

For professional clients only, not suitable for retail clients. This is a marketing communication.

This fund uses the Sustainability Focus label which is for funds that invest mainly in assets that focus on sustainability for people or the planet.



Royal London Global Sustainable Equity 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 Sustainable Equity 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	6
ESG	7
Market commentary	12
Further information	13
Disclaimers	14
Performance net and gross	16
Glossary	17

The fund

Fund performance objective and benchmark

The Fund's financial objective is to provide a return over rolling 5-year periods, through capital growth, after the deduction of charges. The Fund's sustainability objective is to invest in companies that make a positive contribution to one or more of the "Sustainability Themes" (listed below), through their products or services as determined by the Investment Manager using its Sustainability Standard. Clean, Healthy, Safe and Inclusive. The Index has been selected as a comparator benchmark because it is representative of the type of companies in which the Fund invests, and therefore is considered an appropriate performance comparator. Another performance comparator for the Fund is the IA Global sector (the "IA Sector").

Fund value

	Total £m
31 March 2026	476.16

Fund analytics

	Fund
Fund launch date	25 February 2020
Fund base currency	GBP
Benchmark	MSCI All Country World Index (MSCI ACWI) (Net Total Return, GBP)
Number of holdings	41

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	(5.35)	(1.27)	(4.09)
1 Year	18.02	17.47	0.56
3 Years (p.a.)	12.39	14.09	(1.71)
5 Years (p.a.)	9.94	10.48	(0.54)
Since inception (p.a.)	12.39	11.69	0.70

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 25 February 2020.

Performance commentary

The fund underperformed the MSCI All-Countries World Index (ACWI) benchmark during the first quarter.

We continue to apply our tried and tested investment process focusing on finding the most attractive companies from a sustainability and financial standpoint as we believe these companies can offer high and more durable long-term growth as well as being more resilient.

The energy sector, particularly fossil fuels, was the best performing sector, up 33%, followed by utilities and industrials, while consumer discretionary and communication services were the weakest, largely due to underperformance by major technology stocks such as Amazon and Alphabet and recessionary fears.

Comfort Systems, TSMC, ASML and Wabtec were notable positive contributors in the first quarter, attributing their performance to factors such as strong demand for skilled labour and data centre construction, AI-driven growth in semiconductors, and increased investment in rail infrastructure. Wabtec benefited in Q1 from successful deal execution, global rail infrastructure investment, and a market rotation into hard assets less susceptible to AI disruption.

HDFC Bank, Mercado Libre, and Intuit were the main detractors, owing to macroeconomic challenges in India, competitive pressures and margin compression in Brazil's e-commerce sector, and market concerns over AI disruption in software companies. Despite share price weakness, we believe Intuit is well positioned for AI, given its focus on accounting and tax software, which require high accuracy and are less likely to be fully replaced by AI models.

Performance and activity

Top 10 holdings

	Weighting (%)
TAIWAN SEMICONDUCTOR MANUFACTURING	5.32
AIA GROUP LTD	4.32
NVIDIA CORP	3.99
MERCADOLIBRE INC	3.90
COMFORT SYSTEMS USA INC	3.84
MICROSOFT CORP	3.37
RENTOKIL INITIAL PLC	3.31
ALPHABET INC CLASS A	3.28
API GROUP CORP	3.10
DIPLOMA PLC	3.10
Total	37.54

Fund activity

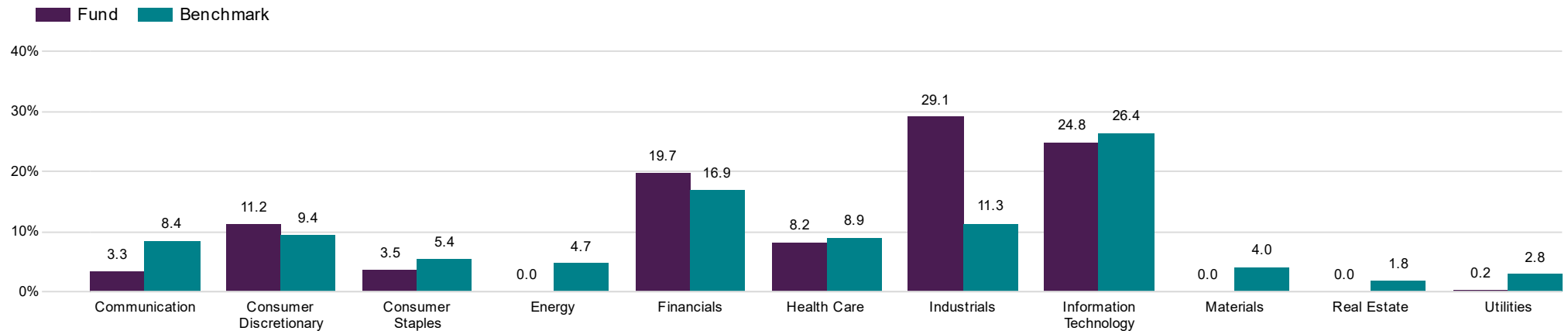
Given our expectations for ongoing market volatility, effective portfolio construction remains our focus, and we have made a number of changes to our fund to ensure it is appropriately diversified and resilient across a range of potential market outcomes.

