

Tilting toward better customer outcomes



Tilt funds offer a smart alternative to traditional passive and active funds. They're designed to tackle some of the key challenges investors face today – especially those who are seeking to minimise costs and active risk and care about ESG considerations.

Royal London Asset Management's Tilts funds are designed to meet two key objectives: capturing equity market performance and considering sustainable characteristics.

Financially, the funds aim to replicate benchmark indices over a rolling three-year period. The Fund will invest at least 70% of its assets in shares of companies that belong to the Index. The Fund's manager, however, will typically invest around 80% of the Fund's asset in companies that belong to the Index.

The second objective reflects the firm's commitment to responsible investing, using ESG criteria to guide portfolio construction. The core target is to align the funds to a net zero target by 2050, with a 50% carbon reduction target by 2030.

Beyond environmental goals, the funds also apply social and governance tilts – seeking to reduce exposure to companies that violate UN Global Compact principles or derive significant revenue from tobacco or nuclear weapons, and those with poor governance practices, such as excessive executive pay.

Our Investment Approach – a robust and proven process

Assessment

Proprietary quantitative dataset
Environmental, sustainable, governance and climate pillars



Quantitative

Active stewardship

Controversies, voting and engagement



Qualitative

Implement & monitor

Aggregate ESG risks
Carbon intensity constraint
Risk model Client reporting & attribution
Bespoke solutions
Targeted engagement



Construction

Our investment process is built on a foundation of robust data, responsible principles, and active stewardship.

At the heart of our approach is a **proprietary quantitative dataset**, enabling precise modelling and risk assessment. This is complemented by our commitment to **environmental, social, governance (ESG), and climate pillars**, which guide our investment decisions and reflect our long-term values.

We also actively manage **controversies, voting, and engagement**, ensuring that our influence as shareholders drives positive change. This holistic framework allows us to deliver performance with purpose—responsible, resilient, and forward-looking.

RL Emerging Markets Equity Tilt Fund

The RL Emerging Markets Equity Tilt Fund primarily (at least 90%) invests in large and mid-cap stocks across emerging markets countries (EM) and has a target to deliver the performance, after the deduction of charges, of the MSCI Emerging Markets ex China A Index over rolling 3-year periods.

All our Equity Tilt funds seek to achieve a carbon footprint at least 10% lower than that of the Index and a net zero carbon footprint by 2050.

Fund name	Inception date	Benchmark	Sector	Fund size	Share class & fees	Minimum Investment
RL Emerging Markets Equity Tilt Fund	12 June 2017	MSCI Emerging Markets ex China A Index	IA Global Emerging Markets	£7,203.0m	M Acc – 0.11% M Inc – 0.11% Z Acc – 0.08% Z Inc – 0.08%	M Inc: £100,000 M Acc: £100,000 Z inc: £3,000,000 Z Acc: £3,000,000

Source: Royal London Asset Management as at 30 September 2025.

Reasons to consider investing in the Tilts funds

Equity market exposure without the pitfalls of passive

- Robust, systematic investment process delivers optimised portfolios aligned to core regional or global benchmarks, without the periodic cliff-edge rebalances and transaction costs associated with passive approaches.
- Consistent performance objective across the fund range to deliver returns in line with the benchmark after the deduction of charges.

Low, consistent pricing across fund range

- Low Fund Management Fees (FMs), combined with lower portfolio turnover and transaction costs, means more money stays invested.
- Pricing consistency across fund building blocks means fund selectors can allocate strategically between funds without escalating costs.

Net zero investing embedded within low active risk approach

- Intrinsic investment goal to align to net zero by 2050, with interim 50% target in 2030, and constant objective for lower emissions vs benchmark
- Overall active risk, or tracking error, closely monitored.

Active engagement: Royal London Asset Management’s integrated team of responsible investment specialists actively engages with companies to influence behaviour, enhance public disclosure, and align practices with investor expectations. Engagements are selected based on criteria such as addressing adverse ESG impacts, relevance to investment decisions, alignment with client priorities, and potential to drive positive societal or environmental outcomes.

These engagements help mitigate risks, improve governance, and raise industry standards. Ultimately, the goal is to foster long-term relationships and drive real-world impact through thoughtful, targeted dialogue that supports both financial performance and responsible investment outcomes.

Within the Tilts funds, we leverage the extensive expertise of our Responsible Investment (RI) team to inform the tilt positions that enable the funds to achieve their ESG objectives.

ESG considerations: Passive funds track an index and include every company in it, regardless of ESG performance. Active funds can apply ESG filters, but can be more expensive due to the research involved. Tilt funds strike a balance: they offer broad market exposure like passive funds, but with active ESG tilts that seek to align with investors’ values.

Risk control: We believe ESG screens can skew portfolios leading to unexpected performance. Tilt funds aim to avoid this by making small, diversified adjustments, favouring ESG leaders and reducing exposure to laggards. This keeps the tracking error low.

