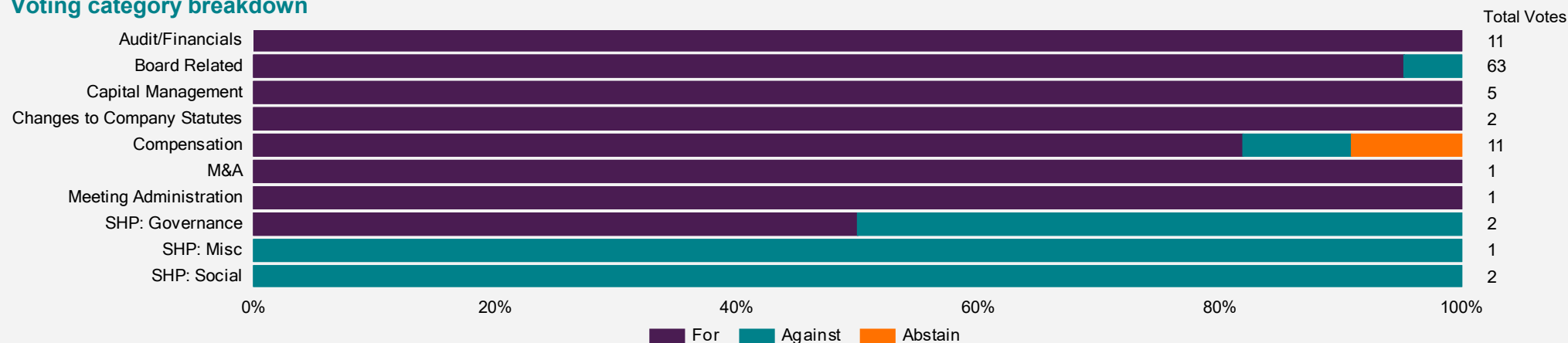
We engaged Shell PLC, an energy company, as part of RLAM's Net Zero Stewardship Programme to gain clarity on its climate strategy and key priorities ahead of the company's 2026 Annual General Meeting.

#### Outcome:

Shell provided clear responses to questions on our engagement priorities and appeared receptive to suggestions made. We welcomed the additional disclosures the company had published on liquefied natural gas (LNG) following investor requests and discussed its upcoming AGM and a shareholder resolution filed by 'Follow This'. Shell expressed confidence in meeting its 2030 climate targets while continuing a modest growth in LNG and oil production and outlined its approach to new exploration and low-carbon investment. We communicated our desire for the reintroduction of a mid-term Scope 3 emissions target in its 2027 energy transition strategy, noting that the company expressed reluctance to 'take ownership' of Scope 3 emissions. We encouraged the company to provide greater clarity on its approach to emissions offsets, including timing, scale and quality. Shell agreed to follow up on the calculations behind recent asset divestments and to continue dialogue as its strategy evolves.

# Fund Voting

## Voting category breakdown



## Notable votes

### Apple Inc

Advisory Vote on Executive Compensation - abstain:

We abstained due to concerns that the long-term incentive framework remains overly concentrated around a single measure, with pay outcomes appearing highly replicable across incentives, raising questions on the stretch and resilience of performance assessment.

Shareholder Proposal - Report on Risks and Costs Associated With China - against:

We voted against as the requested disclosure was not considered likely to provide sufficient additional value at this time, given the breadth of information already available and the rapidly evolving nature of the topic.

### Visa Inc

Elect Denise M. Morrison - against: We opposed due to the nominee's role on the remuneration committee and our longstanding concerns regarding remuneration.

Elect William J. Ready - against: We opposed due to concerns regarding the nominee's time commitments, given other positions held.

Advisory Vote on Executive Compensation - against:

We voted against as, despite engagement, key concerns remain-particularly regarding bonus discretion and short performance periods-and have not been sufficiently addressed.

