



Royal London Equity Funds ICVC

Short Interim Report to 28 February 2014

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Economic and Stock Market Background

During the past six months the global economy has continued to show signs of recovery, particularly in the Eurozone and the UK. However, towards the end of the period, there were growing doubts about the pace of recovery in the US and concerns about financial stress in China. There were also pressures on some emerging market (EM) currencies, while tensions rose between Ukraine and Russia.

In December, the Federal Open Market Committee (FOMC) signalled a slowing in the monthly pace of its asset purchases. This tapering was balanced by guidance that the federal funds rate would remain at an exceptionally low level well past the time that the unemployment rate fell below 6.5%. The European Central Bank reduced interest rates during the period and gave guidance that policy rates would remain at a low level for an extended period of time. In the UK, the Monetary Policy Committee (MPC) kept its policy rate and the stock of purchased assets unchanged, but adapted its forward guidance on interest rates to take account of a wider range of factors. Central banks in some emerging economies — including Brazil, India, Indonesia, South Africa and Turkey — tightened policy during the period, in response to a sharp rise in outflows of capital and currency depreciations. Countries most under pressure were those with a relatively high level of political uncertainty, large current account deficits and high inflation.

UK and US longer-term interest rates rose during the first part of the period, but have since fallen back in response to uncertainty in US and China. Perceptions of the likelihood of disorderly adjustment in the euro area continued to wane, which led to a further tightening in euro-area periphery sovereign bond spreads over German yields.

Sterling rose during the period, and on a trade weighted basis, now stands above the band within which it has traded since the depreciation of 2007–08. This reflects more positive news about prospects for economic activity in the United Kingdom, relative to other major economies. Developed equity markets rose during the early part of the period, however in recent months they have been range bound, as tensions in some emerging economies and uncertainty about US and China economic news have weighed on risk appetites.

UK

The UK economy grew by 1.8% in 2013, the strongest annual growth rate for six years. Much of the recovery has been driven by consumer spending and an upturn in the housing market. Business investment has remained relatively subdued, although there are now good signs of recovery. Net trade also contributed to GDP in Q4 2013, although a widening in the current account deficit, mostly driven by a fall in net income from overseas, has caused some concern.

CPI inflation fell to 1.9% in January, with most of the recent fall reflecting the impact of various one-off price adjustments, rather than a more general shift in underlying cost and price pressures. The appreciation of sterling has helped to dampen import price pressures.

The Bank of England (BoE) has updated its forward guidance on interest rates to take account of a wider measure of spare capacity than simply the headline rate of unemployment. In our base case, we expect interest rates to remain on hold until 2015.

Economic and Stock Market Background

(continued)

US

US GDP growth showed some strength in the latter months of 2013, despite the government shutdown. Some of this strength reflected a rise in stock building, which is likely to have unwound in early 2014, adding to the impact of severe winter weather on economic activity. The downside risks to US growth associated with fiscal policy have receded somewhat, since a Congressional deal on headline government spending was agreed. Fiscal consolidation will continue to weigh on US growth in 2014, but by less than in 2013. We expect the economy to strengthen as the year progresses.

Headline inflation remains low, at less than 2%, while core inflation, which in the past has tended to be a better predictor of future inflation, is also below 2%. We expect economic slack to persist for some time and, in the absence of a spike in the oil price, remain relaxed about the outlook for inflation. Longer-term inflation expectations have remained stable according to surveys of households and economic forecasters.

The Federal Reserve has begun to reduce the pace of its asset purchases. However this has been balanced by guidance that the fed funds rate will remain at an exceptionally low level well past the time that the unemployment rate (currently 6.7%) falls below 6.5%. We assume the Fed will continue to reduce the pace at which it buys Treasuries and Mortgage backed securities, before raising policy rates in 2015.

Europe

Euro-area GDP grew by 0.3% in Q4 2013, which was a small improvement on the previous quarter. Business surveys suggest a further modest improvement in the first months of 2014. The pace of growth in the peripheral economies has risen towards the Euro-area average, reflecting better export performance, as these economies rebalance. Financial market developments suggest that the perceived tail risks associated with the possibility of sovereign default in the periphery has receded. Going forward, we expect Euro-area growth to remain subdued, given the need for further adjustment between the core and periphery.

Inflation has fallen well below the European Central Bank's (ECB's) definition of price stability, of inflation below but close to 2%. The ECB responded by reducing interest rates in Q4 2013, but has since kept policy on hold.

Far East

China is still dealing with the aftermath of an infrastructure and property bubble, ignited by 2008/9 stimulus package, which has raised total debt levels in the economy. Overinvestment in the wake of this stimulus “front-loaded” many projects and has led to significant overcapacity problems. This overhang will need to be dealt with, before the growth potential of further economic reform can come through.

During the period, there were growing concerns about the risk of financial contagion from bad loans in the “shadow bank” sector and corporate bond market. The new government maintained the 7.5% GDP growth target, however looking beyond the near term, a shrinking labour force and slowdown in capital stock growth will mean lower potential growth rates. The major challenge will be how to rebalance the economy from investment to consumption, without allowing the overall growth rate to fall too far.

Japan

For much of 2013, economic activity benefited from the monetary and fiscal elements of Abenomics¹, including significant currency devaluation. This policy targets 2% GDP growth, which given a continued decline in the population, means that output per worker needs to grow by over 2%, compared with a post 1990 average of 1.1%. Our base case assumes slower GDP growth in 2014, in response to a rise in consumption taxes.

While inflation has risen, much of this is due to the temporary effect of Yen devaluation. It is difficult to see a sustained rise in inflation without a sustained pick-up in nominal wage growth. The total amount of government debt is greater than GDP, and in a situation of deflation, debt serving costs will remain higher than long term nominal growth. This is unsustainable in the long run, although with the economy in current account surplus, the crisis point could be some time in the future. The low level of Japanese bond yields suggests that markets are assuming action to correct the situation in the coming decades.

