



ASSET MANAGEMENT

FUND OVERVIEW

Fund Manager(s)	Martin Cholwill
Fund Size	£1,883.56m
Domicile	United Kingdom
ISA	Available and Eligible
Benchmark Index	FTSE All Share
Investment Association Sector	UK Equity Income
Currency	GBP

Share Class M (Accumulation)

Unit Launch Date	26.11.12
Initial Charge	0.00%
Annual Charge	0.62%
Minimum Investment	£100,000
Ongoing Charges Figure (OCF)	0.69%
SEDOL	B8Y4ZB9
Mid Price	188.70p
Historic Yield	3.73%

Share Class M (Income)

Unit Launch Date	05.11.10
Initial Charge	0.00%
Annual Charge	0.62%
Minimum Investment	£100,000
Ongoing Charges Figure (OCF)	0.68%
SEDOL	B3M9JJ7
Mid Price	813.40p
Historic Yield	3.82%

Share Class A (Income)

Unit Launch Date	11.04.84
Initial Charge	4.00%
Annual Charge	1.25%
Minimum Investment	£1,000
Ongoing Charges Figure (OCF)	1.31%
SEDOL	B67N865
Mid Price	779.80p
Historic Yield	3.84%

Share Class Z (Income)

Unit Launch Date	02.12.13
Initial Charge	0.00%
Annual Charge	0.55%
Minimum Investment	£25,000,000
Ongoing Charges Figure (OCF)	0.61%
SEDOL	BG48LT7
Mid Price	122.00p
Historic Yield	3.82%

ROYAL LONDON UK EQUITY INCOME FUND

31.07.17



Overview

The RL UK Equity Income Fund seeks to achieve a combination of income and some capital growth. This pure equity income fund invests solely in high yielding UK stocks, with a particular emphasis on companies generating significant free cashflow to fund sustainable dividend payments.

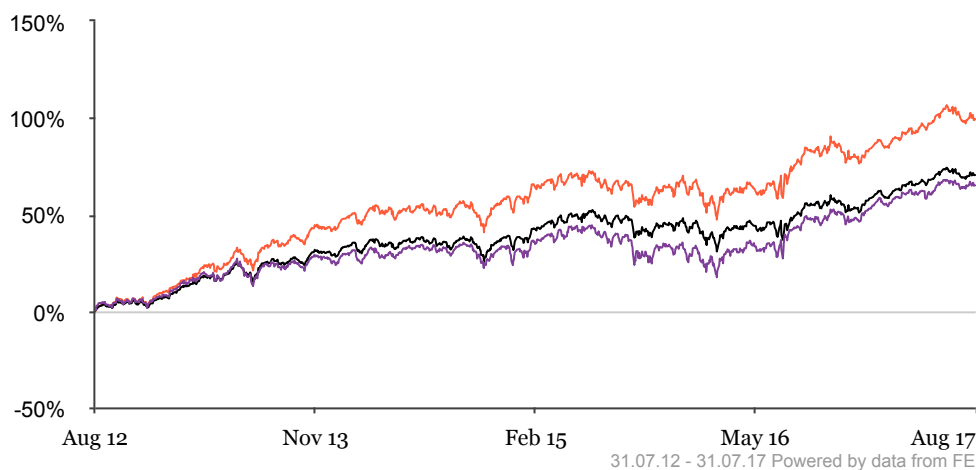
Year-on-year performance

	31.07.16 to 31.07.17	31.07.15 to 31.07.16	31.07.14 to 31.07.15	31.07.13 to 31.07.14	31.07.12 to 31.07.13
Share Class M (Accumulation)	12.4%	7.4%	8.9%	12.9%	34.3%
Share Class M (Income)	12.4%	7.4%	8.9%	12.9%	34.6%
Share Class A (Income)	11.7%	6.7%	8.2%	12.2%	33.7%
Share Class Z (Income)	12.5%	7.4%	9.1%	-	-
Sector Average	13.2%	2.1%	9.3%	7.3%	25.6%
Benchmark Index	14.9%	3.8%	5.4%	5.6%	24.3%

