

For professional clients only, not suitable for retail clients.



Royal London Multi Asset Growth Fund (IRL)

Quarterly Investment Report

30 June 2024



Quarterly Report

The fund as at 30 June 2024

The purpose of this report is to provide an update on the Royal London Multi Asset Growth Fund (IRL). 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	5
Fund breakdown	7
Market commentary	8
Further information	9
Disclaimers	10
Performance net and gross	12
Glossary	13

The fund

Fund performance objective and benchmark

The Fund's investment objective is to aim to generate growth over the long term (5 years or more) through a combination of income and capital growth by primarily investing in other funds, known as collective investment schemes ("CIS"). The Fund is part of the Royal London Multi Asset Funds (IRL) ("MAF") range, which offers four funds with different combinations of expected investment risk and return.

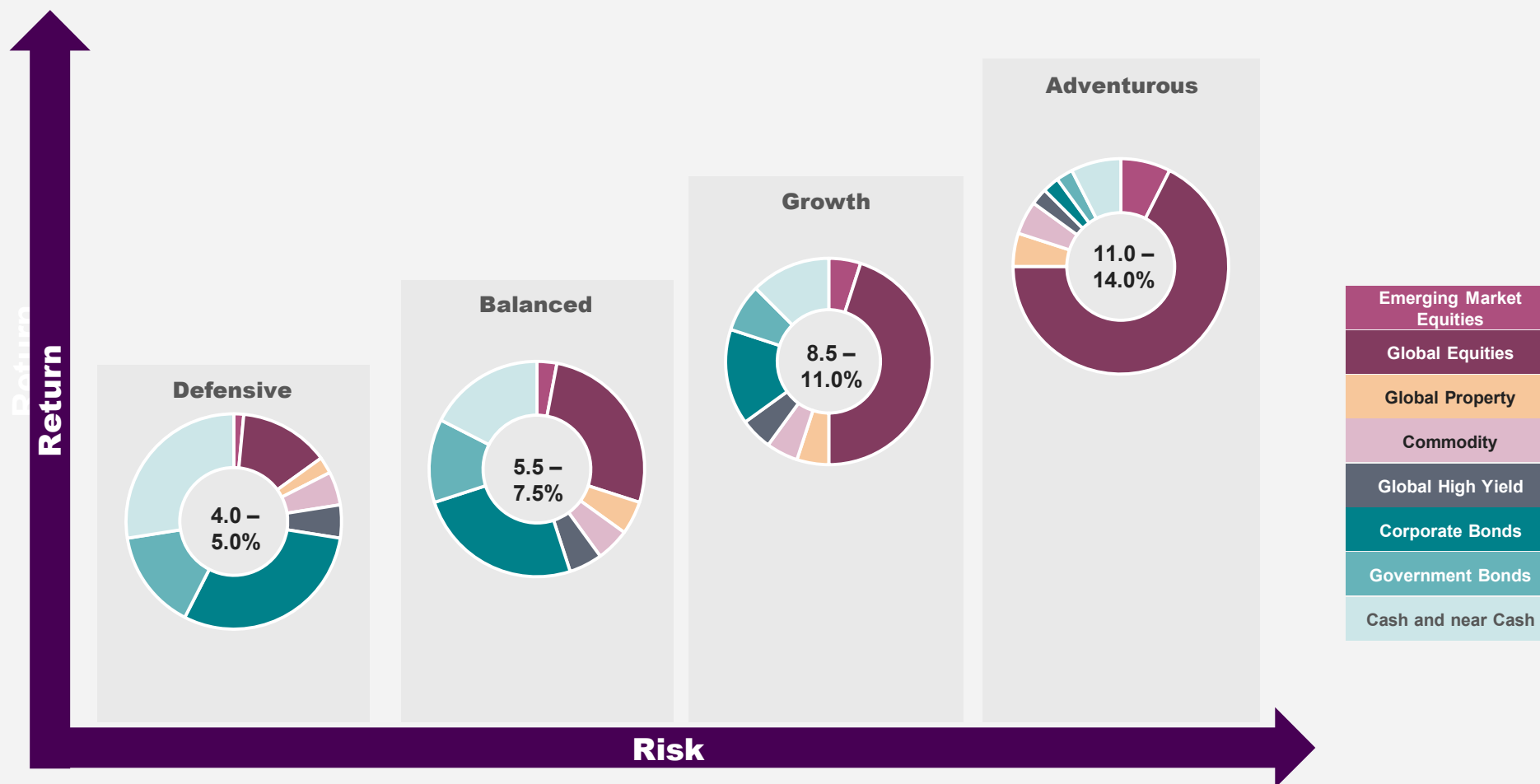
Benchmark: Multi Asset Growth Fund (IRL) Composite Benchmark. The benchmark has been designed with the aim of maximising long run return in excess of inflation for a given level of risk.

