

Tilting towards 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 Tilt 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 by investing at least 70% (and typically around 90%) of the fund in shares of companies included in the Index and systematically seeking to manage risk.

The second objective reflects the firm's commitment to responsible investing, using climate and 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 – reducing 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.

UK Equity Tilt Fund Range

Royal London Asset Management's UK Equity Tilt funds have an investment objective to deliver capital growth and income over the medium term, which should be considered as a period of 3 to 5 years,

The **Royal London UK Broad Equity Tilt Fund** primarily invests in the 600 largest UK companies by market capitalisation listed on the London Stock Exchange and has a target to deliver the performance, after the deduction of charges, of the FTSE® All-Share Total Return GBP Index (the "Index") over rolling 3-year periods.

The **Royal London UK Core Equity Tilt Fund** primarily invests in shares of the 350 largest companies by market capitalisation and has a target to deliver the performance, after the deduction of charges, of the FTSE 350 Total Return GBP Index (the "Index") over rolling 3-year periods.

Our UK Equity Tilt funds seek to achieve carbon intensity at least 10% lower than that of the Index and a net zero carbon footprint by 2050, with an interim 50% target in 2030.

Our UK Equity Tilt Fund Range

Fund name	Inception date	Benchmark	Sector	Fund size	Share class & fees	Minimum Investment
RL UK Core Equity Tilt Fund	20 July 2007	FTSE 350 Index	IA UK All Companies	£6,513.5m	M Acc – 0.11% Z Acc – 0.08% Z Inc – 0.08%	M Acc: £100,000 Z Acc: £3,000,000 Z Inc: £3,000,000
At least 70% (and typically around 90%) of the Fund is invested in shares of companies included in the FTSE 350 Total Return GBP Index. The remainder of the Fund may be invested in other transferable securities (including government and public securities) and deposits.						
RL UK Broad Equity Tilt Fund	3 December 2021	FTSE UK All Share	IA UK All Companies	£2,098.2m	M Acc – 0.11% Z Acc – 0.08%	M Acc: £100,000 Z Acc: £3,000,000
At least 70% (and typically around 90%) of the Fund is invested in shares of companies included in the FTSE All-Share Total Return GBP Index. The remainder of the Fund may be invested in other transferable securities (including government and public securities) and deposits.						

Source: Royal London Asset Management as at 31 October 2025.

Reasons to consider investing in the Tilt 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 (FMFs), 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 Tilt funds, we leverage the extensive expertise of our Responsible Investment 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 aim to 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 ideal for growing ESG-focused portfolios.

Our Investment Approach – a robust and proven process

Assessment

Proprietary quantitative dataset
Environmental, sustainable, governance and climate pillars

Active stewardship

Controversies, voting and engagement

Implement & monitor

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



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.

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.

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.

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.

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. Unlike the income from a single fixed interest security, the level of income (yield) from a fund is not fixed and may go up and down. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background.

Responsible investment style risk: The fund can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number of securities in which the fund may invest and there may as a result be occasions where it forgoes more strongly performing investment opportunities.



Contact us

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

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Important information

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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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