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Royal London UK Income with Growth Trust

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 UK Income with Growth Trust. 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 Scheme aims to provide an annual income return that is 20% greater than that of the FTSE All-Share Total Return GBP Index, with some capital growth, over rolling 7-year periods, after the deduction of charges. The Scheme prioritises income return over capital growth. The Index has been selected as a target benchmark because it is representative of the type of companies in which the Scheme invests, and it is therefore an appropriate measure for the Scheme's performance. Management of the Scheme is not restricted by this target benchmark and the Scheme does not base its investment process upon the Index. As a result, the Scheme can invest in companies that are not part of the Index.

Fund analytics

	Fund
Fund launch date	25 September 1989
Fund base currency	GBP
Benchmark	FTSE All-Share Index (Total Return, GBP)
Number of holdings	229

Fund value

	Total £m
31 March 2026	236.10

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	1.39	2.41	(1.02)
1 Year	18.28	21.54	(3.26)
3 Years (p.a.)	11.61	13.32	(1.70)
5 Years (p.a.)	9.37	11.10	(1.74)
10 Years (p.a.)	7.39	8.67	(1.28)
Since inception (p.a.)	8.86	8.03	0.83

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 A Inc GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 25 September 1989.

Performance commentary

The fund underperformed the benchmark during the quarter under review. Corporate bonds were weaker than equities, so asset allocation was the main headwind to performance, but the equity portion of the fund also lagged the benchmark.

Noteworthy positives for performance were equity holdings in the commodity related companies BP, Shell and Rio Tinto. The main detractors were holdings in 3i and Hikma – both released trading statements which disappointed investors. In terms of relative performance against the index, not holding BAE Systems, a defence company whose shares have been strong as a perceived beneficiary of the unstable geopolitical back, was also a notable negative.

Performance and activity

Top 10 holdings

	Weighting (%)
SHELL PLC	5.71
HSBC HOLDINGS PLC	4.93
ASTRAZENECA PLC	4.68
BRITISH AMERICAN TOBACCO	3.25
BP PLC	2.90
RELX PLC	2.63
RIO TINTO PLC	2.21
GLAXOSMITHKLINE	2.19
LEGAL AND GENERAL GROUP PLC	2.09
UNILEVER PLC	1.96
Total	**32.55**

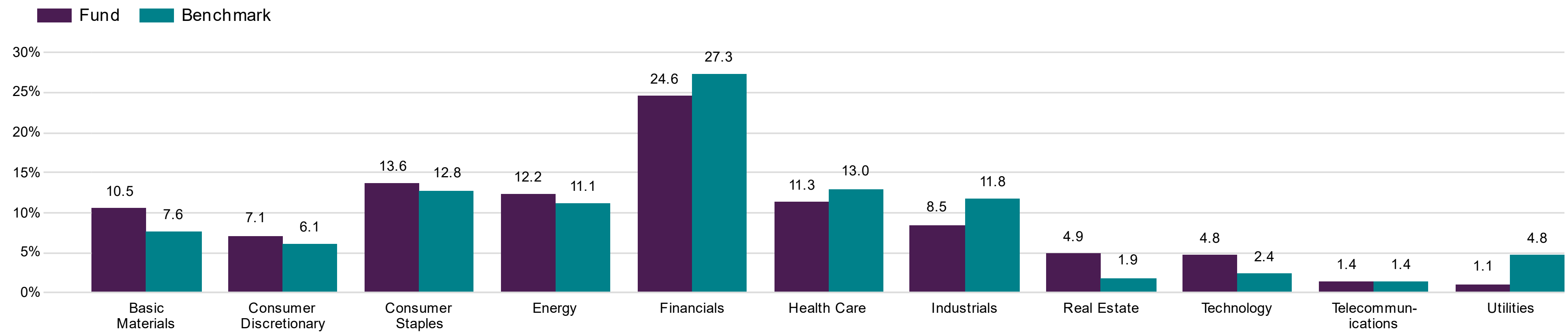
Fund activity

The most significant trades in the quarter were to reduce the positions in Clarkson, Rio Tinto and Vodafone following strong runs in their share prices.