Our Tilt funds are constructed to mirror the risk profile of their parent index. By applying many small tilts rather than large exclusions or concentrated bets, we believe these should mitigate the pitfalls of high tracking error and unintended exposures. This approach aims to deliver returns and volatility similar to the broader market, making tilt funds candidates for core portfolio allocations.

Low cost & scalability: Tilt funds are cost-effective and flexible. They don’t need to rebalance quarterly and can scale easily, making them a candidate for ESG-focused portfolios.

Risk 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.

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

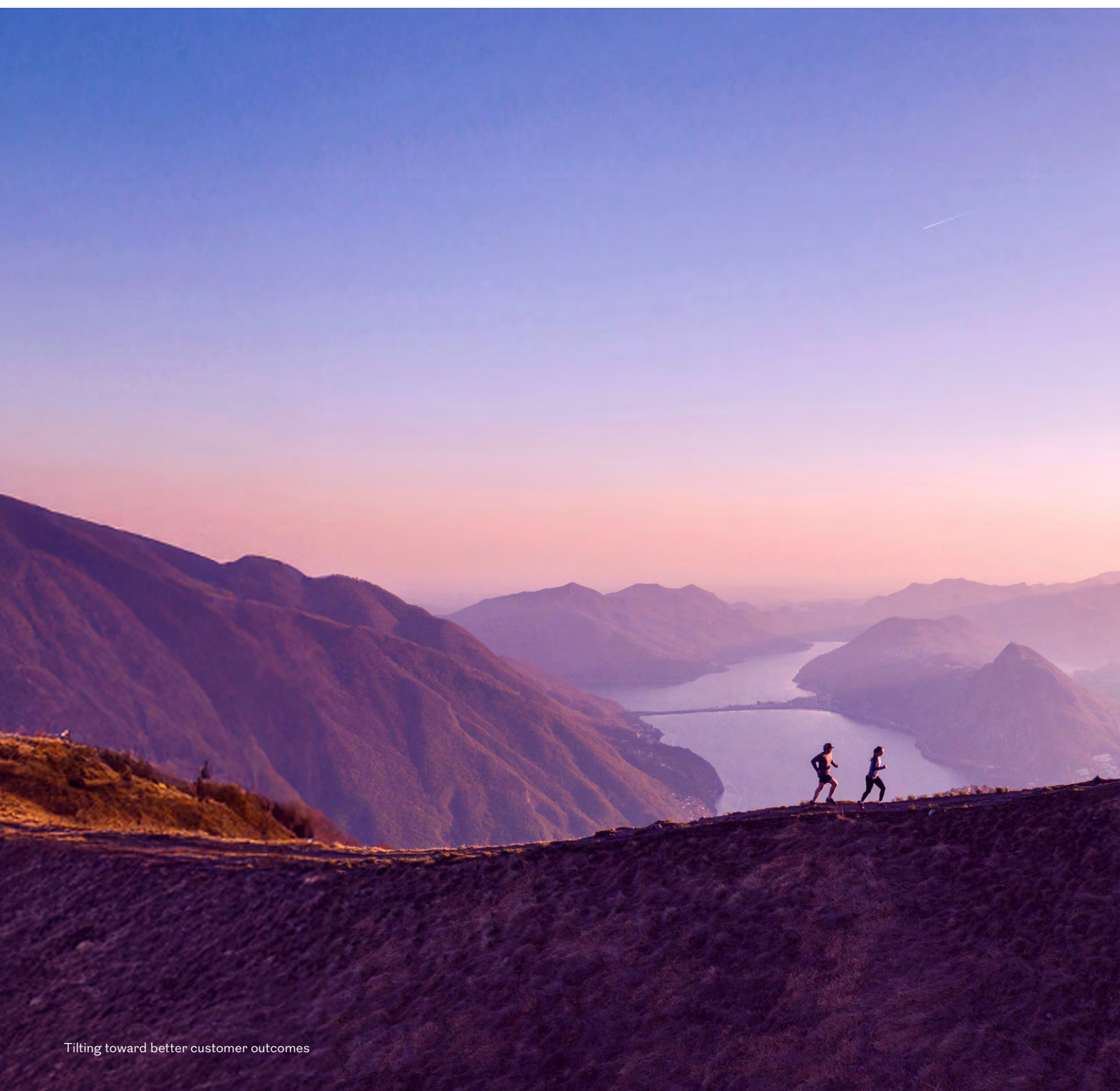
Exchange Rate Risk: Changes in currency exchange rates may affect the value of your investment.

Liquidity Risk: In difficult market conditions the value of certain Strategy 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 Strategy 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.



Contact us

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

Royal London Asset Management

80 Fenchurch Street,
London EC3M 4BY

For advisers and wealth managers

bdsupport@rlam.co.uk
+44 (0)20 3272 5950

For institutional client queries

institutional@rlam.co.uk
+44 (0)20 7506 6500

For further information, please visit www.rlam.com

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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 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.

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