Royal London Asset Management

Multi Asset Fund Commentary

31 May 2026

ROYAL LONDON
ASSET MANAGEMENT

Fund Commentary

31 May 2026

The purpose of this report is to provide an update on the Royal London Multi Asset Funds. The report has been produced by Royal London Asset Management. All content within this report is at the report date unless otherwise stated.

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Royal London GMAP Adventurous Fund

Global equities extended their rally in May, supported by hopes that talks between US and Iran would lead to a peace deal that would reopen the Strait of Hormuz for global energy trade. Equity performance remained highly concentrated in AI linked names, with technology and semiconductor stocks outperforming again. Regional dispersion was pronounced, with emerging market equities leading the gains, whilst the UK continued to lag.

Having bought the dip in early April, the portfolio's equity allocation remained slightly overweight, proving beneficial for performance as equities have rallied back strongly from the March lows. We remained overweight the AI leaders, emerging markets and US over the month and reduced our underweight to European equities that benefitted from a fall in oil prices over the month. These regional positions continued to add value over the period.

We reduced our overweight to commodities as the balance of risks shifted towards a resolution but kept some of the position as a hedge against continued disruption in the Middle East; this lost some value over the month as oil prices fell from recent highs. The portfolio remained neutral on gold having sold in April, as gold continues to remain disconnected from historical fundamentals.

Royal London GMAP Balanced Fund

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Royal London GMAP Defensive Fund

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Royal London GMAP Diversified Bond Fund

Hopes were heightened in May that talks between US and Iran would lead to a peace deal that would reopen the Strait of Hormuz for global energy trade.

Government bond markets experienced a volatile month. Yields initially moved higher, with several major markets reaching multi decade highs mid month, including the US 30-year treasury yield at 5.18% (a post 2007 high), Germany's 10-year bund yield at 3.19% (highest since 2011), and Japan's 10-year yield at 2.78% (highest since 1997). However, as oil prices fell and stagflation risks receded, bond yields retraced into month end, with the US 10-year yield declining for seven consecutive sessions, its longest run in over a year.

We remained neutral on global high yield during May, having reduced exposure when the Iran War started. While risky assets have rallied sharply over recent weeks, fixed income markets remain volatile, and credit spreads remain near historically tight levels.

Royal London GMAP Dynamic Equity Fund

Global equities extended their rally in May, supported by hopes that talks between US and Iran would lead to a peace deal that would reopen the Strait of Hormuz for global energy trade. Equity performance remained highly concentrated in AI linked names, with technology and semiconductor stocks outperforming again. Regional dispersion was pronounced, with emerging market equities leading the gains, whilst the UK continued to lag.

Within equity regions, we remained overweight the AI leaders, emerging markets and US over the month, having increased exposure as volatility started to ease in April. We reduced our underweight to European equities that benefitted from a fall in oil prices over the month and deepened our underweight to Asia Pacific stocks as Australia and Hong Kong both continued to lag in the narrow tech-led rally. Regional positioning continued to add value over the period.

In US sectors, we continued to prefer the technology sector that continued to lead the rally on strong corporate earnings surprises. We reduced our overweight to the energy sector that we had added to at lower prices in April but held onto some of that exposure as a hedge against the Strait of Hormuz remaining closed for an extended time. Sector positioning added value over the month.

Royal London GMAP Growth Fund

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Royal London GMAP Moderate Growth Fund

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Royal London Multi Asset Strategies Fund

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Disclaimers

Important information

For professional investors only, not suitable for retail clients. This marketing communication is a financial promotion and is not investment advice.

The views expressed are those of Royal London Asset Management at the date of publication unless otherwise indicated, which are subject to change, and is not investment advice. Telephone calls may be recorded. For further information please see the privacy policy at www.rlam.com.

The Funds are sub-funds 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.

Issued in June 26 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.

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Risk 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.

Derivative risk

Derivatives are highly sensitive to changes in the value of the underlying asset which can increase both fund losses and gains. The impact to the fund can be greater where they are used in an extensive or complex manner, where the fund could lose significantly more than the amount invested in derivatives.

Efficient portfolio management (EPM) techniques

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.

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.

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.

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.

Liquidity and dealing risk

The Fund invests indirectly in assets that may at times be difficult to value, harder to sell, or sell at a fair price. This means that there may be occasions when you experience a delay in being able to deal in the Fund, or receive less than may otherwise be expected when selling your investment.