The fund bought a number of stocks that were seen as being disrupted by AI, adding to existing holdings in RELX and Sage and establishing a new holding in Experian. A new position was also established the insurer Aviva.

Fund breakdown

Sector 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	18	56
Number of engagements	26	149

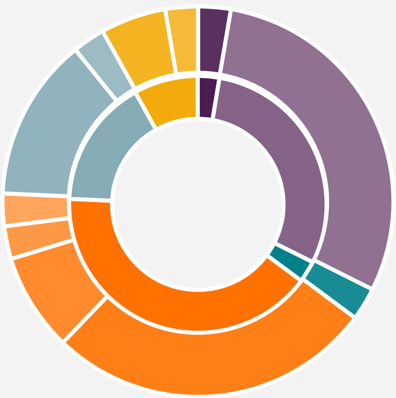
This is an estimate. Some engagements at the issuer level may not have been attributed to the specific bond held in the fund, resulting in a lower number of engagement activities.

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.

Total engagements by theme and topic



Theme / Topic	Engagements
Biodiversity	1
Climate	11
Climate - Transition Risk	11
Environment	1
Governance	15
Corporate Governance	10
Remuneration	3
Board	1
Strategy	1
Social & Financial Inclusion	6
Just transition	5
Labour & Human Rights	1
Technology, Innovation & Society	3
Technology & Society	2
Cybersecurity	1

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

Fund Engagement

Engagement outcomes

Barclays PLC – Just Transition

Purpose:

We engaged with Barclays PLC, a UK-listed bank, to gain clarity on how social dimensions, such as workforce impact and community vitality are being reflected in its climate transition planning.

Outcome:

Barclays now recognises the importance of just transition and has begun embedding social factors into its internal frameworks and sector strategies. While specific tools are still emerging, the bank has shared early examples of social considerations being incorporated into new product frameworks and just transition is a component of its Transition Finance Framework, e.g., targeted support to ensure that impacted communities benefit from the low-carbon energy transition. Barclays acknowledged that more consistent, measurable application of these principles is required across its business.

Lloyds Banking Group PLC – Just Transition

Purpose:

Lloyds Banking Group PLC, a UK-listed bank, was engaged to explore how it is considering social risks, such as community resilience and customer inclusivity, as it transitions to a low-carbon economy.

Outcome:

Lloyds has begun integrating just transition principles into its climate strategy, highlighted through early implementation of region- and sector-focused lending criteria that reflect social and customer considerations. Through its lending to Community Development Financial Institutions, Lloyds demonstrates core just transition principles, fairness, inclusion and place-based support, within its community lending activity. Through our engagement, Lloyds has demonstrated meaningful improvements in product design and regional support initiatives. It acknowledges the need to further align these efforts across all financing activities.

RELX PLC – Sustainable and Ethical AI

Purpose:

RELX PLC, an information and analytics company, was engaged to discuss its approach to ethical and sustainable AI, with a particular focus on governance, customer due diligence for sensitive use cases (including government contracts), safeguards against misuse, and emerging environmental impacts of AI. The engagement sought to understand how responsible AI principles are operationalised across the business, how human rights risks are assessed, and how oversight is exercised at senior and board level, in line with our expectations on responsible and ethical AI.

Outcome:

The engagement provided greater insight into RELX's responsible AI governance, including a combination of senior-level oversight and distributed operational responsibility across teams, as well as ongoing updates to its responsible AI principles. The company described training, due diligence processes, and technical safeguards, and outlined emerging work on human rights impact assessments and AI-related emissions accounting. However, concerns remain around customer due diligence outcomes, measures to ensure products are not misused, and public disclosure of how AI-related risks are managed in practice. We will continue engagement to seek clearer evidence of how these risks are identified, mitigated and overseen, and to encourage alignment with evolving best practice on responsible AI governance, human rights due diligence, and sustainable AI.

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.