New positions were initiated in US solar energy equipment provider NextPower, Japanese bank SMFG, Brazilian water utility Sabesp, Brazilian pharmacy chain Raia Drogasil, and US data centre interconnect hardware provider Ciena – each selected for their strategic fit and growth prospects. NextPower benefits from a structural increase in demand for more localised energy production and a desire to reduce reliance on fossil fuel energy sources. SMFG stands to benefit from rising Japanese interest rates and improved operational efficiencies, while Sabesp provides defensive exposure and benefits from the continued expansion of access to clean water in Brazil. Raia Drogasil is a key beneficiary of demographic and healthcare trends in Brazil as well as the increased adoption of GLP1s. Finally, Ciena, is a key beneficiary of the increase in data moving between data centres driven by growth in AI training and inference.

We exited our position in London Stock Exchange Group, Adobe, NatWest, and Giant Biogene, primarily to fund the new purchases mentioned above.

Fund breakdown

Sector weights



Characteristics and climate








Sustainability approach

The Fund's sustainability objective is to invest in companies that make a positive contribution to one or more of the "Sustainability Themes" (Clean, Healthy, Safe, Inclusive), through their products or services as determined by the Investment Manager using its "Sustainability Standard". The Sustainability Standard requires 50% of a company's revenues to be derived from product or services aligned to one or more of the four Sustainability themes.

Overall, at least 70% of the Fund is invested in sustainable companies. Up to 30% may be held in non-sustainable companies that do not conflict with the sustainability objective for any of the four sustainability themes of the Fund.

Fund exclusions

Exclusion criteria that make sure a fund does not invest into a specific service or product. Royal London Asset Management has a controversial weapons exclusion across all investments.

 Pornography production	✓	 Nuclear-power generation	✓
 Non-health animal testing	✓	 Tobacco manufacturing	✓
 Armament manufacturing	✓		
 Fossil fuel extraction	✓		
 Gambling establishments	✓		

Climate metrics

	Fund	Benchmark	Difference (%)
Financed emissions (tCO ₂ e)	3,111	n/a	n/a
Financed emissions coverage	100.00%	n/a	n/a
Carbon footprint (tCO ₂ e/\$M invested)	4.86	42.14	(88.47)
Carbon footprint coverage	100.00%	99.75%	0.25
Weighted average carbon intensity (tCO ₂ e/\$M sales)	26.37	124.45	(78.81)
Weighted average carbon intensity coverage	100.00%	99.78%	0.22

All climate metrics presented above are for Scope 1-2 emissions. Unless specified in the objective, the data is for information only and should not be taken to mean they are being managed to/controlled.

Implied temperature rise

	Fund (%)	Benchmark (%)	Difference (%)
Implied temperature rise (ITR) coverage	100.00	99.64	0.36
% of portfolio below 2°C ITR	42.64	48.25	(11.63)
% of portfolio below 1.5°C ITR	22.22	23.51	(5.50)

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	20.18	19.32	4.43
SBTi Near-Term committed	5.09	1.73	193.72
SBTi Near-Term targets set	39.03	51.06	(23.57)

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	10	30
Number of engagements	15	79

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	4
Climate - Transition Risk	4
Environment	1
Governance	10
Corporate Governance	3
Strategy	3
Remuneration	2
Board	1
Reputational Risks	1
Social & Financial Inclusion	3
Labour & Human Rights	3

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

Tesco PLC – Human Rights

Purpose:

Tesco PLC, a UK food retailer, was engaged to discuss how it identifies and manages human rights risks in its food and agricultural supply chains. The discussion focused on how the company assesses risk across different products and geographies, oversees suppliers, and addresses issues related to migrant workers, land rights and higher-risk supply chains.