- MSCI All Countries World Net Total Return Index EUR 45%
- MSCI Emerging Markets ESG Leaders Net Return Index (expressed in EUR) 5%
- FTSE EPRA/NAREIT Developed Index (expressed in EUR) 5%
- Bloomberg Commodity Total Return Index (expressed in EUR) 5%
- BoAML BB-B Global Non-Financial High Yield Constrained Index (EUR Hedged) 5%
- Bloomberg Barclays Global Aggregate - Corporate Index (Euro Hedged) 10%
- ICE BofAML Euro Corporate & Pfandbrief Total Return EUR 5%
- Bloomberg Barclays Euro Treasury Bond Index 7.5%
- ESTER (Euro Short-Term Rate, EURSTER) 12.5%

Fund value

	Total €m
30 June 2024	49.73
Fund launch date	17 August 2021

Multi Asset (IRL) range



Past performance is not a reliable indicator of future results.

For illustrative purposes – reflects Strategic Asset Allocation weightings, may vary in accordance with tactical asset allocation.

Our fund range is designed to span the risk return spectrum, with each fund aiming to maximise the long-term real return for its given level of risk through a broadly diversified portfolio of investments

Performance and activity

Performance

	Fund (%)
Quarter	2.04
YTD	8.81
1 Year	14.37
Since inception (p.a.)	4.34

Past performance is not a guide to future performance. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on Royal London Multi Asset Growth Fund (IRL) M ACC EUR. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 17 August 2021.

Performance commentary

Global equities continued to rally over the second quarter (Q2), with stronger than expected earnings growth fuelled by Artificial Intelligence (AI) demand helping markets look through risk of fewer than previously expected 2024 interest rate cuts. US stocks saw the best returns in the first half of an election year since 1976. Meanwhile European shares underperformed amid political risk arising from French snap elections. Emerging markets and Asia Pacific ex Japan were the best performers. Bond yields ended higher in a volatile quarter as markets continued to price out some of previously expected rate cuts from the main central banks for the rest of the year. ECB delivered a 25bp rate cut in June. Commodity prices rose. Metals were a main contributor, as gold made new all-time highs above \$2300/oz and base metals rallied by 24% over the first half of the quarter. Prices did retrace over the second half of Q2 though.

Performance and activity

Top 10 holdings

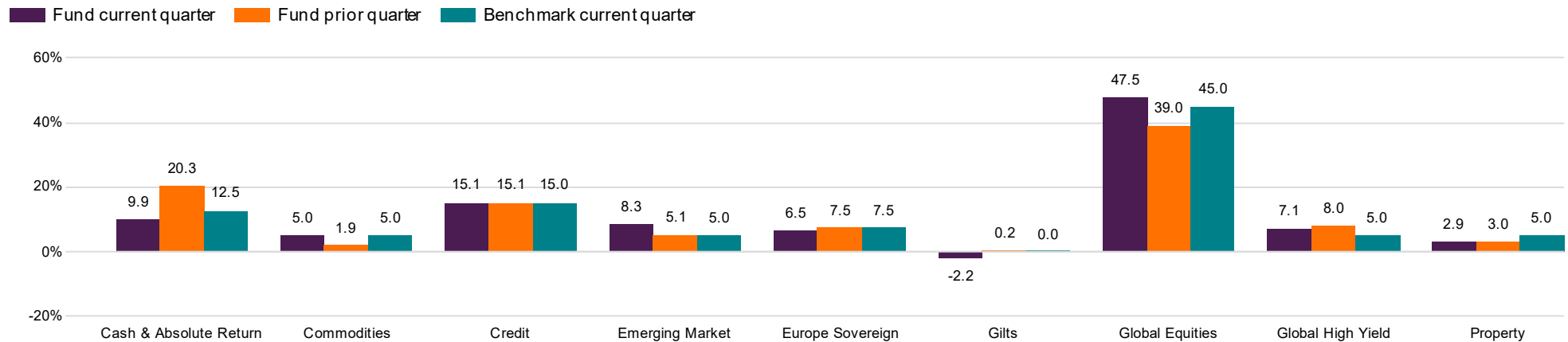
	Weighting (%)
Royal London Global Diversified Equity Fund R Acc EUR	17.14
Royal London Equity Funds ICVC - Royal London Global Equity	13.07
Royal London Global Sustainable Credit Fund R Acc EUR	10.09
iShares Core EUR Govt Bond UCITS ETF	7.57
Royal London European Sustainable Credit Fund R Acc EUR	5.04
ROYAL LON GLO SUS EQ-REURA	5.03
Royal London Glb Hi Yld Bd Fd C R (Acc) EUR Hedged	5.01
RL Emerging Markets ESG Leaders Eq Tracker R Acc	4.97
Government Of Spain 0.25% 30-jul-2024	4.30
Government Of Spain 0.0% 05-jul-2024	4.18
Total	76.40

