

ROYAL LONDON UK EQUITY FUND

31 JULY 2014



ASSET MANAGEMENT

FUND OVERVIEW

General Information

Fund Manager:	Ivor Pether
Fund size (mid basis)	£491.60m
Fund Type	OEIC
Fund domicile	GBR
ISA	Y

Benchmark:
FTSE® All Share Index

Share Class A (Accumulation)

Inception date	06/04/1984
Initial charge	4%
Annual mgmt charge	1.25%
Min investment	£1,000
OCF	1.29%
Sedol number	B66DT18
Mid price	904.20
Historic Yield	1.96

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	B67MDN4
Mid price	127.90
Historic Yield	1.93

Overview

The fund seeks to achieve capital growth. Offering broad UK market exposure, the RL UK Equity Fund draws on the manager's top down investment process and focuses on earnings momentum as a key driver of future share price performance.

Performance 12 Months Ending

	31/07/14	31/07/13	31/07/12	31/07/11	31/07/10
(Class A Acc)	7.63%	20.25%	-1.72%	15.15%	21.56%
(Class M Acc)	8.30%	20.99%	-	-	-

Cumulative Performance to 31/07/2014

	3 months	6 months	1 Year	3 Years	5 Years
(Class A Acc)	-0.18%	4.52%	7.63%	27.21%	78.06%
(Class M Acc)	0.00%	4.84%	8.30%	-	-
Sector Average	-0.89%	1.91%	6.66%	34.27%	84.97%
Benchmark	-0.23%	4.48%	5.61%	31.74%	80.72%
Quartile Ranking (Class A)	2	2	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. This fund converted from a unit trust (bid price) to an OEIC (mid price) on 5th November 2010. This change is reflected in past performance history. All yields are net of expenses and gross of taxes.

Fund Commentary

The UK market return was -0.3% in July. Larger market capitalisation companies were more resilient than the less defensive mid-cap segment, which suffered from a lack of positive economic news, particularly the weak growth in Europe, compounded by the potential economic impact of imposing sanctions on Russia following the downing of a civilian aircraft in Ukraine.

The fund's return was slightly above benchmark and above median in July. The main stock positives in the month were Shire Pharmaceuticals and ITV. Shares in Shire rose by 7% after their Board agreed to a higher offer from suitor AbbVie, valuing the company at \$54bn, while ITV's share price rose by 17% after Liberty Global purchased a 6% stake in the company from BSkyB.