¹ “Abenomics” was introduced after the December 2012 election and is aimed at reviving the economy through more aggressive monetary easing from the Bank of Japan, more flexible fiscal policies, and structural reforms to boost Japan’s competitiveness (eg. raising female labour participation and encouraging industrial consolidation).

Royal London Asia Pacific ex Japan Tracker Fund

Investment Objectives and Policies

The Fund aims to achieve the capital return of the FTSE® World Asia Pacific ex Japan Index by investment primarily in the securities that make up the FTSE® World Asia Pacific ex Japan Index.

Assets

The Fund may hold transferable securities, collective investment schemes (including Exchange Traded Funds), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014 the fund gave a return of -0.5% versus the benchmark FTSE® World Asia Pacific excluding Japan Index return of -2.3%, and a return of 0.3% from the IMA Asia Pacific Ex Japan peer group.

Portfolio Commentary

The fund manager uses an optimised portfolio to track the capital return of the FTSE® World Asia Pacific excluding Japan Index. We take the view that full replication may result in too much costly trading, which could outweigh the benefit of perfect replication.

We use an optimiser to help construct a portfolio designed to track the performance of the benchmark without necessarily holding all the constituents in their exact benchmark weights. The optimiser uses an algorithm which minimises tracking risk, based on a multi factor model and associated covariance matrix. This gives the flexibility not to trade every index or cash flow event.

Whilst the fund is not perfectly replicating, in practice it holds all or most of the index constituents in weightings very close to the index weights. Index futures are used for cash management purposes.

Symon Bradford
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London Asia Pacific ex Japan Tracker Fund

(continued)

Fund Facts		
	As at	Z Acc Shares
Sedol Number		B68SHD9
Initial Charge		0.00%
Initial Commission		0.00%
Annual Management Charge (AMC)		0.20%
Ongoing Charges Figure (OCF) ¹	28/02/14	0.28%
Portfolio Turnover Rate	28/02/14	93%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6
Launch Date (See notes overleaf)		05/11/10
Fund Type		Authorised OEIC Fund
Domiciled		UK
Distribution Calculation Dates (XD)		1 March & 1 September
Distribution Payment Dates		30 April & 31 October

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
Class Z	658,622	368.05

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	Class Z	371.10	354.80	3.96
2013	Class Z ⁴	414.40	349.30	7.96
2012	Class M ²	104.78	91.18	1.48
	Class A	368.00	315.10	7.11
2011	Class A	388.60	282.70	5.68
2010 ³	Class A	380.40	349.60	n/a

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 1 May 2012 to 6 December 2012

³ From launch on 5 November 2010

⁴ On 22 April 2013 Class A – Retail Accumulation changed to Class Z – Institutional Accumulation.

Royal London Asia Pacific ex Japan Tracker Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London Asia Pacific ex Japan Tracker Fund Z	-9.01	1.70	14.86
IMA Asia Pacific ex Japan Companies Sector Average	-8.84	2.38	14.88
Relative Out-Performance	-0.17	-0.68	-0.02

The sub-fund was launched on 5 November 2010 and first priced on 8 November 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London Far East Trust launched on 12 March 1990.

The fund converted from an active growth fund to a tracker fund on 22 April 2013. This change is reflected in past performance history.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
 Holding	28/02/14 % Holding	 Holding	31/08/13 % Holding
Samsung Electronics	4.31	Samsung Electronics	4.46
BHP Billiton	3.50	Commonwealth Bank of Australia	3.53
Commonwealth Bank of Australia	3.42	BHP Billiton	3.46
Westpac Banking	2.93	Westpac Banking	2.91
Taiwan Semiconductor Manufacturing	2.70	Taiwan Semiconductor Manufacturing	2.70
Australia and New Zealand Banking	2.48	Australia and New Zealand Banking	2.43
National Australia Bank	2.27	National Australia Bank	2.25
AIA Group	1.94	AIA Group	1.85
Wesfarmers	1.39	Wesfarmers	1.41
Woolworths	1.26	Woolworths	1.31

Geographical Breakdown

	28/02/14 %	31/08/13 %
Australia	33.00	33.14
South Korea	18.60	18.53
Taiwan	13.66	13.54
Hong Kong	12.42	12.61
Singapore	6.11	6.35
Malaysia	4.99	5.09
Thailand	2.77	2.98
Cayman Islands	2.05	1.86
Bermuda	1.16	1.12
New Zealand	0.75	0.69
Ireland	0.18	0.13
Luxembourg	0.15	0.15
Italy	0.13	0.17
Futures	0.08	0.07
Channel Islands	0.02	0.02
Cash and net other assets	3.93	3.55
Total¹	100.00	100.00

¹ Subject to rounding

Sector Breakdown

	28/02/14 %	31/08/13 %
Financials	34.22	34.82
Industrials	11.85	11.45
Technology	11.79	11.52
Basic Materials	9.55	9.69
Consumer Services	8.79	8.35
Consumer Goods	7.86	8.10
Telecommunications	3.76	4.10
Oil & Gas	3.24	3.53
Utilities	3.00	2.94
Healthcare	1.93	1.88
Futures	0.08	0.07
Cash and net other assets	3.93	3.55
Total¹	100.00	100.00

¹ Subject to rounding

Royal London Europe ex UK Tracker Fund

Investment Objectives and Policies

The Fund aims to achieve the capital return of the FTSE® World Europe ex UK Index by investment primarily in the securities that make up the FTSE® World Europe ex UK Index.

Assets

The Fund may hold transferable securities, collective investment schemes (including Exchange Traded Funds), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek – professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014, the return from the Royal London Europe ex UK Tracker Fund was 9.8%. This compares with a capital return on the FTSE® World Europe Ex UK Index of 11.3%. This difference can be explained primarily by a combination of the timing of the fund pricing, the fund being priced at midday while the index is priced at the end of the day, and the impact of income within our fund.

