Royal London Global Equity Funds

Fund Manager Commentary

30 November 2024

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The purpose of this report is to provide an update on the Royal London Global Equity Funds. The report has been produced by Royal London Asset Management. The report starts with a performance summary followed by Fund Manager commentary for each of the Funds. All data within this report is at the report date unless otherwise stated.

Contents

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Performance

	1 month (%)	Rolling 12 months (%)
RL Global Equity Select Fund M Acc	**5.81**	**30.35**
MSCI World Net Index	5.79	27.32
IA Global Sector	4.30	21.15
RL Global Equity Diversified Fund M Acc	**5.26**	**27.18**
MSCI World Net Index	5.79	27.32
IA Global Sector	4.30	21.15
RL Global Equity Income Fund M Inc	**4.25**	**24.23**
MSCI World Index - Net Return	5.79	27.32
IA Global Equity Income Sector	2.67	18.05

Past performance is not a guide to future performance. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested.

Source: RLAM and Morningstar, as at 30 November 2024. Returns quoted are net of fees. Please note that with effect from 1 February 2024 RLAM are using peer group comparisons provided by Morningstar. Prior to this peer comparisons were provided by Lipper so there may be some differences compared to the data provided historically.

Royal London Global Equity Select Fund

Portfolio commentary

Global equities surged to new all-time highs as volatility collapsed in the post US election melt-up. US stocks outperformed on the expected deregulation and tax cuts in a Trump presidency, while European shares led losses amid fears of a negative tariffs impact. The best performing sectors in November were software and financials, while defensives underperformed. Market breadth remains low with only 30% of stocks outperforming the world index in November. The portfolio outperformed the benchmark during the month.

Steel Dynamics, the US steel manufacturer which is currently in the Slowing & Maturing stage of the Life Cycle, contributed to performance in November following good quarterly results and a boost from the US presidential result. Steel Dynamics remains very strong in terms of fundamental wealth creation characteristics and the valuation pay-off continues to offer an attractive opportunity.

Amazon is currently in the Compounding phase of its Life Cycle overall but consists of three significant businesses: an Accelerating cloud computing business (Amazon Web Services, or AWS), a Compounding North American online retail and logistics platform, and an Accelerating (though loss-making) international online retail platform. Amazon announced quarterly results in October, which were positive in relation to our investment thesis milestones.

Progressive, a US auto insurance group currently in the Accelerating portion of the corporate Life Cycle, was a contributor in November. Progressive announced Q3 results during the period, and in a similar vein to Q2, the shares have steadily outperformed the MSCI World since. The current levels of growth and profitability are far ahead of management goals, and we remain positive on Progressive's Wealth Creation characteristics.
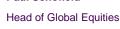
HCA Healthcare, a US-based operator of hospitals and clinics, underperformed in November following a strong Q3. The company is currently in the Compounding stage of its corporate Life Cycle. At the end of October, HCA reported good quarterly results when compared to our milestones however, the market seems to have negatively reacted to some volume pressures linked to reduced Medicaid tailwinds. Nonetheless, we remain optimistic about the company's wealth-creation potential and the pay-off opportunity that exists.

Taiwan Semiconductor Manufacturing Company (TSMC), currently in the Compounding phase of the Life Cycle, is the largest global semiconductor foundry (essentially outsourced semiconductor manufacturing). TSMC manufactures semiconductors for its clients, who are usually fabless semiconductor design companies like Qualcomm, NVIDIA, Broadcom, and AMD. TSMC reported strong quarterly earnings in October as it continues to play its role in enabling the Artificial Intelligence revolution, but it is important to note that it is not solely reliant on this sector. The shares traded down in November following strong performance year-to-date. We still observe an attractive valuation pay-off opportunity.

Roche is a leading Swiss multinational pharmaceutical and diagnostics company in the Slowing & Maturing phase of the Life Cycle. Roche is focused on hospital medicine for critical diseases and differentiated unmet medical needs. Roche is also the world leader in Oncology, with a high exposure to biologic based drugs and has recently expanded its therapeutic focus, with successful launches in neurology and haemophilia. Roche detracted from performance in November. The weak share price is likely a product of the uncertainty a Trump presidency brings to the Biopharmaceutical industry.

