ROYAL LONDON EUROPEAN GROWTH FUND

31 JULY 2014

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.



FUND OVERVIEW

General Information

Fund Manager:
Fund size (mid basis)
Fund Type
Fund domicile
ISA

Andrea Williams
£539.68m

CEIC
GBR

GBR

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

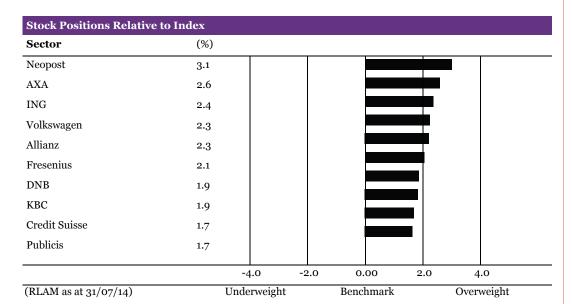
Share Class M (Accumulation)

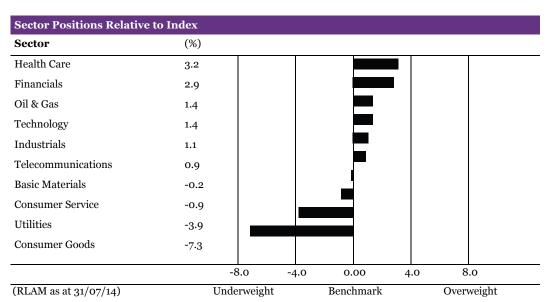
Inception date	26/11/2012
Initial charge	0.0%
Annual mgmt charge	0.62%
Min investment	£100,000
OCF	0.66%
Sedol number	B52VBP7
Mid price	641.30
Historic Yield	2 01

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

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Intermediaries

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