Amendment to Certificate of Incorporation to Limit the Liability of Certain Officers - against:

We voted against as the amendment may reduce accountability by limiting liability for breaches of the duty of care, and the board has not demonstrated a compelling need.

Shareholder Proposals:

# Fund Voting

## Notable votes

### Visa Inc

Independent Chair - against: We voted against as the company already meets the intent of the proposal.

Right to Act by Written Consent - for: We supported as written consent can enable shareholders to act on important matters between annual meetings.

Report on Risk Management Concerning Deepfake Content - against: We voted against as the proponent did not provide a sufficiently compelling rationale and we have no material concerns at this time.

Report on ROI of Inclusion Programs - against: We voted against as there was insufficient evidence that the company's approach to inclusion programs has been contrary to shareholder interests.

# Market commentary

## Market review

Global equities made a steady start to the year as investors focused on the path of disinflation, the timing of policy easing, and the resilience of economic activity. However, all this was upended in March. Risk sentiment deteriorated late in the quarter amid an escalation in geopolitical risk and a sharp move higher in energy prices, which revived inflation concerns and weighed on equities. March was the worst month for global equities since the start of the Ukraine conflict in 2022, which more than wiped out the previous two months' gains.

The US was one of the weakest performing markets, as expectations for early interest rate cuts were pushed further out by a renewed bout of inflation anxiety linked to higher oil prices. Large technology stocks were a notable drag on performance, having already come under pressure earlier in the quarter due to valuation concerns and uncertainty around the impact of new AI capabilities on software business models. As volatility increased, investors rotated away from last year's technology leaders toward a broader mix of sectors, including more rate sensitive and value-oriented stocks.

European equities also gave back January and February's gains as rising energy prices led to concerns that inflation could remain above target. Markets in the region had previously benefited from falling inflation, raising hopes that European policy rates are near their peak. Energy and defence stocks provided pockets of relative strength during March. This helped to support the UK market, which was slightly more resilient.

Asia was one of the more resilient regions, though the performance of markets varied greatly. Taiwanese and Korean stocks had produced strong double-digit returns prior to the Middle East conflict, but came under pressure as investors assessed Asia's dependence on energy imports. Japan was one of the few markets to finish the quarter higher, benefiting from yen weakness and expectations of increased fiscal support following the ruling Liberal Democratic Party's decisive victory in February's snap election.

## Outlook

At time of writing, market direction remains highly dependent on developments in geopolitics and the inflation outlook. A de-escalation in the Middle East would likely relieve pressure on energy prices and help stabilise sentiment, while central banks appear inclined to remain cautious and firmly data led.

Beyond the geopolitical outlook, corporate earnings and economic data over the coming months will be important in determining whether the recent shock proves temporary or more persistent. Until there is greater clarity, volatility is likely to remain elevated, with markets sensitive to both macro data and political headlines.

Overall, we are continuing to navigate a complex and momentum-driven market with a disciplined yet adaptive approach. Strategic research prioritisation, risk-aware positioning, and a focus on long-term value creation remain central to the investment philosophy. The team is committed to refining its responsiveness to market signals and maintaining competitive performance.

## 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](http://www.rlam.com), including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

# Disclaimers

## Important information

For professional clients only, not suitable for retail clients.

This is a financial promotion and is not investment advice.

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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](http://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 31 March 2026

## Cumulative (%)

## Annualised (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
<b>Fund (gross)</b>	(4.04)	0.62	10.80	55.12	102.17	15.74	15.11
<b>Fund (net)</b>	(4.20)	0.26	10.01	51.86	95.14	14.93	14.30

## Year on year performance (%)

	31/03/2025 - 31/03/2026	31/03/2024 - 31/03/2025	31/03/2023 - 31/03/2024	31/03/2022 - 31/03/2023	31/03/2021 - 31/03/2022
<b>Fund (gross)</b>	10.80	2.18	37.02	3.17	26.32
<b>Fund (net)</b>	10.01	1.46	36.05	2.45	25.43

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 31 March 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).