Portfolio Commentary

The fund manager uses an optimised portfolio to track the capital return of the FTSE® World Europe ex UK Index. We take the view that full replication may result in too much costly trading, which could outweigh the benefit of perfect replication.

We use an optimiser to help construct a portfolio designed to track the performance of the benchmark without necessarily holding all the constituents in their exact benchmark weights. The optimiser uses an algorithm which minimises tracking risk, based on a multi factor model and associated covariance matrix.

In practice, the Royal London Europe ex UK Tracker Fund holds most of its benchmark's names as well as having holdings in futures and cash.

Jean-Marc Lange
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London Europe ex UK Tracker Fund

(continued)

Fund Facts		
	As at	Z Acc Shares
Sedol Number		B8HF4Y5
Initial Charge		0.00%
Initial Commission		0.00%
Annual Management Charge (AMC)		0.18%
Ongoing Charges Figure (OCF) ¹	28/02/14	0.27%
Portfolio Turnover Rate	28/02/14	2%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6
Launch Date (See notes overleaf)		04/06/13
Fund Type		Authorised OEIC Fund
Domiciled		UK
Distribution Calculation Dates (XD)		1 September
Distribution Payment Dates		31 October

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
Z Shares	189,764	109.38

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014*	Z Shares	110.00	103.40	0.40
2013	Z Shares ²	109.30	91.70	0.16

Single priced ICVC sub-fund

* To 28 February 2014

² From launch on 4 June 2013

Royal London Europe ex UK Tracker Fund

(continued)

Fund vs Sector Average Out-Performance

	Since Inception %
Royal London Europe ex UK Tracker Fund Z	9.40
IMA Europe excluding UK Sector Average	11.04
Relative Out-Performance	-1.64

The sub-fund was launched on 4 June 2013.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	28/02/14 % Holding	Holding	31/08/13 % Holding
Nestle (registered)	3.81	Nestle (registered)	3.95
Roche Holding – participating	3.39	Roche Holding – participating	3.29
Novartis (registered)	3.05	Novartis (registered)	3.17
Total SA	2.04	Total SA	2.10
Sanofi	1.86	Sanofi	2.07
Bayer	1.80	Bayer	1.72
BASF	1.65	Siemens	1.58
Siemens	1.64	BASF	1.52
Banco Santander	1.61	Banco Santander	1.47
Novo Nordisk 'B'	1.48	Anheuser-Busch InBev	1.40

Geographical Breakdown

	28/02/14 %	31/08/13 %
France	20.15	20.35
Switzerland	19.63	20.15
Germany	19.50	19.04
Spain	7.11	6.63
Sweden	6.92	7.15
Netherlands	6.47	6.85
Italy	4.94	4.69
Denmark	3.11	2.77
Belgium	2.55	2.55
Finland	1.93	1.75
Norway	1.42	1.40
Poland	0.94	0.96
Turkey	0.78	1.05
Luxembourg	0.66	0.71
Austria	0.63	0.69
Ireland	0.51	0.57
Portugal	0.36	0.37
Bermuda	0.21	0.30
Czech Republic	0.15	0.16
Hungary	0.14	0.21
Greece	0.08	0.05
Cash and net other assets	1.81	1.60
Total¹	100.00	100.00

¹ Subject to rounding

Sector Breakdown

	28/02/14 %	31/08/13 %
Financials	23.24	21.95
Consumer Goods	17.50	18.55
Industrials	14.90	14.62
Healthcare	12.22	12.40
Basic Materials	8.26	8.34
Oil & Gas	5.22	5.89
Consumer Services	5.11	5.38
Telecommunications	3.95	3.85
Utilities	4.02	3.74
Technology	3.71	3.69
Futures	0.06	(0.01)
Cash and net other assets	1.81	1.60
Total¹	100.00	100.00

¹ Subject to rounding

Royal London European Growth Fund

Investment Objectives and Policies

The investment objective and policy of the Fund is to achieve capital growth by investing predominantly in quoted European equities.

Assets

The Fund may hold transferable securities, collective investment schemes (including Exchange Traded Funds), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014, the fund gave a total return of 9.8% against 10.6% for the benchmark, the FTSE® World Europe ex UK, and 10.4% by the IMA Europe ex UK peer group.

Portfolio Commentary

The period under review has been characterised by a steady market rise underpinned by supportive economic data with leading indicators indicating expansion, albeit at a more moderate rate in Europe compared to the US and China. There have been periods when the market rally has stalled, for example, towards the end of September there was some volatility during the US budget discussion impasse, and there have also been sporadic fears over the likely impact of the Federal Reserve's tapering programme, however on each occasion the risk has been absorbed and the market continued on its upwards path.

Although there has been evidence of improving economic data, optimism has been tempered by uninspiring earnings reports in both the third quarter and full year results season, which on the whole has led to further earnings downgrades. Emerging market growth which underpinned the

top line expansion of many European companies during their domestic recession now represents a material part of their activities in many cases. Recent volatility in emerging markets not only threatens a slowdown in global activity but also weaker emerging market currencies dampen reported results when translated back to a European company's base currency.

All sectors rose in absolute terms over the period. The strongest performing sectors were utilities which rose over 21%, followed by financials which climbed over 16%. The weakest performing sectors were oil and gas and consumer goods. During the period under review the fund suffered a negative asset allocation effect, principally due to its zero weighting in utilities.

The fund's outperformance over its benchmark during the period was driven by positive stock selection. The strongest positive contributor at the stock level was Neopost, whose traditional business of mail-room equipment remains robust and cashflow generative, which has enabled management to invest in new growth markets. The company announced a deal with La Poste to install a network of parcel lockers across France to enable customers to pick up "click and collect" items from a range of public places, for example railway stations.