Cumulative Performance (as at 31.07.17)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Accumulation)	1.2%	7.5%	12.4%	31.4%	99.3%
Share Class M (Income)	1.3%	7.5%	12.4%	31.5%	99.7%
Share Class A (Income)	1.1%	7.2%	11.7%	29.0%	93.5%
Share Class Z (Income)	1.3%	7.5%	12.5%	31.8%	-
Sector Average	1.5%	7.3%	13.2%	26.4%	70.3%
Benchmark Index	3.0%	7.1%	14.9%	25.7%	65.0%
Quartile Ranking	3	2	3	1	1

Performance Chart



■ Fund ■ Sector Average ■ Benchmark Index

Source: RLAM and FE as at 31.07.17. Mid to mid, net of fees and taxes, net income reinvested unless otherwise stated. Benchmark index performance 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 17	Apr 17	Jan 17	Oct 16
Share Class M (Income)	8.73p	7.27p	6.67p	8.43p
Share Class A (Income)	8.38p	7.00p	6.43p	8.14p
Share Class Z (Income)	1.31p	1.09p	1.00p	1.26p

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

For enquiries and dealing: Tel: 020 7506 6754

Intermediaries

For enquiries: Tel: 020 7506 6754

Email: BDSupport@rlam.co.uk

Institutional Investors

For enquiries: Tel: 020 7506 6500

Email: BDSupport@rlam.co.uk

Head Office

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

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Source: RLAM, Financial Express and HSBC as at 31.07.17, unless otherwise stated. Yield definitions are shown above.

Our ref: FF RLAM PD 0119

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 July, the Fund was behind both the FTSE All Share Index and competitor funds. Performance against the index was primarily driven by the Fund's underweight position in mining and its holding in AstraZeneca. I believe the AstraZeneca share price fall, on the back of a phase three drug trial failure called 'Mystic', has been overdone, and the Fund retains its position. Elsewhere, there was a series of small positives and negatives which were not particularly significant in terms of impact. Segro, Informa and IG Group were the largest positive contributors to performance in July.

During the month, the Fund received the cash proceeds from the takeover of WS Atkins becoming unconditional; these proceeds were broadly reinvested into the existing portfolio. The Fund also added to its IG Group holding, which offers a 5.2% dividend yield, following full-year results where management displayed increasing confidence in IG's business model and competitive position in the face of a regulatory crackdown against the sector. The Fund ended the month with 49 holdings.

There is a lack of clarity on what the UK government are trying to achieve in their EU divorce settlement, and a prolonged period of political uncertainty is likely. Economic growth is likely to remain lacklustre in the UK, with tricky prospects ahead for the UK consumer. We will continue to monitor events closely and I expect to keep a significant overseas earnings element within the portfolio. The Fund is underpinned by cautious economic growth assumptions, and we believe its focus on strong market positions, cashflow-backed dividends and robust balance sheets should provide resilience in a whole range of possible economic outcomes.

Sector Breakdown

	Fund
Financials	27.5%
Industrials	21.4%
Consumer Services	17.1%
Oil & Gas	9.2%
Health Care	8.3%
Consumer Goods	6.0%
Utilities	4.7%
Basic Materials	4.4%
Telecommunications	1.5%

Top 10 Holdings as at 31.07.17

	Fund
ROYAL DUTCH SHELL	5.5%
HSBC HOLDINGS PLC	5.0%
GLAXOSMITHKLINE	4.2%
ASTRAZENECA PLC	4.1%
BP	3.7%
AVIVA	3.0%
BBA AVIATION PLC	2.7%
RELX NV	2.6%
BRITISH AMERICAN TOBACCO	2.5%
INFORMA PLC	2.5%
Total	35.8%
No of Holdings	49

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