Unilever – Nature

Purpose:

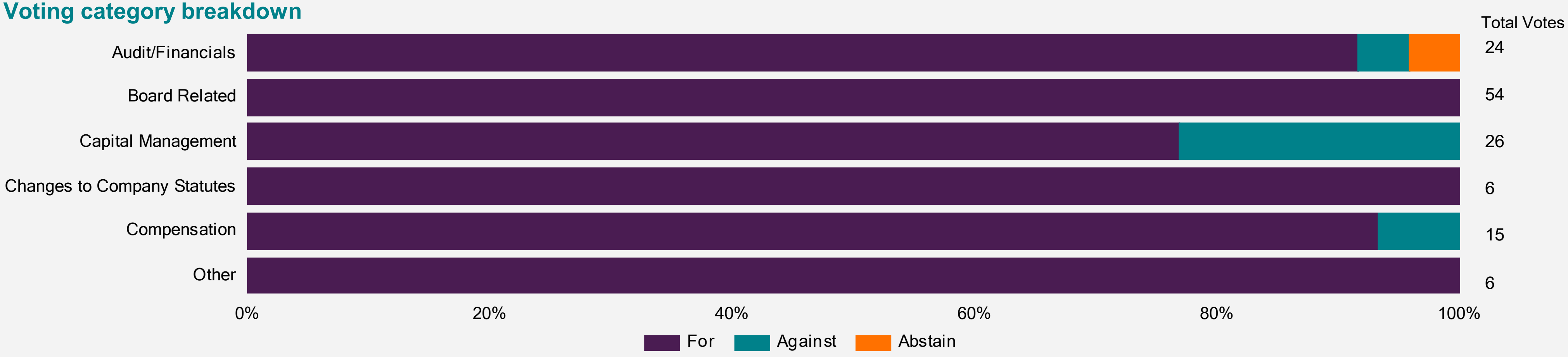
Unilever PLC, a consumer goods company, shared information on how it identifies and manages nature- and climate-related risks across its operations and supply chains. The information focused on areas where nature impacts are most material, including regenerative agriculture, deforestation-free sourcing and water stewardship.

Outcome:

Unilever outlined how its sustainability commitments are being translated into action through programmes focused on landscape protection, regenerative agriculture and water stewardship. The company described progress in scaling regenerative farming practices and using basin-level water risk assessments to inform sourcing and product innovation, including the development of water-efficient products. It also acknowledged that measuring and reporting outcomes remains an evolving area, with more robust data expected over the coming years. We will endeavour to continue engagement to monitor progress, encourage clearer disclosure on outcomes and methodologies, and assess how nature-related risks are reflected in longer-term planning.

Fund Voting

Voting category breakdown



Notable votes

Chemring Group Plc

Remuneration Report - against:
We voted against as, despite engagement and context provided, we would prefer greater stretch in LTIP targets-particularly threshold set above external forecasts and maximum outcomes more stretching than brokers' expectations.
Authority to Issue Shares w/o Preemptive Rights - against:
We voted against due to concerns regarding potential dilution, particularly when considering the combined non-pre-emptive issuance authorities.
Authority to Issue Shares w/o Preemptive Rights (Specified Capital Investment) - against:
We voted against for the same reason, given dilution risk from the combined authorities.

WH Smith Plc

Accounts and Reports - abstain:
We abstained due to concerns arising from accounting failures, ongoing regulatory scrutiny and uncertainty pending the FCA review, and continuing governance and leadership changes. We withheld support until the board can demonstrate that the control environment has been fully restored and remediation is clear.
Appointment of Auditor - against:
We voted against the auditor appointment as the auditor served during the restatement period and, in light of material findings identified in subsequent work, we have serious concerns regarding the auditor's suitability to continue.

Fund Voting

Notable votes

WH Smith Plc

Authority to Issue Shares w/o Preemptive Rights - against:
We voted against due to concerns regarding potential dilution, particularly when considering the combined non-pre-emptive issuance authorities.
Authority to Issue Shares w/o Preemptive Rights (Specified Capital Investment) - against:
We voted against for the same reason, reflecting cumulative dilution risk.

Market commentary

Market review

Investors have had to contend with significant bouts of volatility in the first quarter of 2026 ranging from US policy risks, the flare up of geopolitical events, and growing fears around AI adoption as a force for disruption. Policy shocks from the US administration – specifically trade tariffs, questions around fiscal sustainability and interventions in Federal Reserve independence – prompted a rotation away from US dollar assets at the start of the year. Commodity prices, most notably precious metals, rallied strongly as a hedge against a weaker dollar and geopolitical tensions, providing a boon to the mining sector.