Portfolio Outlook

The European market has continued to perform well over the last six months, with healthy sentiment towards equities evidenced by continued inflows into the asset class. European markets have rallied strongly from the lows of 2012, and the FTSE® Europe ex UK index now trades on 1.8 times, close to its long term average multiple, and also in line with the FTSE® 100 at 1.8 times. Near term the full implications of unfolding crisis in the Ukraine are as yet unknown although its geographic proximity to Europe is a cause for concern. A further risk on the horizon is the European Central Bank's (ECB's) asset quality review programme (AQR) later in the year which may trigger the requirement for some banks to either raise capital or sell assets. Nevertheless the economic outlook continues to improve in Europe with leading indicators rising and companies more optimistic, albeit this is yet to be reflected in earnings estimates that continue to trend downwards.

Neil Wilkinson
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London European Growth Fund

(continued)

Fund Facts			
	As at	A Acc Shares	M Acc Shares
Sedol Number		B52DGB4	B52VBP7
Initial Charge		4.00%	0.00%
Initial Commission		4.00%	0.00%
Annual Management Charge (AMC)		1.25%	0.62%
Ongoing Charges Figure (OCF) ¹	28/02/14	1.30%	0.67%
Portfolio Turnover Rate	28/02/14	72%	72%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6	6
Launch Date (See notes overleaf)		30/04/10	30/04/10
Fund Type		Authorised OEIC Fund	
Domiciled		UK	
Distribution Calculation Dates (XD)		1 March & 1 September	
Distribution Payment Dates		30 April & 31 October	

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
A Shares	684,862	653.46
M Shares	1,074	669.14

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	A Shares	659.00	617.90	-
	M Shares	674.30	632.50	0.85
2013	A Shares	645.60	519.40	9.93
	M Shares	659.90	528.00	13.66
2012	A Shares	518.20	410.20	9.98
	M Shares	526.70	415.40	12.95
2011	A Shares	579.10	394.20	9.05
	M Shares	583.20	397.50	12.25
2010 ²	A Shares	523.12	408.97	3.86
	M Shares	535.00	421.10	4.81

Single priced ICVC sub-fund,

¹ To 28 February 2014

² From launch on 30 April 2010

Royal London European Growth Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London European Growth Fund A	14.81	6.05	16.50
IMA Europe ex-UK Sector Average	15.92	8.42	15.64
Relative Out-Performance	-1.11	-2.37	+0.86

The sub-fund was launched on 30 April 2010 and first priced on 4 May 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London European Growth Trust launched on 11 May 1987.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
 Holding	28/02/14 % Holding	 Holding	31/08/13 % Holding
Novartis (registered)	4.91	Roche Holding – participating	5.15
Roche Holding – participating	4.04	Sanofi	3.43
Sanofi	3.91	Novartis (registered)	3.23
ING Groep certificates	2.98	AXA	3.11
Volkswagen	2.88	Neopost	2.97
AXA	2.82	Repsol	2.97
Nestlé (registered)	2.78	Nestlé	2.90
Neopost	2.77	Bayer	2.89
Total SA	2.58	Allianz	2.83
Fresenius	2.55	ING Groep certificates	2.73

Geographical Breakdown

	28/02/14 %	31/08/13 %
France	22.98	22.02
Switzerland	21.32	20.78
Germany	16.79	16.80
Sweden	5.54	3.35
Spain	4.91	6.24
Luxembourg	4.40	3.78
Denmark	4.36	3.99
Netherlands	4.16	8.34
Belgium	3.04	3.67
Portugal	1.91	0.00
Italy	1.76	2.56
United Kingdom	1.61	1.38
Norway	1.45	2.54
Austria	1.35	2.54
Ireland	1.21	1.23
Bermuda	0.35	0.00
Cash and net other assets	2.86	0.78
Total¹	100.00	100.00

¹ Subject to rounding

Sector Breakdown

	28/02/14 %	31/08/13 %
Financials	20.58	20.30
Healthcare	16.63	15.02
Consumer Goods	13.06	16.24
Industrials	10.82	12.69
Basic Materials	10.52	11.26
Oil & Gas	8.13	7.21
Technology	7.82	6.42
Consumer Services	4.81	4.43
Telecommunications	4.77	5.65
Cash and net other assets	2.86	0.78
Total¹	100.00	100.00

¹ Subject to rounding

Royal London European Income Fund

Investment Objectives and Policies

The Fund seeks to achieve a combination of income and some capital growth by investing mainly in European higher yielding and other equities, as well as convertible stocks.

Assets

To achieve this objective the Fund may hold transferable securities (including Exchange Traded Funds which are closed ended funds, but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014, the fund gave a total return of 9.4% against 11.3% for the benchmark, the FTSE® World Europe ex UK and 10.4% for the IMA European ex UK peer group.

Portfolio Commentary

The period under review has been characterised by a steady market rise underpinned by supportive economic data with leading indicators indicating expansion, albeit at a more moderate rate in Europe compared to the US and China. There have been periods when the market rally has stalled, for example, towards the end of September there was some volatility during the US budget discussion impasse, and there have also been sporadic fears over the likely impact of the Federal Reserve's tapering programme, however on each occasion the risk has been absorbed and the market continued on its upwards path.

Although there has been evidence of improving economic data, optimism has been tempered by uninspiring earnings reports in both the third quarter and full year results season, which on the whole has led to further earnings downgrades. Emerging market growth which underpinned the top line expansion of many European companies during their domestic recession now represents

a material part of their activities in many cases. Recent volatility in emerging markets not only threatens a slowdown in global activity but also weaker emerging market currencies dampen reported results when translated back to a European company's base currency.

All sectors rose in absolute terms over the period. The strongest performing sectors were utilities which rose over 21%, followed by financials which climbed over 16%. The weakest performing sectors were oil and gas and consumer goods. During the period under review the fund suffered a negative asset allocation effect, principally due to the underweight position in Utilities (2.3% compared to the benchmark of 4%). The overweight in telecoms (+ 15% higher over the period) and an underweight in consumer staples (up only 2.5% in the period) helped performance.