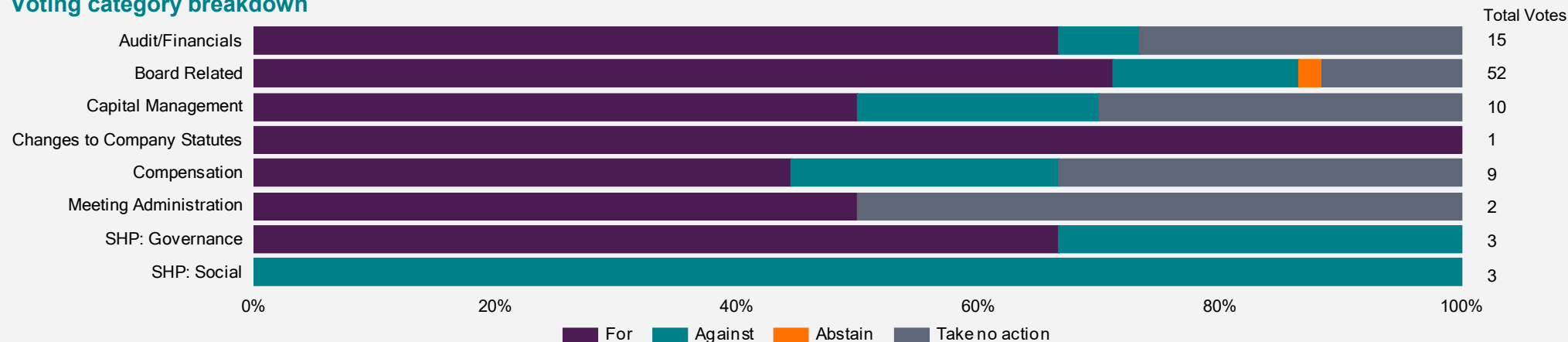
Outcome:

Tesco described how it assesses and prioritises human rights risks across its supply chain using multiple lenses, including geography, product risk and workforce vulnerability, focusing action on higher-risk products where leverage is greatest. Recent progress includes strengthened supplier oversight, initiatives to improve worker transport safety, and supplier capability-building to support more effective prevention and remediation of human rights risks.

It also acknowledged ongoing challenges, particularly in relation to migrant workers and the need for collaboration across industry and with policymakers to address structural risks. Tesco indicated it will consider enhancing its public disclosures, including on land-use risks, and we agreed to continue engagement to monitor progress and encourage further improvements.

Fund Voting

Voting category breakdown



Notable votes

Diploma Plc

Authority to Issue Shares w/o Preemptive Rights - against:

We voted against due to concerns regarding potential dilution, particularly when considered alongside related 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.

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:

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.

Fund Voting

Notable votes

Visa Inc

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 as hostilities erupted in the Middle East. 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. A sharp rise in energy prices reignited inflation concerns, resulting in a market sell off.

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 defensive 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 has been one of the strongest regions year to date but sold off the most in March due to the extent of its dependence on Middle Eastern energy imports. This particularly hurt Taiwanese and Korean stocks which had delivered DD returns before the conflict broke out as key beneficiaries of the continued AI infrastructure build out and memory shortages. 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

Recent events in the Middle East have increased uncertainty, but we believe these are more likely to reinforce the inflationary and more fragmented investment environment that has existed since 2021 than fundamentally alter it. In that context, the key determinant of market outcomes over the next year is still likely to be the pace and direction of AI adoption, and whether current

fears around disruption create opportunities in durable, high-quality businesses whose long-term competitive positions remain intact.

Sustainable companies may stand to relatively benefit from recent market events. Companies that have proactively improved energy efficiency and reduced reliance on fossil fuels should be relatively better placed if energy prices remain elevated, while renewable technologies that support localised and renewable energy production are also becoming increasingly important.

We are not complacent, however, and have used periods of market weakness to add selectively to quality companies at more attractive valuations. Given the uncertain geopolitical backdrop, we have also been broadening our geographic exposure most notably adding to South America which has a number of structural tailwinds.

As always, we will keep an open mind as events evolve, but we continue to believe that periods of volatility can create attractive opportunities for long-term investors.

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

For professional clients only, not suitable for retail clients.

This is a financial promotion and is not investment advice.

