

Royal Bank of Scotland

Equity Income - August 2014

Fund objective

To achieve a yield higher than the FT Actuaries All Share Index, with the prospect of rising income and growth in the value of shares. The Fund will be invested in United Kingdom securities, principally in UK equities judged to offer high yields and long term growth prospects, with a small exposure to international equity and bond markets.

Past performance



Powered by data from FE

Source: FE, performance data up to 31/07/14, bid to bid, net income reinvested.

	3m	6m	1Yr	3Yr	5Yr
Fund (%)	-1.1	2.1	4.6	41.8	99.2
Sector average (%)	-0.6	3.5	7.1	37.0	84.5
Quartile rank within sector	3	3	4	2	1

Source: FE, performance data up to 31/07/14, bid to bid, net income reinvested.

Year on year performance

	31/07/09 31/07/10	31/07/10 31/07/11	31/07/11 31/07/12	31/07/12 31/07/13	31/07/13 31/07/14
Fund (%)	20.8	16.3	7.1	26.5	4.6
Sector average (%)	18.2	13.9	0.8	26.8	7.1
Quartile rank within sector	1	2	1	2	4

Source: FE, performance data up to 31/07/14, bid to bid, net income reinvested.

Fund manager

Christopher Murphy

Manager of this fund since April 2009



Fund manager report*

The UK equity market fell for a second month as increased tension in the Middle East and Ukraine depressed investors and as a clutch of companies warned profits were being hurt by a stronger pound. The FTSE All-Share Index returned -0.3 per cent, with the decline led by mid-cap stocks. Retailers' shares were amongst the weakest. Tesco fell as the UK's largest grocer ousted its chief executive after the latest in a string of profit warnings, while Kingfisher stock declined as the home improvement chain reported disappointing second-quarter sales. Elsewhere, Royal Mail lost ground on concern that competition facing its parcel delivery service is intensifying. On the whole, large cap stocks held up relatively well, boosted by the performance of leading banks and miners. Amongst the latter, major stocks such as Anglo American, Glencore and Rio Tinto were in demand as an improvement in Chinese economic indicators buoyed industrial metal prices. HSBC drove gains in the banking sector ahead of its first-half results.

Fund information (31/07/2014)

Fund size	£70.6m
Launch date	13/02/1995
Charges	see policy documentation or aviva.co.uk fund centre
SEDOL	3351727
MEXID	UYIN
Benchmark	IMA UK Equity Income
Sector	UK Equity Income

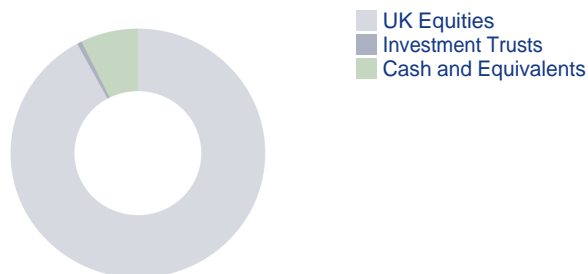
* The opinions expressed are based on the Fund Manager's own internal forecasts and should not be relied upon as indicating any guarantee of return from an investment in our funds. The information contained in this document should not be construed as a recommendation to purchase or sell stocks.

Past performance is not a guide to the future. The value of shares may fall as well as rise and is not guaranteed. The performance shown is net of tax and charges taken from the Fund. It does not take account of any additional product charges.

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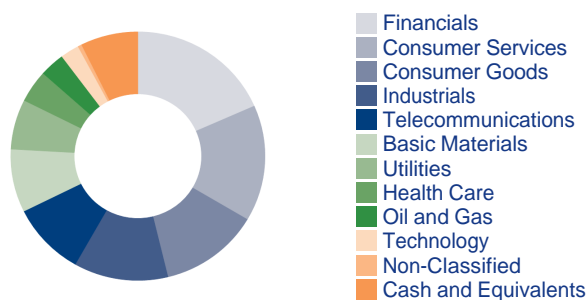
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Asset allocation



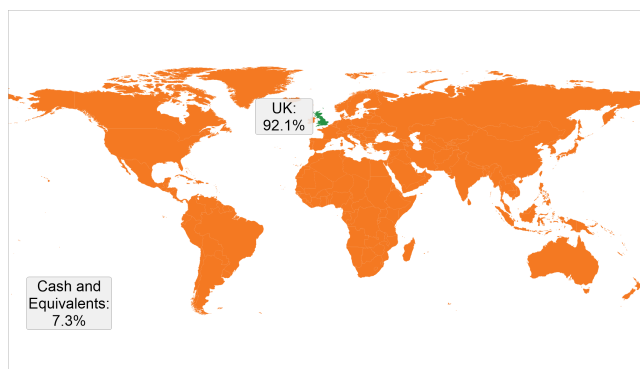
Source: Aviva Investors as at 31/07/2014

Sector breakdown



Source: Aviva Investors as at 31/07/2014

Regional allocation



Source: Aviva Investors as at 31/07/2014

Market capitalisation

92.1%	Mega (> 50bn)	24.1%
0.6%	Large (3bn-50bn)	37.5%
7.3%	Medium (1bn-3bn)	18.4%
	Small (50m-1bn)	12.2%
	Micro (< 50m)	0.0%
	Cash & Equivalents	7.3%
	Other	0.5%

Source: Aviva Investors as at 31/07/2014

Top 10 holdings

18.4%	Rio Tinto	4.3%
15.1%	BHP Billiton	3.9%
12.7%	BBA Aviation	3.7%
12.0%	BP	3.2%
9.5%	Centrica	3.2%
8.2%	Vodafone Group	3.1%
6.5%	BT Group	2.9%
4.2%	GlaxoSmithKline	2.8%
3.2%	Diageo	2.5%
2.4%	Sage Group	2.4%
0.5%		
7.3%		

Source: Aviva Investors as at 31/07/2014