The fund performance was helped by good stock selection in a number of sectors including Industrials where the concession company Vinci (1.95% of the fund) rose 35% over the period on a confident profits outlook and the announcement of its intention to dispose of certain parts of its portfolio which are underperforming. The stock selection in utilities delivered a return of 27% against the sector which rose 21% in the period due to outperformance of the Spanish Utility Red Electrica which was up 41% over the period due to clarity on the regulatory regime they will face in their domestic market.

Portfolio Outlook

After a very strong start to the year the market peaked in the middle of January and has drifted off since. Overall the market is up just over 2% to the end of February.

The political uprise in Ukraine, mixed economic data from the US economy and fears of a banking collapse in China have all served to unnerve investors. The market is now trading in line with its long term average on a price book basis after a strong rally from the trough in 2011. This rally is despite the consensus forecast for corporate profits continuing to fall and companies generally forecasting little recovery in their profit base.

Andrea Williams
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London European Income Fund

(continued)

Fund Facts			
	As at	A Acc Shares	M Acc Shares
Sedol Number		B4W21N1	B3BVQM6
Initial Charge		4.00%	0.00%
Initial Commission		3.00%	0.00%
Annual Management Charge (AMC)		1.25%	0.62%
Ongoing Charges Figure (OCF) ¹	28/02/14	1.29%	0.66%
Portfolio Turnover Rate	28/02/14	26%	26%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6	6
Launch Date (See notes overleaf)		30/10/09	01/05/12
Fund Type		Authorised OEIC Fund	
Domiciled		UK	
Distribution Calculation Dates (XD)		1 March & 1 September	
Distribution Payment Dates		30 April & 31 October	

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
A Shares	362,152	114.32
M Shares	9	136.08

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	A Shares	115.40	108.70	0.65
	M Shares	137.29	129.37	0.77
2013	A Shares	114.40	95.23	3.55
	M Shares	135.92	112.55	4.21
2012	A Shares	95.08	78.43	3.68
	M Shares ²	112.40	90.78	1.70
2011	A Shares	113.10	75.35	4.53
2010	A Shares	107.30	86.61	3.37
2009 ³	A Shares	105.70	95.55	n/a

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 1 May 2012

³ From launch on 30 October 2009

Royal London European Income Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London European Income Fund A	14.12	6.88	14.15
IMA Europe ex-UK Sector Average	15.92	8.42	15.64
Relative Out-Performance	-1.80	-1.54	-1.49

The sub-fund was launched on 30 October 2009 and first priced on 2 November 2009, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London European Income Trust launched on 11 September 2008.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
 Holding	28/02/14 % Holding	 Holding	31/08/13 % Holding
Roche Holding – participating	4.80	Roche Holding – participating	5.06
Novartis (registered)	4.45	Sanofi	3.67
Total SA	3.39	Novartis (registered)	3.67
Sanofi	3.32	Nestlé	3.33
Nestlé (registered)	2.96	Bayer	3.27
Bayer	2.86	Total SA	2.87
Allianz	2.52	Allianz	2.67
BNP Paribas	2.48	BNP Paribas	2.52
ING Groep certificates	2.38	ING Groep certificates	2.36
Siemens	2.19	Schneider Electric	2.29

Geographical Breakdown

	28/02/14 %	31/08/13 %
Germany	22.86	22.99
France	18.46	20.63
Switzerland	20.19	18.23
Netherlands	6.64	9.47
Sweden	8.23	7.76
Spain	6.14	5.71
Norway	3.16	3.47
Finland	1.84	2.21
Belgium	2.83	2.05
Italy	1.91	1.98
Luxembourg	1.71	1.85
Denmark	2.71	1.65
Ireland	1.05	1.15
Bermuda	0.35	0.00
Austria	0.00	0.83
Cash and net other assets	1.92	0.02
Total¹	100.00	100.00

¹ Subject to rounding

Sector Breakdown

	28/02/14 %	31/08/13 %
Financials	22.93	19.75
Healthcare	15.86	15.46
Industrials	12.74	14.83
Consumer Goods	11.17	13.93
Basic Materials	8.15	8.95
Consumer Services	6.51	7.26
Telecommunications	6.49	6.80
Oil & Gas	6.85	6.50
Technology	5.52	4.20
Utilities	1.86	2.30
Cash and net other assets	1.92	0.02
Total¹	100.00	100.00

¹ Subject to rounding

Royal London FTSE® 350 Tracker Fund

Investment Objectives and Policies

The investment objective and policy of the Fund is to aim to achieve the total return of the FTSE® 350 Index by investing primarily in the securities that make up the FTSE® 350 Index.

Assets

The Fund may hold transferable securities, (including Exchange Traded Funds which are closed ended funds, but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014 the return from the Royal London FTSE® 350 Tracker Fund was 7.7%. This compares with a return on the FTSE® 350 Index of 8.7%. This difference is mainly due to the timing of the fund pricing, the fund being priced at midday while the index is priced at the end of the day.

Portfolio Commentary

The aim of the fund is to track the total return of the FTSE® 350 Index. This index comprises the largest 100 companies plus the 250 mid-capitalised companies in the UK market. Together these companies make up approximately 86% of the UK market.

We use an optimiser to help construct a portfolio designed to track the performance of the benchmark without necessarily holding all the constituents in their exact benchmark weights. The optimiser uses an algorithm which minimises tracking risk, based on a multi factor model and associated covariance matrix. This gives the flexibility not to trade every index or cash flow event. In this way we can minimise the trading costs within the fund whilst achieving good index tracking.

Whilst the fund is not fully replicating, in practice it may hold most of the index constituents in weightings very close to the index weights. FTSE® futures are used for cash management purposes.