Telephone calls and written communications may be recorded and monitored. For further information please see the Privacy Policy at www.rlam.com.

Issued in April 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.

MSCI indexes and data are the intellectual property of MSCI Inc. MSCI has no liability to any person for any loss, damage, cost, or expense suffered as a result of any use of or reliance on any of the information.

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.

Responsible investment risk

The Fund can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number securities in which the Fund can invest and there may as a result be occasions where it forgoes more strongly performing investment opportunities, potentially underperforming non-sustainable funds.

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.)
Fund (gross)	(5.35)	(0.15)	18.02	41.99	60.64	12.39	9.94
Fund (net)	(5.52)	(0.51)	17.18	38.96	54.96	11.58	9.15

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)	18.02	(3.73)	24.97	(2.34)	15.84
Fund (net)	17.18	(4.42)	24.07	(3.04)	15.01

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 Sustainable Equity Fund M Acc GBP share class.

Glossary

Carbon footprint

Exposure to high emitters in the portfolio, expressed in tCO₂e/\$M invested. Financed emissions are divided by the portfolio value, the same approach for listed companies and private issuers is applied in this metric.

Derivatives

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

ESG Integration

The consideration of environmental, social and governance (ESG) risk as part of the investment process. ESG integration does not mean the fund is trying to achieve a particular positive ESG outcome. Please check prospectus documentation for details on specific fund-level objectives.

The consideration of environmental, social and governance (ESG) risk as part of the investment process. ESG integration does not mean the fund is trying to achieve a particular positive ESG outcome. Please check prospectus documentation for details on specific fund-level objectives.

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.

Environmental, social and governance

A list of predefined criteria that determines how a company operates in terms of sustainability and overall corporate governance.

Exclusions

Explicitly prohibits investing in a particular company, sector, business activity, country or region.

Financed emissions

The emissions from activities in the real economy that are financed through lending and investment portfolios, expressed in tCO₂e. Emissions are attributed to a portfolio based on the portion of the company's value the portfolio holds, and using different accounting values for public and private corporates. We provide financed emissions for scope 1 and 2 emissions.

Fund restrictions definitions

Alcohol: Companies which have involvement in brewing, distillation or sale of alcoholic drinks.

Animal Welfare: Companies that conduct animal testing (other than for purposes of human or animal health and/or where it is required by law or regulation).

Armaments: Companies who manufacture armaments or nuclear weapons or associated products.

Controversial Weapons: Weapons which have an indiscriminate and disproportional impact on civilians or weapons that are illegal and prohibited by international conventions and treaties.

Fossil Fuels: Companies involved in the exploration, extraction or refining of oil, or gas, or coal, plus any activity relating to thermal coal.

Fund restrictions definitions

Gambling: Companies who promote irresponsible gambling which includes betting shops, casinos or amusement arcades.

High Environmental Impact: Companies which have a high environmental impact, and which have 'no evidence' of appropriate environmental management systems.

Human Rights Risks: Companies with a strategic presence operating in countries of concern and which have 'no evidence' of policies or systems to manage human rights risks.

Nuclear Power: Companies who generate energy from Nuclear Power.

Nuclear Weapons: Companies that manufacture, nuclear; or are involved in the production of intended-use parts, whole weapons systems, or exclusive delivery platforms.

Tobacco: Companies which are growing, processing or selling tobacco products.

Adult Entertainment: Companies which own or produce adult entertainment services, or engage in the distribution or sale of adult entertainment services.

Implied temperature rise (ITR)

ITR aims to measure the global warming outcome from the emissions trajectory of a company, if the whole economy followed the same trajectory.

Number of holdings

Total number of unique holdings of the Fund excluding cash, currency and derivatives.

Glossary

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.

Promotes environmental or social factors

An ESG Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

SBTi

The Science-Based Targets initiative is a consortium of organisations that set up the definition and promotion of science-based target setting.

Sector weights

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

Sustainable fund objective

A product that has sustainable investment or a reduction in carbon emissions as its objective.

Top 10 holdings

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

Weighted Average Carbon Intensity (WACI)

Portfolio's exposure to carbon-intensive companies, expressed in tCO₂e / \$M revenue. Scope 1 and scope 2 GHG emissions are divided by companies revenues, then multiplied based on portfolio weights (the current value of the investment relative to the current portfolio value). The WACI is calculated as a weighted average sum of the holdings with carbon intensity coverage.