

## FUND OVERVIEW

Fund Manager(s)	Martin Cholwill
Fund Size	£1,868.14m
Domicile	United Kingdom
ISA	Available and Eligible
Benchmark Index	FTSE All Share
Investment Association Sector	IA UK Equity Income
Currency	GBP
Fund Management Fee (FMF)*:	M Inc: 0.72% A Inc: 1.35% M Acc 0.72% Z Inc 0.64%

### Share Class M (Accumulation)

Unit Launch Date	26.11.12
Initial Charge	0.00%
Minimum Investment	£100,000
SEDOL	B8Y4ZB9
Mid Price	171.10p
Historic Yield	5.41%

### Share Class M (Income)

Unit Launch Date	05.11.10
Initial Charge	0.00%
Minimum Investment	£100,000
SEDOL	B3M9JJ7
Mid Price	654.30p
Historic Yield	5.57%

### Share Class A (Income)

Unit Launch Date	11.04.84
Initial Charge	0.00%
Minimum Investment	£1,000
SEDOL	B67N865
Mid Price	616.50p
Historic Yield	5.59%

### Share Class Z (Income)

Unit Launch Date	02.12.13
Initial Charge	0.00%
Minimum Investment	£25,000,000
SEDOL	BG48LT7
Mid Price	98.34p
Historic Yield	5.56%

# ROYAL LONDON UK EQUITY INCOME FUND

30.04.20



## Overview

The Fund's investment objective is to achieve a total return over the medium term (3-5 years) by investing at least 80% in the shares of UK medium-sized companies listed on the London Stock Exchange. The Fund's performance target is to outperform, after the deduction of charges, the FTSE All-Share Total Return GBP Index (the "Index") over rolling 3-year periods. The Fund also aims to produce an income in excess of the Index's income over rolling 3-year periods. For further information on the Fund's index, please refer to the Prospectus.

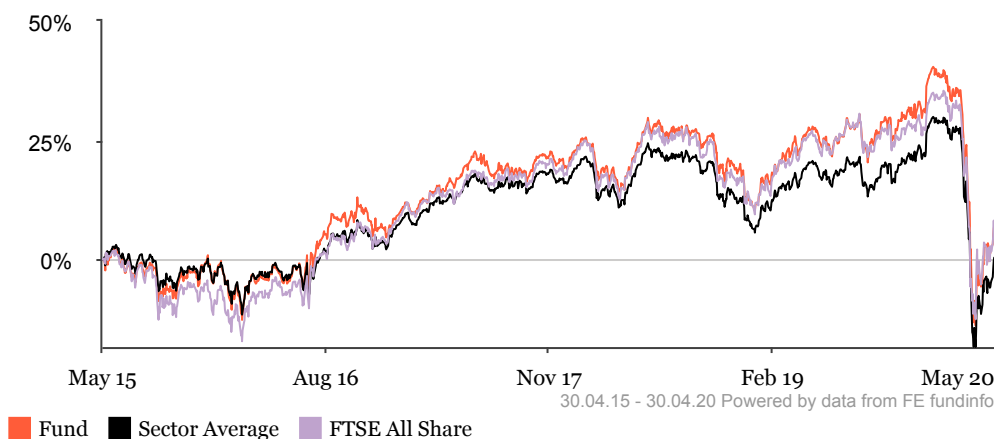
## Year-on-year performance

	30.04.19 to 30.04.20	30.04.18 to 30.04.19	30.04.17 to 30.04.18	30.04.16 to 30.04.17	30.04.15 to 30.04.16
Share Class M (Accumulation)	-15.8%	3.2%	5.7%	20.6%	-3.1%
Share Class M (Income)	-15.8%	3.1%	5.7%	20.6%	-3.0%
Share Class A (Income)	-16.3%	2.5%	5.0%	19.9%	-3.6%
Share Class Z (Income)	-15.8%	3.2%	5.8%	20.7%	-2.9%
Sector Average	-16.5%	0.7%	5.2%	16.5%	-2.4%
FTSE All Share	-16.7%	2.6%	8.2%	20.1%	-5.7%

## Cumulative Performance (as at 30.04.20)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Accumulation)	-19.7%	-17.1%	-15.8%	-8.2%	7.3%
Share Class M (Income)	-19.7%	-17.1%	-15.8%	-8.2%	7.4%
Share Class A (Income)	-19.8%	-17.3%	-16.3%	-9.9%	4.1%
Share Class Z (Income)	-19.7%	-17.1%	-15.8%	-8.0%	7.8%
Sector Average	-19.9%	-16.3%	-16.5%	-11.6%	0.5%
FTSE All Share	-18.8%	-17.0%	-16.7%	-7.5%	4.8%
Quartile Ranking	2	2	2	2	2

## Performance Chart



Source: RLAM and FE fundinfo as at 30.04.20. Fund performance is shown on a mid to mid price basis, net of fees and taxes, with net income reinvested unless otherwise stated. Benchmark performance is shown gross of fees and taxes. 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.