Fund activity

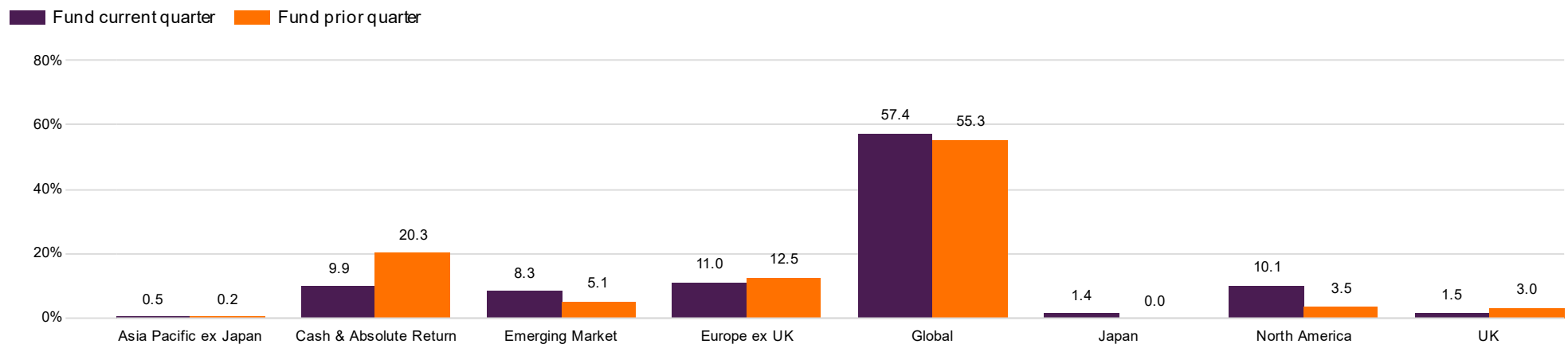
At the tactical asset allocation level, we maintained an overweight position in equities which continued to benefit us as it did for most of 2023. However, as the Investment Clock moved away from the equity-friendly Recovery phase and into Overheat, we reduced the size of our overweight position, acknowledging the macro backdrop has become less favourable as we enter the volatile summer period. At the sector level, we added value from a broad preference towards growth sectors, funded from an underweight in defensives. US stocks had a strong end to Q2 and have recorded their best first half year performance in an election year since 1976; we moved overweight the region which added value over the period. We closed our overweight in Japanese stocks over the quarter; the region struggled as Japan's Ministry of Finance intervened in the FX markets to try to stop the yen from weakening.

Fund breakdown

Asset split



Geographical breakdown



Market commentary

Market overview

The macro backdrop may appear not as worrying as it was a couple years ago but there is plenty of concerning developments below the surface, and political factors added another element of volatility this quarter. However, broadly speaking, the scene has been set with steady growth, sticky inflation and slow easing by central banks.

Data released in the UK in the second quarter confirmed that the country bounced out of technical recession in the first quarter and painted a picture of continued positive economic growth and with inflation falling back to the Bank of England's 2% target. First quarter GDP rose 0.7% quarter-on-quarter in real terms after falling 0.3% in the fourth quarter. The US Federal Reserve continued to keep rates on hold at 5.25-5.50% over the quarter against a still resilient labour market backdrop, and the relatively strong (core) CPI inflation seen over January to April. The European Central Bank cut rates 25bps in June, citing progress on inflation and in line with signalling from various ECB speakers. Signals for the outlook beyond June at that meeting were more ambiguous and data dependent. Euro area CPI moved from 2.4% year-on-year in March to 2.6% in May, with core at 2.9% in May after 2.9% in March.

Markets have once again been dominated by interest rates during the quarter, despite little or no movement in this area. 2024 started with expectations that central banks would cut early and cut often. However, as the year has progressed, those expectations have changed. Inflation has generally not come down quite as fast as hoped, with services inflation proving sticky, particularly in the UK, while growth has generally not been as weak as feared - particularly in the US. Interest rates were cut just once across the Federal Reserve, European Central Bank and Bank of England, with the ECB cutting rates in June. Most central bank forecasters now only expect one or two cuts from each of these banks over the course of 2024 as a whole.

