

# ROYAL LONDON EUROPEAN GROWTH FUND

31 JULY 2014



ASSET MANAGEMENT

## FUND OVERVIEW

### General Information

Fund Manager:	Andrea Williams
Fund size (mid basis)	£539.68m
Fund Type	OEIC
Fund domicile	GBR
ISA	Y

### Share Class A (Accumulation)

Inception date	17/03/1987
Initial charge	4%
Annual mgmt charge	1.25%
Min investment	£1,000
OCF	1.29%
Sedol number	B52DGB4
Mid price	624.60
Historic Yield	1.59

### Share Class M (Accumulation)

Inception date	26/11/2012
Initial charge	0.0%
Annual mgmt charge	0.62%
Min investment	£100,000
OCF	0.66%
Sedol number	B52VBP7
Mid price	641.30
Historic Yield	2.01

### Overview

The fund seeks to achieve capital growth. A broadly based continental European equity fund drawing on the fund manager's growth style and a process driven by stock selection.

### Performance 12 Months Ending

	31/07/14	31/07/13	31/07/12	31/07/11	31/07/10
(Class A Acc)	2.93%	33.42%	-14.20%	13.49%	12.02%
(Class M Acc)	3.59%	34.27%	-13.65%	14.15%	-

### Cumulative Performance to 31/07/2014

	3 months	6 months	1 Year	3 Years	5 Years
(Class A Acc)	-4.51%	0.90%	2.93%	17.83%	49.79%
(Class M Acc)	-4.36%	1.22%	3.59%	20.09%	-
Sector Average	-4.17%	1.23%	3.30%	25.91%	59.92%
Quartile Ranking (Class A )	3	3	2	4	3

Mid to mid, net of fees and taxes, net income reinvested unless otherwise stated. Information about past performance is not a reliable indicator of future results. The investor may not get back part, or all, of the amount originally invested. The value of your investment and the income from it is not guaranteed and can fall as well as rise. Please refer to the simplified prospectus for a list of the relevant risks. All yields are net of expenses and gross of taxes. This fund converted from a unit trust (bid price) to an OEIC (mid price) on 30th April 2010. This change is reflected in past performance history.

### Fund Commentary

The European markets fell by 3.73% in July and is now 2.0% down year to date (FTSE Europe EX UK). The fund outperformed its benchmark in July but was behind the median manager during the month.

The month was dominated by geopolitical events with the escalation of violence in the Middle East and the Ukraine unsettling the markets. Generally the corporate numbers reported for the second quarter have been fairly muted with companies reporting a modest pickup in US activity and a more subdued outlook in Europe. In Europe the core economies of Germany and the Benelux are slowing down whilst demand in France appears to have collapsed. In addition many companies have reported a headwind from foreign exchange exposure to emerging countries.

The fund remains overweight in the oil and gas industry on a potential pickup in cash flow as capital expenditure levels peak, healthcare which has good earnings growth and is cheap relative to other defensive sectors and financials, though this is in insurance stocks rather than banks (where the risk remains of litigation, the valuation of the sector which is on a high price to book despite low returns and the risk of further capital issuance).

I continue to feel the market is range bound until the earnings momentum improves to support the rating or the Central bank adopt quantitative easing. The focus remains in finding companies with good free cash flow generation at reasonable value.

Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell shares.

Top 10 Holdings	
Holdings	% of total
Roche Holding	4.5
Novartis	4.4
Sanofi	3.7
Allianz	3.3
AXA	3.2
ING	3.1
Volkswagen	3.0
Neopost	2.9
Total	2.8
Bayer	2.6
Total	33.5
Total No. of Holdings	54
RLAM as at 31/07/14	

Largest Geographic Allocations	
Country	% of total
France	24.6
Germany	22.7
Switzerland	17.5
Sweden	7.0
Spain	5.7
Norway	4.5
Denmark	4.0
Belgium	3.7
Netherlands	3.1
Italy	2.0
Luxembourg	1.5
Ireland	1.2
Finland	1.0
Austria	1.0
Portugal	0.5
Total	100.0

## RISK WARNINGS

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

### 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.

## CONTACT DETAILS

### For Private Investors

For enquiries and dealing:  
Tel: 08456 04 04 04

### Intermediaries

For enquiries:  
Email: BDSupport@rlam.co.uk

### Head Office

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

FTSE International Limited ("FTSE") 2009. FTSE® is a trademark of the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE under licence. All rights in the FTSE Indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and /or FTSE ratings or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent. Figures subject to rounding. rlam is a marketing brand which includes the following companies: Royal London Asset Management Limited, authorised and regulated by the Financial Conduct Authority and which provides investment management services, registered in England and Wales number 2244297; rlam is a marketing brand which includes Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority and which manages collective investment schemes, registered in England and Wales number 2372439. This company is a subsidiary of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London EC3V 0RL.

**Our ref: 623/PRO-08/2014-DP**

Source: rlam, Financial Express and HSBC as at 31/07/2014, unless otherwise stated. Yield definitions are shown above.

