Royal London Asset Management

Multi Asset Fund Commentary

31 July 2026

Fund Commentary

31 July 2026

The purpose of this report is to provide an update on the Royal London Multi Asset Funds. The report has been produced by Royal London Asset Management. All content within this report is at the report date unless otherwise stated.

Contents

Multi Asset

Royal London GMAP Adventurous Fund

The global equity rally stalled over the month, with global indices finishing the month broadly unchanged in local currency terms. Investors grappled with a mixture of offsetting drivers, including extremely strong corporate earnings season results in the US and a resumption of hostilities in the Middle East which once again led to a shutdown of traffic through the Strait of Hormuz.

We reduced our overweight tactical allocation to equities over the month as the situation in the Middle East escalated and parts of the market linked to AI remained under pressure. The Investment Clock remains in Stagflation, with much of the direction from here depending on what happens next with oil prices. Activity data has been broadly resilient of late but could deteriorate again if central banks are forced to tighten policy in response to higher inflation.

Our regional preference for areas with strongest corporate earnings revisions, Japan, and away from the more defensive UK market did detract over the month as Japan's Nikkei index underperformed amid AI exposure, while UK market outperformed thanks to relatively higher exposure to energy and more defensive sectors. We reduced active positioning over the period as volatility picked up to limit underperformance.

Royal London GMAP Balanced Fund

The global equity rally stalled over the month, with global indices finishing the month broadly unchanged in local currency terms. Investors grappled with a mixture of offsetting drivers, including extremely strong corporate earnings season results in the US and a resumption of hostilities in the Middle East which once again led to a shutdown of traffic through the Strait of Hormuz.

We reduced our overweight tactical allocation to equities over the month as the situation in the Middle East escalated and parts of the market linked to AI remained under pressure. The Investment Clock remains in Stagflation, with much of the direction from here depending on what happens next with oil prices. Activity data has been broadly resilient of late but could deteriorate again if central banks are forced to tighten policy in response to higher inflation.

Our regional preference for areas with strongest corporate earnings revisions, Japan, and away from the more defensive UK market did detract over the month as Japan's Nikkei index underperformed amid AI exposure, while UK market outperformed thanks to relatively higher exposure to energy and more defensive sectors. We reduced active positioning over the period as volatility picked up to limit underperformance.

Royal London GMAP Defensive Fund

The global equity rally stalled over the month, with global indices finishing the month broadly unchanged in local currency terms. Investors grappled with a mixture of offsetting drivers, including extremely strong corporate earnings season results in the US and a resumption of hostilities in the Middle East which once again led to a shutdown of traffic through the Strait of Hormuz.

We reduced our overweight tactical allocation to equities over the month as the situation in the Middle East escalated and parts of the market linked to AI remained under pressure. The Investment Clock remains in Stagflation, with much of the direction from here depending on what happens next with oil prices. Activity data has been broadly resilient of late but could deteriorate again if central banks are forced to tighten policy in response to higher inflation.

Our regional preference for areas with strongest corporate earnings revisions, Japan, and away from the more defensive UK market did detract over the month as Japan's Nikkei index underperformed amid AI exposure, while UK market outperformed thanks to relatively higher exposure to energy and more defensive sectors. We reduced active positioning over the period as volatility picked up to limit underperformance.

Multi Asset

Royal London GMAP Diversified Bond Fund

Investors grappled with a mixture of offsetting drivers, including extremely strong corporate earnings season results in the States and a resumption of hostilities in the Middle East which once again led to a shutdown of traffic through the Strait of Hormuz.

Government bond yields picked up again across major developed economies, driven largely by rising oil prices. While shorter-dated US yields were supported by softer inflation data and the Fed remaining on hold despite some expectations of further tightening, long-end yields rose significantly, with US 30-year yields reaching a post-2007 high of 5.27% as Fed Chair Warsh refrained from providing forward guidance.

We remained neutral on global high yield during July, having reduced exposure when the Iran War started. While risky assets have rallied sharply over recent months, fixed income markets remain volatile, and credit spreads remain near historically tight levels.

Royal London GMAP Dynamic Equity Fund

The global equity rally stalled over the month, with global indices finishing the month broadly unchanged in local currency terms. Investors grappled with a mixture of offsetting drivers, including extremely strong corporate earnings season results in the US and a resumption of hostilities in the Middle East which once again led to a shutdown of traffic through the Strait of Hormuz.