Ahead of the US Presidential elections in November, snap parliamentary elections were called in the UK and France, providing reminders that voter dissatisfaction with the seeming consensus on economic policy and ongoing lack of consensus on longer-term issues such as climate change create an uncertain backdrop for businesses and consumers alike.

Global equities continued to rally over Q2, with stronger than expected earnings growth fuelled by AI demand helping markets look through risk of fewer than previously expected 2024 interest rate cuts. US stocks saw the best returns in the first half of an election year since 1976. Meanwhile European shares underperformed amid political risk arising from French snap elections. Emerging markets and Asia Pacific ex Japan were the best performers.

Some of the same trends that were driving markets during the first quarter continued into the second quarter of 2024. While the technology sector has continued to outperform, there has been underneath a rotation in market with sectors like financials or utilities also performed well. The technology sector has remained the best performing sector driven by artificial intelligence (AI) which is triggering significant investments in technology infrastructure particularly semiconductors. The financial sector benefitted from the diminished expectations of interest rates cuts. Finally, utilities benefitted from increased demand for electricity driven by the growth of datacentres. Cyclically sensitive sectors like industrials and consumer discretionary were among the worst performers impacted by deteriorating activity data.

The price of WTI crude oil lost 2.0% over the quarter to \$82 a barrel, stagnating after the strong gains made in the prior quarter. Copper futures meanwhile gained 8.3% in US dollar terms.

The US dollar appreciated by 6.3% against the yen, by 0.7% against the euro, and was flat against sterling.

Outlook

While we expect headline inflation to continue to fall, we are not expecting a return to the previous disinflationary world. We see a more normal new regime characterised by periodic spikes in inflation and short boom-bust cycles. Tactical asset allocation is important when business cycles are shorter given inflation causing more movement in interest rates. Our funds have benefited from an overweight in equities since 2022 as the world economy proved much more resilient than expected to higher interest rates. However, we have taken profits of late, reducing our allocation to stocks as our Investment Clock has moved away from the equity friendly Recovery quadrant. We have now entered the summer months which tend to be more volatile for stock markets and the risk is elevated that macro data could create further challenges.

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 may be recorded. For further information please see the Privacy Policy at www.rlam.com.

Issued in July 2024 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 Asset Management Funds plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds.

Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. It is a recognised scheme under the Financial Services and Markets Act 2000.

The Management Company is FundRock Management Company SA, Registered office: 33 rue de Gasperich, L - 5826 Hesperange, Luxembourg and is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

The Investment Manager is Royal London Asset Management Limited.

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.

Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available.

The portfolio has no index as a comparison.

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.

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

This fund may undertake transactions in derivatives and forward transactions (both on exchange and over the counter (OTC)). These may include interest rate swaps and interest rate futures for the purposes of meeting the investment objective, protecting the risk to capital, duration and credit management, as well as for hedging. While the discerning use of derivatives can be beneficial, derivatives also involve specific risks. These risks relate specifically to market risk, management risk, credit risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices. The use of derivative instruments may from time to time alter the economic exposure of the fund causing it to deviate significantly from the performance of the market as a whole. The use of these derivatives will be within the parameters allowed for linked funds by the Financial Conduct Authority and Prudential Regulation Authority.

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

Changes in currency exchange rates may affect the value of your investment.

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.

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.

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.

Performance to 30 June 2024

Cumulative (%)

Annualised (%)

	3 Month	6 Month	1 Year	3 Years	Since Inception	3 Years (p.a.)	Since Inception (p.a.)
Fund (gross)	2.04	8.81	14.37	-	12.97	-	4.34
Fund (net)	1.87	8.46	13.63	-	10.88	-	3.66

Year on year performance (%)

	30/06/2023 - 30/06/2024	30/06/2022 - 30/06/2023	30/06/2021 - 30/06/2022	30/06/2020 - 30/06/2021	30/06/2019 - 30/06/2020
Fund (gross)	14.37	5.95	-	-	-
Fund (net)	13.63	5.26	-	-	-

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.

Source: RLAM as at 30 June 2024. All figures are mid-price to mid-price in GBP for the Royal London Multi Asset Growth Fund (IRL) M ACC EUR; Since inception date 17 August 2021.

Glossary

Asset allocation

Based on RLAM's holistic approach to fixed income management and fund weights relative to their respective benchmarks. May not reflect tactical exposures.

Fund value

Total value of the fund as of the last business day of the calendar month. The fund value is as at close of business and on a mid-price basis.

Geographical breakdown

Breakdown of assets by geographical regions. 'Global' region includes global fixed income and overseas securities exposures, which are sterling hedged and commodity exposures.

Performance

Performance is calculated using the signed off NAV per share. 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 the return.

Top 10 holdings

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