## Distribution History (Net)

	Apr 20	Jan 20	Oct 19	Jul 19
Share Class M (Income)	7.45p	9.37p	10.58p	9.02p
Share Class A (Income)	7.03p	8.86p	10.02p	8.55p
Share Class Z (Income)	1.12p	1.41p	1.59p	1.35p

Table above shows figures as at payment date.

## Fund Manager(s)



### Martin Cholwill

Lead Manager

Fund Manager tenure:  
01.03.05

## Yield Definitions

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. Reported yields reflect RLAM's current perception of market conventions around timing of bond cash flows. Heightened uncertainty due to the COVID 19 crisis may impact these timings for bonds with callable feature.

## CONTACT DETAILS

### Private Investors

For enquiries and dealing: Tel: 03456 04 04 04\*

### Intermediaries

For enquiries: Tel: 0203 272 5950\*  
Email: BDSupport@rlam.co.uk

### Institutional Investors

For enquiries: Tel: 020 7506 6500\*  
Email: Institutional@rlam.co.uk

### Head Office

Royal London Asset Management Limited  
55 Gracechurch Street  
London, EC3V 0RL  
Tel: 020 7506 6500\*

\*Telephone calls may be recorded\*

### Risk Warning

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Source: RLAM, FE fundinfo and HSBC as at 30.04.20, unless otherwise stated. Yield definitions are shown above.

Our ref: FF RLAM PD 0385

For more information concerning the risks of investing, please refer to the Prospectus and Key Investor Information Document (KIID).

Breakdowns exclude cash and futures.

## Fund Commentary

During April, the fund was ahead of both the FTSE All-Share Index and competitor funds. The fund benefitted from a bounce in the share prices of a number of its holdings, including Dunelm, Land Securities, Brewin Dolphin, IG Group and Signature Aviation. IG Group has been trading strongly, helped by volatile financial markets. The largest detractors to performance included Aviva, Close Brothers and BAE Systems, all of which announced that they were suspending paying dividends. We believe that BAE Systems continues to have the ability to pay decent cashflow-backed dividends over the medium term, supported by a sound balance sheet and a much reduced pension deficit. The fund participated in several equity fund raisings; WH Smith, Informa and Restaurant Group. We also added to its positions in British American Tobacco, Hargreaves Lansdown, 3i Group and Segro. These purchases were funded by reducing HSBC. It does not feel right anymore to have such a large absolute position in the stock. HSBC will not be paying any dividend for the foreseeable future and the growth of its risk-weighted assets will be heavily influenced by government initiatives, as big banks need to be seen as good corporate citizens. At the end of the month, the fund took some profits in WH Smith, with the shares having risen 27% since we participated in the equity placing earlier in the month. We remain focussed on whether our investments have sufficient liquidity and solvency to see them through this period and we believe that they all do at this stage, although further equity issuance cannot be ruled out in some cases. Indeed, competitors going bust could even help some of them longer term. We will remain very selective which equity issues we support. During April, we have seen many more UK companies stop paying dividends. We think there is more of this to come, as the response to coronavirus continues to take a heavy toll on the economy. The fund's approach to investing in companies with sustainable dividends and sound finances will inevitably be seriously challenged by these exceptional circumstances. Issues such as simmering trade tensions between the US and China, as well as the UK's future trading arrangement with Europe, are likely to take a back seat until the coronavirus has been sorted. Our view is that virtually no industry will be immune from the coronavirus tsunami that is engulfing the world economy, and the latest economic data coming out of both Europe and the US makes for grim reading. We are in uncharted territory and a sharp recession feels inevitable, with an uncertain trajectory for economic recovery. We are very much sticking to our investment process and using this to guide us through the crisis.

The views and opinions expressed herein are those of the manager at the time and are subject to change without notice.

## Sector Breakdown

	Fund
Financials	23.8%
Industrials	19.5%
Consumer Services	14.3%
Health Care	12.4%
Consumer Goods	8.2%
Utilities	8.0%
Oil & Gas	7.7%
Basic Materials	4.9%
Telecommunications	1.3%

## Top 10 Holdings as at 30.04.20

	Fund
ASTRAZENECA PLC	6.9%
GLAXOSMITHKLINE	5.5%
ROYAL DUTCH SHELL	4.3%
BRITISH AMERICAN TOBACCO	4.3%
BP	3.4%
IG GROUP HLDGS	3.3%
RIO TINTO	3.0%
IMPERIAL BRANDS PLC	2.9%
PENNON GROUP	2.9%
LAND SECURITIES GROUP PLC	2.8%
<b>Total</b>	<b>39.3%</b>
<b>No of Holdings</b>	<b>52</b>

\*As at 3 June 2019, RLAM moved to a single, fixed fund management fee (FMF). This change currently applies to Royal London Unit Trust Managers (RLUTM) multi-asset, equity and bond funds.

Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell shares.