

FUND OVERVIEW

Fund Manager(s)	Martin Cholwill
Fund Size	£2,198.05m
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	221.10p
Historic Yield	4.21%

Share Class M (Income)

Unit Launch Date	05.11.10
Initial Charge	0.00%
Minimum Investment	£100,000
SEDOL	B3M9JJ7
Mid Price	854.30p
Historic Yield	4.33%

Share Class A (Income)

Unit Launch Date	11.04.84
Initial Charge	0.00%
Minimum Investment	£1,000
SEDOL	B67N865
Mid Price	806.50p
Historic Yield	4.35%

Share Class Z (Income)

Unit Launch Date	02.12.13
Initial Charge	0.00%
Minimum Investment	£25,000,000
SEDOL	BG48LT7
Mid Price	128.40p
Historic Yield	4.33%

ROYAL LONDON UK EQUITY INCOME FUND

31.12.19



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.

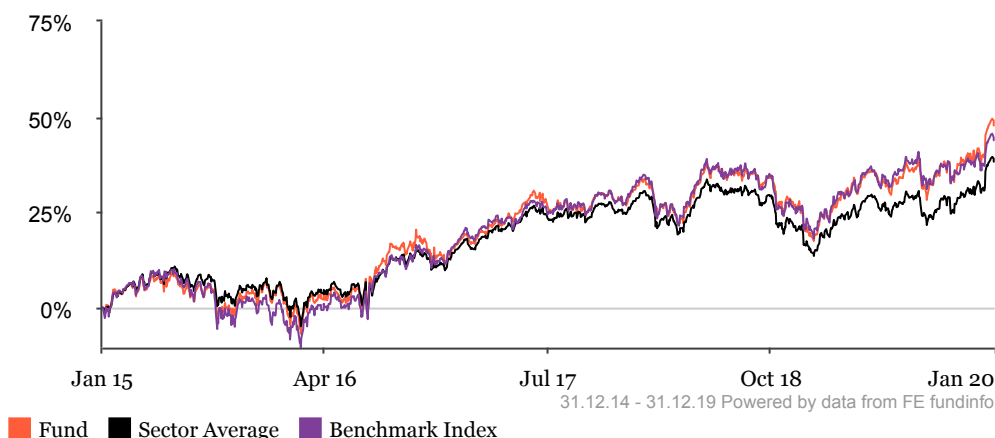
Year-on-year performance

	31.12.18 to 31.12.19	31.12.17 to 31.12.18	31.12.16 to 31.12.17	31.12.15 to 31.12.16	31.12.14 to 31.12.15
Share Class M (Accumulation)	23.9%	-9.7%	12.8%	11.0%	5.4%
Share Class M (Income)	23.9%	-9.7%	12.8%	11.0%	5.5%
Share Class A (Income)	23.1%	-10.2%	12.1%	10.3%	4.8%
Share Class Z (Income)	24.0%	-9.6%	12.9%	11.0%	5.6%
Sector Average	20.1%	-10.5%	11.3%	8.8%	6.2%
Benchmark Index	19.2%	-9.5%	13.1%	16.8%	1.0%

Cumulative Performance (as at 31.12.19)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Accumulation)	6.9%	9.5%	23.9%	26.2%	47.7%
Share Class M (Income)	6.9%	9.5%	23.9%	26.2%	47.7%
Share Class A (Income)	6.7%	9.2%	23.1%	23.8%	43.1%
Share Class Z (Income)	7.0%	9.6%	24.0%	26.6%	48.3%
Sector Average	7.2%	8.3%	20.1%	19.6%	38.2%
Benchmark Index	4.2%	5.5%	19.2%	22.0%	43.8%
Quartile Ranking	2	2	1	1	1

Performance Chart



Source: RLAM and FE fundinfo as at 31.12.19. 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)

	Oct 19	Jul 19	Apr 19	Jan 19
Share Class M (Income)	10.58p	9.02p	8.02p	8.03p
Share Class A (Income)	10.02p	8.55p	7.62p	7.64p
Share Class Z (Income)	1.59p	1.35p	1.20p	1.21p

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, FE fundinfo and HSBC as at 31.12.19, unless otherwise stated. Yield definitions are shown above.

Our ref: FF RLAM PD 0315

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

Following the general election result, we believe that there is far greater political visibility in the UK than has been the case for many years. The scale of the Conservative Party victory means that its parliamentary majority should remain intact for the next five years, and therefore some more decisive politics will replace the gridlock. We suspect that, based on current political rhetoric, the government will seek looser ties with Europe, using fiscal stimulus to offset any economic weakness it causes in 2020. The level of sterling means that UK corporate assets continue to look cheap for overseas buyers. Against this background, UK equities could benefit from renewed interest from international investors.

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.

During December, the fund was ahead of the FTSE All-Share Index and competitor funds. The largest positive contributors to performance included Dunelm, Close Brothers, Restaurant Group and Marshalls. The strength of Dunelm's share price is reflective of ongoing strong trading and the successful implementation of its new online shopping IT infrastructure. The largest detractors from performance were IG Group and Stobart Group, although neither were material for performance.

During the month, the fund continued to retain its balance between domestic and international earners. The fund used new money to add to a broad range of existing holdings, including Euromoney, BT Group, Aviva, 3i Group and Investec. The purchase of 3i Group followed a positive meeting with management. Its main investment, Action, still appears to have plenty of growth potential and its 3.5% dividend yield could easily grow double-digit over the next few years if the company hits its growth targets.

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	25.6%
Industrials	18.4%
Consumer Services	18.1%
Oil & Gas	9.6%
Health Care	9.2%
Consumer Goods	6.8%
Utilities	6.0%
Basic Materials	4.9%
Telecommunications	1.5%

Top 10 Holdings as at 31.12.19

	Fund
ROYAL DUTCH SHELL	5.6%
ASTRAZENECA PLC	4.7%
GLAXOSMITHKLINE	4.4%
BP	3.9%
HSBC HOLDINGS PLC	3.4%
LAND SECURITIES GROUP PLC	3.2%
BRITISH AMERICAN TOBACCO	2.8%
RIO TINTO	2.7%
CLOSE BROS GROUP	2.7%
DUNELM GROUP PLC	2.6%
Total	36.0%
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.