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Delivering core market exposure, tilted for better outcomes



The benefits of Tilts funds as a core holding within a centralised investment proposition

Royal London Asset Management's Equity Tilt funds are designed to sit at the centre of client portfolios. They aim to deliver benchmark-like returns at passive-like cost, while seeking to improve portfolio quality through systematic tilts towards companies with stronger climate, governance and sustainability characteristics.

The range is comprised of a range of low active risk, low cost, regional and global equity funds. They are tilted towards well-governed companies, mindful of their role in the transition to net zero. They behave like a core index fund in terms of diversification and risk, but with enhanced ESG and climate characteristics.

As such, they are potentially well-suited to advisers seeking to create centralised investment propositions that are low cost, scalable, transparent and fulfil Consumer Duty requirements.

Adviser challenges

	Costs and value: managing the effects of fees on investment returns
	Deliver consistent repeatable performance against benchmarks to support repeatable client outcomes
	Sustainability: meeting client expectations in a way they can easily understand

What are the Tilts funds?

The Tilt funds are designed to capture the best facets of passive and active funds. They aim to deliver returns in line with benchmark indices, while tilting towards companies with stronger ESG and climate characteristics. They do this while keeping costs low and risk controlled.

How the Tilts funds work

- Start by replicating benchmark index holdings, then apply many small tilts rather than large exclusions to enhance ESG characteristics of the overall portfolio.
- Use carbon footprint plus social and governance inputs; underweight worst performers across all sectors, avoiding undue sector bias in portfolios.
- Minimise tracking error and idiosyncratic risk, avoiding major exclusions that create cyclical bias for investors.
- Keep costs low via efficient portfolio rebalancing techniques.

Why we believe Tilt funds can work at the core of a centralised investment proposition

Low cost

The funds offer a genuine alternative to passive funds at a similar cost – around 11 basis points, or lower – enabling advisers to demonstrate value in their core allocations.

Measurable ESG outcomes

The funds target a carbon footprint of at least 10% below the benchmark with an objective of achieving net zero by 2050 and a 50% emissions reduction by 2030. We believe the funds therefore meet clients' expectations of ESG integration, without compromising returns.

Scalable

The funds have been designed with scalability in mind. Unlike active ESG funds, which can run out of suitable sustainable investments, the Tilts funds can expand to accommodate client demand. Indeed, they have expanded significantly since launch and currently have assets of more than £45bn* under management. The funds seek to accommodate large inflows without creating issues around illiquidity.

Low risk

The funds have a proven record of operating with a low tracking error (normally well below the 1% maximum). They tend to behave like a core index allocation in terms of risk and diversification. They aim to avoid the concentration risks that can come with strategies that rely on exclusions. This is because the engagement-led approach to ESG helps maintain a similar sector exposure to the benchmark. The predictable benchmark-like outcomes they provide can help with governance and reporting.

Transparency

The systematic rules-based approach of the Tilts funds is easy to explain and document to clients.

The potential roles of Tilts funds in client portfolios

1. Core equity allocation

The Tilts funds can act as a proposition-friendly core; one which anchors a portfolio to a required equity market exposure and will not vary significantly from the benchmark.

2. Core + satellites

Establish Tilts funds as a foundation and complement with satellite positions, which could include active or single strategies, according to clients' risk profiles.

3. Transition from passive

For clients already invested in passive allocations, Tilt funds can be positioned as 'doing the same job', i.e., providing broad market exposure, but in a better way. The tilts towards companies with superior emissions and governance records creates portfolios with a superior ESG profile than the index, without turning to high-cost, high-risk active funds.

An active advantage – stewardship built in

At Royal London Asset Management, we believe that working closely with companies is the best way to influence behaviour on environmental, social and governance issues that could affect long-term performance. This is why our Responsible Investment team regularly engage with the companies in which we invest, with the aim of improving corporate practices and fostering long-term, mutually beneficial relationships.

Tilt fund clients benefit from the active stewardship and engagements undertaken by the team. Their expertise and insights help to generate the active tilt positions that help the funds achieve their ESG objectives.

Exclusions

Although we believe in an engagement-first approach, there are certain companies that are excluded from the funds. We will not invest in companies involved in the production of cluster munitions/illegal weapons and companies that generate more than 60% of revenues from thermal coal or possess thermal coal reserves of more than two billion tonnes. The funds' financial objectives are prioritised over the climate objective.

Fast FAQs

What are the funds' financial objectives?

Their main financial objective is to achieve a return in line with the benchmark index over a rolling three-year period, while keeping tracking error within the agreed range.

What metrics are used to measure the tilts?

The main measure that is used to decide whether a tilt is applied to a stock is carbon footprint. We also measure social and governance factors using industry data and insights from our Responsible Investing team.

How do the funds replicate their benchmarks?

The indices that underlie the Tilt funds are rebalanced on a quarterly basis. However, the managers of the Tilts funds do not have to regimentally rebalance. Instead, they can use discretion when to trade. This minimises costs, while keeping tracking error low.

Fund name	Inception date	Benchmark	OEIC Fees
RL Global Equity Tilt Fund	Dec 2025	MSCI World	0.11 / 0.08%
RL UK Broad Equity Tilt Fund	Dec 2021	FTSE All Share	0.11 / 0.08%
RL UK Core Equity Tilt Fund	Aug 2021	FTSE 350	0.11 / 0.08%
RL US Equity Tilt Fund	Aug 2021	FTSE World US	0.11 / 0.08%
RL Europe ex UK Equity Tilt Fund	Aug 2021	FTSE World Europe ex UK	0.11 / 0.08%
RL Japan Equity Tilt Fund	Aug 2021	FTSE Japan	0.11 / 0.08%
RL Asia Pacific ex Japan Equity Tilt Fund	Aug 2021	FTSE World Asia Pacific ex Japan	0.13 / 0.10%
RL Emerging Markets Equity Tilt Fund	Aug 2021	MSCI EM ex China A	0.13 / 0.10%

Minimum fund investments: M Acc (0.11 or 0.13%): £100k; Z Inc/Acc (0.08 or 0.10%): £3m. All Tilt strategies are available through a separate account – minimum investments apply.

Source: RLAM as at 31 March 2026.

Investment risks

Investment Risk: The value of investments and the income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

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.

EPM Techniques: The Funds may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Funds to increased price volatility.

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.

Exchange Rate Risk: Investing in assets denominated in a currency other than the base currency of the Funds 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.

Responsible Investment Style Risk: The Funds can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number securities in which the Funds can invest and there may as a result be occasions where they forgo more strongly performing investment opportunities, potentially underperforming non-sustainable funds.

Environmental, social and governance: A list of pre Environmental, social and governance: defined criteria that determines how a company operates in terms of sustainability and overall corporate governance.

Contact us

For more information about our range of products and services, please contact us.

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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 www.rlam.com.

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