Vicky Harriss
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London FTSE® 350 Tracker Fund

(continued)

Fund Facts			
	As at	Z Inc Shares³	Z Acc Shares
Sedol Number		B523R00	B523MH2
Initial Charge		0.00%	0.50%
Initial Commission		0.00%	0.00%
Annual Management Charge (AMC)		0.10%	0.10%
Ongoing Charges Figure (OCF) ¹	28/02/14	0.12%	0.12%
Portfolio Turnover Rate	28/02/14	0%	0%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6	6
Launch Date (See notes overleaf)		05/11/2008	26/02/2010
Fund Type		Authorised OEIC Fund	
Domiciled		UK	
Distribution Calculation Dates (XD)		1 March & 1 September	
Distribution Payment Dates		30 April & 31 October	

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

³ Note Class Z Inc is limited issuance and available only at the discretion of the Manager.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
Z Inc Shares	224,988	111.92
Z Acc Shares	3,296,622	134.27

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	Z Inc Shares	113.20	106.40	1.14
	Z Acc Shares	134.50	126.40	1.35
2013	Z Inc Shares	111.10	97.28	3.41
	Z Acc Shares	132.00	111.80	3.94
2012	Z Inc Shares	96.47	85.01	3.16
	Z Acc Shares	110.90	95.74	3.56
2011	Z Inc Shares	97.77	78.00	2.78
	Z Acc Shares	106.40	86.73	3.01
2010 ²	Z Inc Shares	95.40	77.46	1.59
	Z Acc Shares	102.70	81.82	1.68

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 26 February 2010

Royal London FTSE® 350 Tracker Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London FTSE® 350 Tracker Fund A	12.68	9.18	17.41
IMA UK All Companies Sector Average	19.33	11.20	18.70
Relative Out-Performance	-6.65	-2.02	-1.29

The sub-fund was launched on 26 February 2010 and first priced on 1 March 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London FTSE® 350 Tracker Trust launched on 20 July 2007.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
 Holding	28/02/14 % Holding	 Holding	31/08/13 % Holding
HSBC Holdings (London listed)	5.70	HSBC Holdings (London listed)	6.41
BP	4.50	Vodafone Group	5.11
Royal Dutch Shell 'A'	4.08	BP	4.28
GlaxoSmithKline	3.90	GlaxoSmithKline	4.11
Vodafone Group	3.18	Royal Dutch Shell 'A'	4.00
British American Tobacco	2.95	British American Tobacco	3.17
Royal Dutch Shell 'B'	2.74	Royal Dutch Shell 'B'	2.81
AstraZeneca	2.43	Diageo	2.52
Diageo	2.26	BG Group	2.11
Rio Tinto	2.04	BHP Billiton	2.01

Sector Breakdown

	28/02/14 %	31/08/13 %
Financials	22.84	22.16
Oil & Gas	14.49	14.78
Consumer Goods	13.39	13.37
Consumer Services	10.77	10.39
Industrials	9.88	9.46
Basic Materials	8.17	8.00
Healthcare	7.98	7.40
Telecommunications	5.12	6.77
Utilities	3.68	3.84
Technology	1.42	1.53
Futures	0.08	0.03
Cash and net other assets	2.18	2.27
Total¹	100.00	100.00

¹ Subject to rounding

Royal London Japan Tracker Fund

Investment Objectives and Policies

The Fund aims to achieve the capital return of the FTSE® World Japan Index by investment primarily in the securities that make up the FTSE® World Japan Index.

Assets

The Fund may hold transferable securities, collective investment schemes (including Exchange Traded Funds), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014 the return from the Japan Tracker Fund was -1.4%. This compares with a capital return on the FTSE® World Japan Index of -2.9%. This difference can be explained by a combination of the timing of the fund pricing, the fund being priced at midday while the index is priced at the end of the day, and the impact of income within the fund.

Portfolio Commentary

The aim of the fund is to track the capital return of the FTSE® World Japan Index. This index represents approximately 98% of the Japanese stock market.

We use an optimiser to help construct a portfolio designed to track the performance of the benchmark without necessarily holding all the constituents in their exact benchmark weights. The optimiser uses an algorithm which minimises tracking risk, based on a multi factor model and associated covariance matrix. This gives the flexibility not to trade every index or cash flow event. In this way we can minimise the trading costs within the fund whilst achieving good index tracking.

Whilst the fund is not perfectly replicating, in practice it holds all or most of the benchmark constituents in weightings very close to the index weights. Japan stock market futures are used for cash management purposes.

Vicky Harriss
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London Japan Tracker Fund

(continued)

Fund Facts		
	As at	Z Acc Shares
Sedol Number		B52R649
Initial Charge		0.00%
Initial Commission		0.00%
Annual Management Charge (AMC)		0.20%
Ongoing Charges Figure (OCF) ¹	28/02/14	0.25%
Portfolio Turnover Rate	28/02/14	70%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6
Launch Date (See notes overleaf)		26/02/10
Fund Type		Authorised OEIC Fund
Domiciled		UK
Distribution Calculation Dates (XD)		1 March & 1 September
Distribution Payment Dates		30 April & 31 October

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
Z Shares	620,142	143.47

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	Z Shares	154.00	138.90	0.96
2013	Z Shares ³	165.00	120.60	1.10
	M Shares ²	147.40	122.30	1.01
	A Shares	n/a	n/a	0.70
2012	A Shares	130.60	114.60	1.65
	M Shares	131.80	116.10	2.29
2011	A Shares	141.10	113.30	1.23
	M Shares	141.70	114.10	1.88
2010 ⁴	A Shares	139.90	118.40	0.63
	M Shares	140.40	118.60	0.09

Single priced ICVC sub-fund

¹ To 28 February 2014

² Closed on 25 March 2013

³ On 25 March 2013 Shareholders in Class A – Retail Accumulation converted to Class Z – Institutional Accumulation.

⁴ From launch on 26 February 2010 for Class A and 20 April 2010 for Class M.

Royal London Japan Tracker Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London Japan Tracker Z	3.53	0.97	9.16
IMA Japan Sector Average	5.77	2.63	8.75
Relative Out-Performance	-2.24	-1.66	+0.41

The sub-fund was launched on 26 February 2010 and first priced on 1 March 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London Japan Growth Trust launched on 30 April 1985.