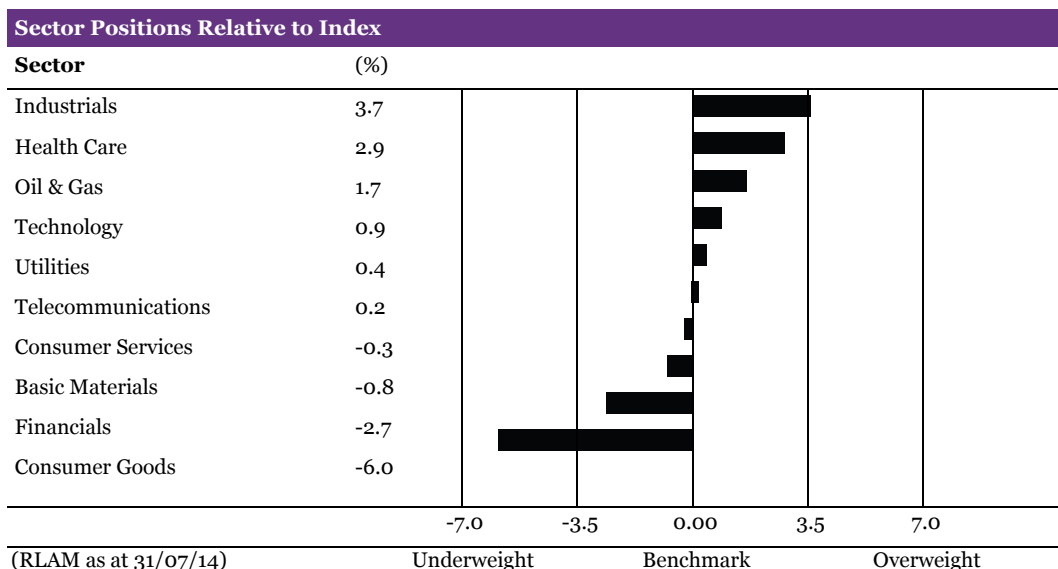
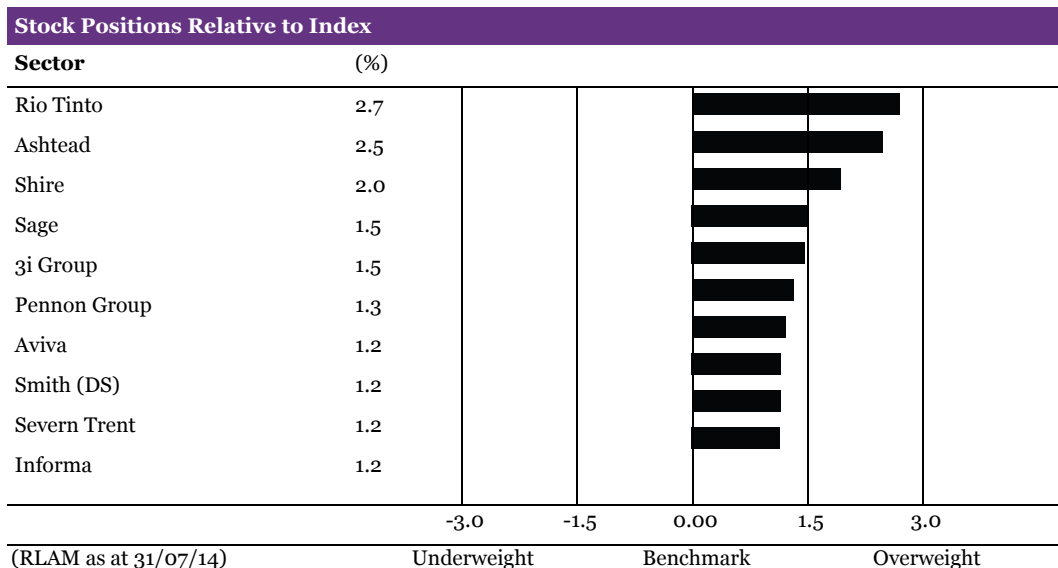
The fund also benefited from its lack of holdings in Tesco and Kingfisher, whose shares fell by 9% and 16% respectively after issuing profit warnings. However, the fund did have a holding in electronic controls and instrumentation company Spectris, whose shares dropped by 14% after announcing disappointing first half results.

During the month, the fund added to existing holdings in International Personal Finance, specialty chemicals company Victrex and National Grid, and reduced the holding in Barclays.

Merger and acquisition activity remains a supporting feature of equity markets, but economic growth outside of the US has been generally weaker than expected leading to a poor company reporting season, while geopolitical uncertainties persist in the Middle East and Ukraine. However, we believe that equity market valuations remain attractive relative to other asset classes.

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

Top 10 Holdings		Sector Breakdown	
Holdings	% of total	Sector	% of total
HSBC Holdings	6.1	Financials	22.3
Royal Dutch Shell 'b'	5.8	Oil & Gas	16.9
Rio Tinto	4.8	Industrials	13.5
GlaxoSmithKline	4.0	Health Care	11.2
BP	3.5	Consumer Services	9.6
Shire	3.4	Consumer Goods	7.8
Ashtead Group	2.7	Basic Materials	7.6
BT Group	2.6	Telecommunications	4.6
AstraZeneca	2.5	Utilities	4.3
BG Group	2.5	Technology	2.2
Total	37.9	Total	100.0
Total No. of Holdings	70		
RLAM as at 31/07/14			



Yield Definition

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

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Our ref: 554-PRO-07/2014-DP

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