Our regional preference for areas with strongest corporate earnings revisions, Japan, and away from the more defensive UK market did detract over the month as Japan's Nikkei index underperformed amid AI exposure, while UK market outperformed thanks to relatively higher exposure to energy and more defensive sectors. We reduced active positioning over the period as volatility picked up to limit underperformance.

We retained relatively low active risk across US sectors through the earnings season, reflecting the risk of new information having an outsized impact on previous earnings trends. Cross-sector volatility remains very elevated, especially across technology and energy, and market leadership has become less stable, reinforcing the case for limiting active risk.

Royal London GMAP Growth Fund

The global equity rally stalled over the month, with global indices finishing the month broadly unchanged in local currency terms. Investors grappled with a mixture of offsetting drivers, including extremely strong corporate earnings season results in the US and a resumption of hostilities in the Middle East which once again led to a shutdown of traffic through the Strait of Hormuz.

We reduced our overweight tactical allocation to equities over the month as the situation in the Middle East escalated and parts of the market linked to AI remained under pressure. The Investment Clock remains in Stagflation, with much of the direction from here depending on what happens next with oil prices. Activity data has been broadly resilient of late but could deteriorate again if central banks are forced to tighten policy in response to higher inflation.

Our regional preference for areas with strongest corporate earnings revisions, Japan, and away from the more defensive UK market did detract over the month as Japan's Nikkei index underperformed amid AI exposure, while UK market outperformed thanks to relatively higher exposure to energy and more defensive sectors. We reduced active positioning over the period as volatility picked up to limit underperformance.

Multi Asset

Royal London GMAP Moderate Growth Fund

The global equity rally stalled over the month, with global indices finishing the month broadly unchanged in local currency terms. Investors grappled with a mixture of offsetting drivers, including extremely strong corporate earnings season results in the US and a resumption of hostilities in the Middle East which once again led to a shutdown of traffic through the Strait of Hormuz.

We reduced our overweight tactical allocation to equities over the month as the situation in the Middle East escalated and parts of the market linked to AI remained under pressure. The Investment Clock remains in Stagflation, with much of the direction from here depending on what happens next with oil prices. Activity data has been broadly resilient of late but could deteriorate again if central banks are forced to tighten policy in response to higher inflation.

Our regional preference for areas with strongest corporate earnings revisions, Japan, and away from the more defensive UK market did detract over the month as Japan's Nikkei index underperformed amid AI exposure, while UK market outperformed thanks to relatively higher exposure to energy and more defensive sectors. We reduced active positioning over the period as volatility picked up to limit underperformance.

Royal London Multi Asset Strategies Fund

The global equity rally stalled over the month, with global indices finishing the month broadly unchanged in local currency terms. Investors grappled with a mixture of offsetting drivers, including extremely strong corporate earnings season results in the US and a resumption of hostilities in the Middle East which once again led to a shutdown of traffic through the Strait of Hormuz.

We reduced our overweight tactical allocation to equities over the month as the situation in the Middle East escalated and parts of the market linked to AI remained under pressure. The Investment Clock remains in Stagflation, with much of the direction from here depending on what happens next with oil prices. Activity data has been broadly resilient of late but could deteriorate again if central banks are forced to tighten policy in response to higher inflation.

Our regional preference for areas with strongest corporate earnings revisions, Japan, and away from the more defensive UK market did detract over the month as Japan's Nikkei index underperformed amid AI exposure, while UK market outperformed thanks to relatively higher exposure to energy and more defensive sectors. We reduced active positioning over the period as volatility picked up to limit underperformance.

Disclaimers

Important information

For professional investors only, not suitable for retail clients. This marketing communication is a financial promotion and is not investment advice.

The views expressed are those of Royal London Asset Management at the date of publication unless otherwise indicated, which are subject to change, and is not investment advice. 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 Multi Asset Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC001058. The Company is a non-UCITS retail scheme. 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 Non-UCITS retail scheme Key Investor Information Document (NURS KII Document), available via the relevant Fund Information page on www.rlam.com.

Issued in September 26 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.

FC RLAM EM 0130 GV

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.

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

Derivatives are highly sensitive to changes in the value of the underlying asset which can increase both fund losses and gains. The impact to the fund can be greater where they are used in an extensive or complex manner, where the fund could lose significantly more than the amount invested in derivatives.

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.

Exchange Rate Risk

Investing in assets denominated in a currency other than the base currency of the Fund means the value of the investment can be affected by changes in exchange rates.

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.

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.

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.

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.

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.