Having started the year strongly against this backdrop, UK equities came under pressure later in the quarter following the outbreak of war in the Middle East, with direct US intervention being met with escalation from Iran. Oil and gas prices surged following attacks on key infrastructure assets, in addition to the effective closure of the Strait of Hormuz that will further restrict the flow of supply from the region. This raised market concerns about renewed inflationary pressures, scuppering previous expectations of interest rate cuts and driving bond yields higher.

Alongside these macro currents, investors have become increasingly concerned with AI disruption risks for a wide range of sectors, prompting share price weakness among technology companies in the UK. While developments are fast-evolving, investor fears broadly amount to the extent to which future value will accrue to owners of data or whether they will lose out to competing AI platforms. High profile product launches, most notably from Anthropic, triggered declines across software, data and information services, and even extended in professional services such as insurance and wealth management.

Against the backdrop of war, energy stocks dominated market returns over the quarter while consumer facing sectors came under pressure as households face yet another inflationary shock in 2026. In a market also seeking refuge from AI disruption risk, market rotation towards capital-intensive industries with tangible asset backing was evident, with sectors such as energy, materials, utilities and telecoms outperforming.

Outlook

Looking forward, there is a high degree of uncertainty around the conflict in the Middle East with a wide range of potential outcomes. While markets have gone some way to pricing in the risks to global growth and inflation, it is still the expectation that there will be some form of de-escalation and resolution in the coming weeks as opposed to a long, protracted conflict in the region, which is not in the interests of the key actors. The challenge for investors is that the market implications from either scenario are likely to vary significantly and with the outlook uncertain, broad diversification against inflation and growth risks need to be considered. That said, even if there was a resolution tomorrow there is a new reality that investors and companies will have to adapt to. It arguably further reinforces the market environment we have experienced following the pandemic and the war in Ukraine – one that reflects a more inflationary world and with the benefits of a 'peace dividend' and globalisation firmly behind us.

In the UK the domestic outlook is increasingly gloomy with households and businesses facing renewed inflationary pressures and interest rate cuts from the Bank of England. In fact, market expectations point to two interest rate hikes this year. This could well be an overly cautious view exhibited by the bond market, as interest rate rises will do little to ease pressures from what is an external supply shock. Demand conditions are also generally more subdued and labour markets less tight than in the period following the pandemic. However, market expectations themselves will likely act as a brake on growth as credit costs work their way through the economy.

As we often highlight, it is worth noting that the fortunes of the UK equity market are not closely tied to the economy, such is its international make up. That said, significant share price underperformance from domestically sensitive parts of the market suggests, in our view, that recessionary risks are somewhat priced in. While the timing of recovery is not possible to predict, any ceasefire of the conflict in Iran could see a very strong rebound in a number of sectors and companies that have been punished over the last quarter. Offsetting some of these headwinds are the factors that buoyed the UK in 2025 – high levels of mergers and acquisitions amid a market with a well-diversified sector mix and attractive 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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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.

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FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by Royal London Asset Management.

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.

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.

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.

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.

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.

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.

Performance to 31 March 2026

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years
Fund (gross)	1.39	7.76	18.28	39.09	56.51
Fund (net)	1.14	7.22	17.10	34.75	47.89

Annualised (%)

	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	11.61	9.37
Fund (net)	10.44	8.14

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
Fund (gross)	18.28	9.06	7.82	(0.78)	13.41
Fund (net)	17.10	7.98	6.57	(2.01)	12.00

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 UK Income with Growth Trust A Inc GBP share class.

Glossary

7-Year rolling period

Any period of seven years, no matter which day you start on.

Bonds

Bonds are defined as fixed-income investments issued as debt by companies and public bodies to raise finance. Investors in bonds receive a previously agreed, non-variable interest payment until the investment matures. 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.

Income and capital growth

Income is defined as the payment an investment generates, such as dividends, bond coupons or rental income, and capital growth as the rise in an investment's value over time.

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.

Sector weights

Breakdown of holdings by FTSE ICB (Industry Classification Benchmark) sector relative to the benchmark index.

Top 10 holdings

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