The fund converted from an active growth fund to a tracker fund on 25 March 2013. This change is reflected in past performance history.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
 Holding	28/02/14 % Holding	 Holding	31/08/13 % Holding
Toyota Motor	5.12	Toyota Motor	5.74
Mitsubishi UFJ Financial Group	2.76	Mitsubishi UFJ Financial Group	2.97
Softbank	2.39	Honda Motor	2.32
Honda Motor	2.17	Sumitomo Mitsui Financial Group	2.13
Sumitomo Mitsui Financial Group	2.02	Softbank	2.12
Mizuho Financial Group	1.65	Mizuho Financial Group	1.75
Takeda Pharmaceutical Company	1.25	Japan Tobacco	1.41
Japan Tobacco	1.25	Takeda Pharmaceutical Company	1.26
Hitachi	1.23	Canon	1.22
Canon	1.19	Mitsubishi Estate	1.18

Sector Breakdown

	28/02/14 %	31/08/13 %
Consumer Goods	23.61	23.76
Industrials	21.62	20.30
Financials	17.83	19.21
Consumer Services	9.07	9.58
Healthcare	6.40	6.09
Basic Materials	6.11	6.53
Telecommunications	5.11	4.64
Technology	4.90	4.28
Utilities	2.53	2.73
Oil & Gas	1.11	1.15
Futures	(0.04)	(0.05)
Cash and net other assets	1.75	1.78
Total¹	100.00	100.00

¹ Subject to rounding

Royal London UK All Share Tracker Fund

Investment Objectives and Policies

The Fund seeks to achieve long term total return from capital and income through investment in UK equities from within the All Share Index.

Assets

The Fund may hold transferable securities (including Exchange Traded Funds which are closed-ended funds), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014 the return from the Royal London UK All Share Tracker Fund was 7.1%. This compares with a return on the FTSE® All Share Index of 8.8%. Some of this difference is due to a negative price swing between the start and the end of the period. The remainder is due to the timing of the fund pricing, the fund being priced at midday while the index is priced at the end of the day.

Portfolio Commentary

The aim of the fund is to track the total return of the FTSE® All-Share Index. This index comprises the FTSE® large, mid and small capitalisation indices and represents approximately 98% of the UK market.

We use an optimiser to help construct a portfolio designed to track the performance of the benchmark without necessarily holding all the constituents in their exact benchmark weights. The optimiser uses an algorithm which minimises tracking risk, based on a multi factor model and associated covariance matrix. This gives the flexibility not to trade every index or cash flow event. In this way we can minimise the trading costs within the fund whilst achieving good index tracking.

Whilst the fund is not perfectly replicating, in practice it holds all or most of the benchmark constituents in weightings very close to the index weights. FTSE® futures are used for cash management purposes.

Vicky Harriss
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London UK All Share Tracker Fund

(continued)

Fund Facts		
	As at	Z Acc Shares
Sedol Number		B533V41
Initial Charge		0.00%
Initial Commission		0.00%
Annual Management Charge (AMC)		0.10%
Ongoing Charges Figure (OCF) ¹	28/02/14	0.15%
Portfolio Turnover Rate	28/02/14	2%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6
Launch Date (See notes overleaf)		26/02/10
Fund Type		Authorised OEIC Fund
Domiciled		UK
Distribution Calculation Dates (XD)		1 March & 1 September
Distribution Payment Dates		30 April & 31 October

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
Z Shares	555,026	156.50

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	Z Shares	157.70	148.30	1.53
2013	Z Shares	154.80	130.20	4.54
2012	Z Shares	129.70	110.90	4.09
2011	Z Shares	123.60	100.80	3.50
2010 ²	Z Shares	119.20	95.00	1.91

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 26 February 2010

Royal London UK All Share Tracker Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London UK All Share Tracker Fund Z	12.28	9.31	17.62
IMA UK All Companies Sector Average	19.33	11.20	18.70
Relative Out-Performance	-7.05	-1.89	-1.08

The sub-fund was launched on 26 February 2010 and first priced on 1 March 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London UK All Share Tracker Trust launched on 4 September 2008.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
 Holding	28/02/14 % Holding	 Holding	31/08/13 % Holding
HSBC Holdings (London listed)	5.43	HSBC Holdings (London listed)	6.35
BP	4.29	Vodafone Group	5.06
Royal Dutch Shell 'A'	3.88	BP	4.24
GlaxoSmithKline	3.72	GlaxoSmithKline	4.07
Vodafone Group	3.03	Royal Dutch Shell 'A'	3.96
British American Tobacco	2.81	British American Tobacco	3.14
Royal Dutch Shell 'B'	2.62	Royal Dutch Shell 'B'	2.79
AstraZeneca	2.31	Diageo	2.50
Diageo	2.16	BG Group	2.09
Rio Tinto	1.95	BHP Billiton	1.99

Sector Breakdown

	28/02/14 %	31/08/13 %
Financials	23.41	23.31
Oil & Gas	13.93	14.70
Consumer Goods	12.89	13.33
Consumer Services	10.62	10.52
Industrials	10.05	9.78
Basic Materials	7.87	7.97
Healthcare	7.65	7.36
Telecommunications	4.89	6.70
Utilities	3.52	3.79
Technology	1.47	1.56
Futures	0.04	0.00
Corporate Preference	0.03	0.00
Cash and net other assets	3.63	0.98
Total¹	100.00	100.00

¹ Subject to rounding

Royal London UK Equity Fund

Investment Objectives and Policies

The investment objective and policy of the Fund is to achieve capital growth by investing primarily in a broad portfolio of quoted UK stocks and shares.

Assets

The Fund may hold transferable securities, (including Exchange Traded Funds which are closed ended funds, but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Fund Performance

During the 6 month period ending 28 February 2014 the fund gave a total return of 11.0%, against an 8.8% return from the FTSE® All Share Index and 11.2% from the IMA UK All Companies peer group.

