

FUND OVERVIEW

Fund Manager(s)	Martin Cholwill
Fund Size	£1,991.18m
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	201.30p
Historic Yield	4.41%

Share Class M (Income)

Unit Launch Date	05.11.10
Initial Charge	0.00%
Minimum Investment	£100,000
SEDOL	B3M9JJ7
Mid Price	797.00p
Historic Yield	4.47%

Share Class A (Income)

Unit Launch Date	11.04.84
Initial Charge	0.00%
Minimum Investment	£1,000
SEDOL	B67N865
Mid Price	754.10p
Historic Yield	4.49%

Share Class Z (Income)

Unit Launch Date	02.12.13
Initial Charge	0.00%
Minimum Investment	£25,000,000
SEDOL	BG48LT7
Mid Price	119.70p
Historic Yield	4.47%

ROYAL LONDON UK EQUITY INCOME FUND

31.08.19



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 the FTSE All-Share 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.

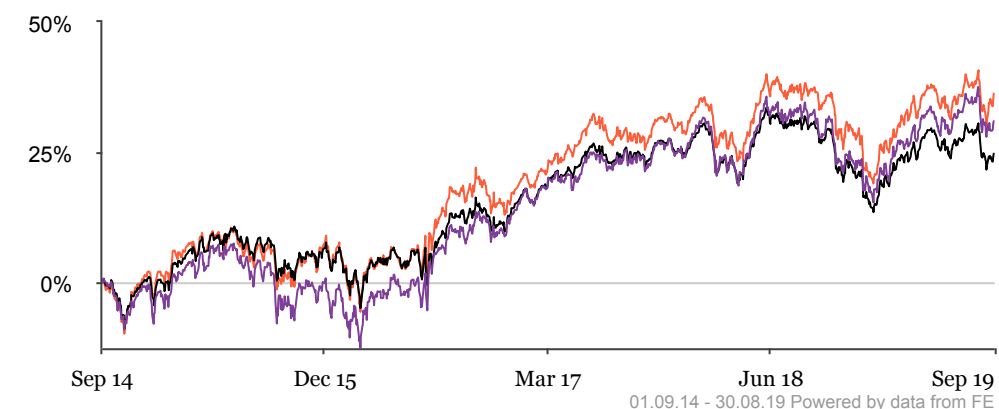
Year-on-year performance

	31.08.18 to 31.08.19	31.08.17 to 31.08.18	31.08.16 to 31.08.17	31.08.15 to 31.08.16	31.08.14 to 31.08.15
Share Class M (Accumulation)	-0.2%	6.7%	9.8%	15.6%	1.0%
Share Class M (Income)	-0.3%	6.7%	9.8%	15.6%	1.0%
Share Class A (Income)	-0.9%	6.1%	9.1%	14.9%	0.4%
Share Class Z (Income)	-0.2%	6.7%	9.9%	15.7%	1.1%
Sector Average	-3.8%	4.0%	10.5%	9.9%	2.8%
Benchmark Index	0.4%	4.7%	14.3%	11.7%	-2.3%

Cumulative Performance (as at 31.08.19)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Accumulation)	3.2%	4.6%	-0.2%	16.9%	36.5%
Share Class M (Income)	3.1%	4.6%	-0.3%	16.8%	36.5%
Share Class A (Income)	3.0%	4.3%	-0.9%	14.7%	32.2%
Share Class Z (Income)	3.2%	4.6%	-0.2%	17.0%	36.9%
Sector Average	0.2%	1.4%	-3.8%	10.6%	24.9%
Benchmark Index	2.0%	4.3%	0.4%	20.2%	31.2%
Quartile Ranking	1	1	1	1	1

Performance Chart



■ Fund ■ Sector Average ■ Benchmark Index

Source: RLAM and FE as at 31.08.19. 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)

	Jul 19	Apr 19	Jan 19	Oct 18
Share Class M (Income)	9.02p	8.02p	8.03p	9.94p
Share Class A (Income)	8.55p	7.62p	7.64p	9.47p
Share Class Z (Income)	1.35p	1.20p	1.21p	1.49p

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.

CONTACT DETAILS

Private Investors

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Intermediaries

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Risk Warning

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Source: RLAM, Financial Express and HSBC as at 31.08.19, unless otherwise stated. Yield definitions are shown above.

Our ref: FF RLAM PD 0245

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 August, the fund was ahead of both competitor funds and the FTSE All-Share Index. The largest positive contributor to performance was Greene King, which was the subject of an agreed all-cash bid at a 50% premium to the prevailing share price by CK Asset Holdings; a vehicle of Li Ka-shing and his Hong Kong based company. Other positive contributors included Marshalls, Paragon, Close Brothers and Diploma, while Cineworld and Investec were modest detractors.

The fund sold out of its holding in Greene King following the agreed bid. Its shares have traded at a small discount to the bid price and we consider the likelihood of a counter bid for the company to be unlikely. The fund also sold out of its holding in Intu Properties following the announcement of very disappointing interim results. Given the fall in net rental income and forward guidance, we are worried about the level of debt in the company and how much value leakage there will be rectifying the situation through either disposals or a rights issue. The fund used the proceeds to add to a broad range of existing holdings including Land Securities, Cineworld, Paragon, Shell, Close Brothers, Aviva and Hargreaves Lansdown; all of which have been dull performers of late. Land Securities offers a 6% dividend yield, trades at a more than 40% discount to its net asset value and has a rock solid balance sheet.

Brexit is set to grab the newspaper headlines in September as Parliament returns from its summer break. The Parliamentary arithmetic remains very challenging for Boris Johnson and events over the next couple of months are likely to be career-defining for many politicians. We think that it is impossible to forecast the outcome of Brexit at the moment and have not tried to position the fund for any particular Brexit outcome. We expect UK growth to remain sluggish while Brexit uncertainty persists, with business investment decisions being deferred until there is greater clarity; although the weakness of sterling means that UK corporate assets look cheap for overseas buyers.

Overall, the fund is underpinned by cautious economic growth assumptions, and its focus on strong market positions, cashflow-backed dividends and robust balance sheets should provide resilience across the spectrum of possible economic outcomes.

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	23.9%
Industrials	20.1%
Consumer Services	17.5%
Oil & Gas	10.5%
Health Care	9.6%
Consumer Goods	7.0%
Utilities	5.4%
Basic Materials	5.0%
Telecommunications	1.0%

Top 10 Holdings as at 30.08.19

	Fund
ROYAL DUTCH SHELL	5.9%
ASTRAZENECA PLC	5.0%
GLAXOSMITHKLINE	4.6%
BP	4.6%
HSBC HOLDINGS PLC	3.8%
BBA AVIATION PLC	2.8%
RIO TINTO	2.8%
LAND SECURITIES GROUP PLC	2.8%
BRITISH AMERICAN TOBACCO	2.7%
IMPERIAL BRANDS PLC	2.6%
Total	37.6%
No of Holdings	50

*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.