Royal London RL Quarterly Risk Profile Update Note

Q2 2026

Summary

Portfolio	Assigned Risk Profile	Latest Forecast Nominal Return	Latest Forecasted Real Return^	Latest Forecast Vol^	Latest asset allocation - risk profile equivalent*	Status
RLP Governed Portfolio Defensive	**3**	4.82%	2.26%	5.96%	3.84	
RLP Governed Portfolio Moderate	**5**	5.41%	2.84%	8.05%	4.83	
RLP Governed Portfolio Conservative	**4**	5.10%	2.53%	6.88%	4.27	
RLP Governed Portfolio Growth	**5**	5.57%	3.00%	9.21%	5.38	
RLP Governed Portfolio Enhanced	**6**	5.85%	3.26%	10.64%	6.07	
RLP Governed Portfolio Dynamic	**7**	6.23%	3.64%	12.29%	6.85	
RLP Sustainable Leaders Trust	**7**	6.52%	3.92%	13.65%	7.49	
RLI Governed Portfolio Defensive	**3**	4.83%	2.28%	5.97%	3.84	
RLI Governed Portfolio Conservative	**4**	5.13%	2.56%	6.92%	4.29	
RLI Governed Portfolio Moderate	**5**	5.45%	2.88%	8.11%	4.86	
RLI Governed Portfolio Growth	**5**	5.63%	3.05%	9.29%	5.42	

Portfolio	Assigned Risk Profile	Latest Forecast Nominal Return	Latest Forecasted Real Return^	Latest Forecast Vol^	Latest asset allocation - risk profile equivalent*	Status
RLI Governed Portfolio Enhanced	**6**	5.91%	3.33%	10.74%	6.11	
RLI Governed Portfolio Dynamic	**7**	6.31%	3.72%	12.42%	6.91	
RLI Governed Portfolio Total Equity	**7**	6.86%	4.25%	14.08%	7.70	
RLI GRIP 1	**3**	4.69%	2.14%	5.90%	3.80	
RLI GRIP 2	**4**	5.05%	2.48%	6.58%	4.13	
RLI GRIP 3	**4**	5.69%	2.69%	7.26%	4.45	
RLI GRIP 4	**5**	5.49%	2.91%	8.07%	4.84	
RLI GRIP 5	**5**	5.67%	3.10%	8.94%	5.25	

We have based our review on the approach that was agreed at the start of the risk profiling service and used the DP capital market assumptions for Q2 2026. There have been no changes to the risk profile boundaries this quarter.

^ Forecast annualised returns (nominal and real) based on current asset allocations and estimated asset class returns

* Provides the position of the expected volatility and associated risk level based on the latest available asset allocation (i.e. 31 March 2026)

Analysis

RLP Governed Portfolio Moderate reduced forecasted volatility 49bps this quarter, positioning the risk level below RP5 boundaries. Overall equity exposure decreased 3.85% in March, largely out of large cap markets, North American, as mentioned, but also UK and Europe.

RLP Governed Portfolio Dynamic remains positioned below its assigned risk profile and maintains the Amber from last quarter.

In March, RLI Governed Portfolio Moderate reduced its volatility 50bps, moving the risk level 5.10 in February to 4.86. We note that cash allocation increased to 3.17% in March (an additional 2.93% from February) which may be due to a cash inflow. Exposure to equity markets was cut across North American large cap, Emerging Markets and UK large cap in order of magnitude. Fixed income saw additional exposure added, predominately added to short maturity GILTs and sterling corporate bonds.

In March, RLI Governed Portfolio Dynamic dropped 14bps of volatility pushing the risk level under RP7 boundaries. Given the fund's historical positioning near the boundary between Risk Profiles 6 and 7, this relatively modest reduction was sufficient to move the solution into Amber status. We attribute the decrease in volatility to a reduction in North American large cap equity exposure, along with a smaller reduction in UK large cap equities. This was partially offset through increased exposure into property asset class and a marginal uptick in global high yield bond exposure.

RLI GRIP 4 moved below the boundaries of Risk Profile 5 this quarter, resulting the fund being placed on an Amber status. Forecasted volatility decreased by 49bps in March, largely driven by a 3.95% reduction in overall equity exposure, most notably within North American and UK large cap equities, decreasing 1.51% and 0.70% respectively. In parallel, the funds allocation to cash increased, up to 3.02% by March .

Appendix

Status descriptions

A red status indicates that the solution's current risk profile is no longer appropriate to the DP scale and that it will be changed at next quarter's review unless action is taken by the asset management team.

An amber status indicates that one or more of the measures considered may indicate the possibility of an alternative risk profile. This could be due to short-term tactical positioning within the solution or other market considerations and does not imply that the long-term risk profile should necessarily change.

A green status indicates that the solution is in line with the assigned risk profile and no action is needed.

Basis of Preparation and Use

You should not rely on this information in making an investment decision and it does not constitute a recommendation or advice in the selection of a specific investment or class of investments.
The analysis in this report has been based on data and information provided by Royal London as at 31 March 2026
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