Francois de Bruin
Fund Manager

Paul Schofield
Head of Global Equities

Royal London Global Equity Diversified Fund

Portfolio commentary

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Sprouts Farmers Market is a US-based grocery chain that offers fresh, natural, and organic food products. Sprouts leverages its scale to deliver a 'Farmers Market' experience to all consumers, focusing on providing fresh foods at good value. Sprouts reported Q3 earnings at the end of October which were extremely well received by the market in similar vein to Q1 and Q2. Management appears to be executing on sensible strategy for a differentiated consumer Compounding business.

Progressive, a US auto insurance group currently in the Accelerating portion of the corporate Life Cycle, was a contributor in November. Progressive announced Q3 results during the period, and in a similar vein to Q2, the shares have steadily outperformed the MSCI World since. The current levels of growth and profitability are far ahead of management goals, and we remain positive on Progressive's Wealth Creation characteristics.

HCA Healthcare, a US-based operator of hospitals and clinics, underperformed in November following a strong Q3. The company is currently in the Compounding stage of its corporate Life Cycle. At the end of October, HCA reported good quarterly results when compared to our milestones however, the market seems to have negatively reacted to some volume pressures linked to reduced Medicaid tailwinds. Nonetheless, we remain optimistic about the company's wealth-creation potential and the pay-off opportunity that exists.

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Paul Schofield
Head of Global Equities

Matt Kirby
Fund Manager

Finn Provan
Assistant Fund Manager

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Royal London Global Equity Income Fund

Portfolio commentary

Global equities surged to new all-time highs as volatility collapsed in the post US election melt-up. US stocks outperformed on the expected deregulation and tax cuts in a Trump presidency, while European shares led losses amid fears of a negative tariffs impact. The best performing sectors in November were software and financials, while defensives underperformed. Market breadth remains low with only 30% of stocks outperforming the world index in November. The portfolio underperformed the benchmark during the month.

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CITYWIRE +

Richard Marwood
Head of UK and European Equities

Matt Kirby
Fund Manager

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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 funds 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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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.

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.

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.

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.

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

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

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.

Performance to 30 November 2024

Cumulative (%)

		3 Month	6 Month	1 Year	3 Years	5 Years
RL Global Equity Select Fund M Acc	Gross	9.58	12.32	31.27	70.86	153.87
RL Global Equity Select Fund M Acc	Net	9.39	11.92	30.35	67.27	145.04
RL Global Equity Diversified Fund M Acc	Gross	7.45	11.12	27.70	41.60	96.54
RL Global Equity Diversified Fund M Acc	Net	7.35	10.89	27.18	39.87	92.56
RL Global Equity Income Fund M Inc	Gross	6.71	11.26	25.13	52.25	-
RL Global Equity Income Fund M Inc	Net	6.52	10.86	24.23	49.00	-

Annualised (%)

3 Years (p.a)	5 Years (p.a)
19.53	20.46
18.69	19.61
12.28	14.45
11.82	13.99
15.03	-
14.20	-

Year on year performance (%)

		30/09/2023 – 30/09/2024	30/09/2022 – 30/09/2023	30/09/2021 – 30/09/2022	30/09/2020 – 30/09/2021	30/09/2019 – 30/09/2020
RL Global Equity Select Fund M Acc	Gross	22.45	23.37	7.50	32.05	8.76
RL Global Equity Select Fund M Acc	Net	21.59	22.50	6.74	31.12	7.99
RL Global Equity Diversified Fund M Acc	Gross	20.98	15.81	-0.90	26.45	5.52
RL Global Equity Diversified Fund M Acc	Net	20.49	15.34	-1.30	25.94	5.09
RL Global Equity Income Fund M Inc	Gross	19.38	17.75	4.27	30.05	-
RL Global Equity Income Fund M Inc	Net	18.53	16.91	3.52	29.11	-

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 November 2024 unless otherwise stated. All figures are mid-price to mid-price in GBP unless otherwise stated.

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