Portfolio Commentary

The UK economic recovery gathered momentum in the second half of 2013, providing a supportive background for the equity market. The global economy also improved, with the Eurozone tentatively emerging from recession while confidence in the US recovery strengthened despite a partial government shutdown in October caused by the impasse over raising the debt ceiling, and some very severe weather conditions at the end of the year. Uncertainties persisted in Asia, as the Japanese economy's recovery started to moderate despite unprecedented monetary stimulation. In China the economy's growth rate picked up slightly in the second half of the year, but the outlook remained uncertain with the Communist Party's Third Plenum in November highlighting the need to rebalance demand from investment and exports towards consumption and taxes, implying lower future growth rates. Disappointing growth from emerging markets economies also created pressure on their currencies, which was exacerbated by the Federal Reserve's (the Fed) decision in January 2014 to commence a "tapering" of its Quantitative Easing (QE) programme, leading to raised concerns that this would cause a withdrawal of liquidity from developing economies.

The UK stock market rose by around 6% between August and the end of 2013, finishing the year close to an all-time high, but then made a poor start to 2014, falling by 3% in January following the Fed's decision on QE tapering. However the weakness was relatively short lived and the FTSE® All Share Index reached a new high in February, helped by strong liquidity flows back

into equities as investors recycled the substantial proceeds resulting from the completion of Vodafone Group's planned return of capital to shareholders, following the \$130bn sale of Vodafone Group's stake in Verizon Wireless to Verizon Communications. The capital return amounted to more than £50bn and was in the form of a special cash dividend plus shares in the US listed Verizon Communications.

General UK corporate newsflow over the last six months was somewhat mixed. The more positive updates came from companies exposed to the improving consumer background in the UK, including those in the travel and leisure sectors, general retailers and housebuilders, plus companies in the life assurance and general financials sector who have benefited from the continuation of a very low interest rate environment and rising asset values. In addition, dividend growth has surprised to the upside, reflecting the strength of corporate balance sheets. The weakest performances over the period have come from the resource sectors, largely due to the disappointing growth seen in China, and consumer goods stocks, which have suffered from slowing demand growth in emerging markets. The food retailing sector was a notably poor performer over the six months. The structural challenges facing the sector, due to an over-saturated market and fierce competition, led to a series of profit warnings, most notably from Tesco and William Morrison.

The portfolio retained its bias towards more cyclically oriented sectors of the market, which was beneficial to fund performance in the period. The main purchases in the period included software company Sage, which offers an attractive combination of exposure to improving confidence amongst SME's as the economic background improves, but also has defensive qualities due to a high proportion of recurring revenue from its subscription based customers; engineering company Smiths Group, whose shares are attractively valued given their

businesses occupy strong market positions with good cash generation; specialist lender International Personal Finance, which is seeing strong growth in its new markets, especially Mexico; and National Grid, which we view as relatively well positioned and less vulnerable to political interference than other utility stocks.

The main disposals in the period included the holding in AZ Electronic Materials, which was the subject of an agreed takeover offer from German drugs and chemicals group Merck; Standard Chartered, where the weak trend in emerging markets has created risks around its earnings outlook and capital position; and Verizon Communications, where the fund sold its share allocation arising from the distribution by Vodafone Group.

Portfolio Outlook

We continue to expect modestly improving global growth, led by the US, to provide a supportive background for equity markets, and strong corporate balance sheets should underpin robust dividend growth. The economic environment remains challenging, however, given that the banking system is still in the process of deleveraging; austerity measures continue to exert deflationary pressures, particularly in Europe; the US is starting to moderate its programme of monetary stimulus; and that the outlook for emerging markets and the Chinese economy is still opaque. In addition, market volatility arising from geopolitical events may well be a recurrent theme in a world where the USA is less willing to act in a role of global policeman. However, we continue to believe that companies with strong market positions and business models can deliver growth over the medium term despite an uncertain market background.

Ivor Pether
Fund Manager
February 2014

Royal London UK Equity Fund

(continued)

Fund Facts			
	As at	A Acc Shares	M Acc Shares
Sedol Number		B66DT18	B67MDN4
Initial Charge		4.00%	0.00%
Initial Commission		4.00%	0.00%
Annual Management Charge (AMC)		1.25%	0.62%
Ongoing Charges Figure (OCF) ¹	28/02/14	1.29%	0.66%
Portfolio Turnover Rate	28/02/14	37%	37%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6	6
Launch Date (See notes overleaf)		05/11/10	01/05/12
Fund Type		Authorised OEIC Fund	
Domiciled		UK	
Distribution Calculation Dates (XD)		1 March & 1 September	
Distribution Payment Dates		30 April & 31 October	

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
A Shares	501,809	919.10
M Shares	956	129.64

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	A Shares	919.50	861.60	4.82
	M Shares	129.70	121.50	1.06
2013	A Shares	896.70	748.30	17.51
	M Shares	126.30	104.90	2.35
2012	A Shares	740.20	658.60	16.18
	M Shares ³	103.70	91.94	1.19
2011	A Shares	737.60	600.20	10.47
2010 ²	A Shares	726.00	669.50	n/a

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 5 November 2010

³ From launch on 1 May 2012

Royal London UK Equity Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London UK Equity Fund A	15.94	8.62	16.33
IMA UK All Companies Sector Average	19.33	11.20	18.70
Relative Out-Performance	-3.39	-2.58	-2.37

The sub-fund was launched on 5 November 2010 and first priced on 8 November 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London UK Equity Trust launched on 01 August 1997.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
 Holding	28/02/14 % Holding	 Holding	31/08/13 % Holding
HSBC Holdings (London listed)	5.52	HSBC Holdings (London listed)	6.60
Royal Dutch Shell 'B'	4.92	Royal Dutch Shell 'B'	5.06
Rio Tinto	4.68	GlaxoSmithKline	4.93
GlaxoSmithKline	4.50	Vodafone Group	4.76
BP	3.56	Rio Tinto	4.17
Ashtead Group	2.68	BP	3.49
Legal & General	2.61	BG Group	2.74
Shire	2.60	BT Group	2.58
BT Group	2.50	Legal & General	2.24
Vodafone Group	2.41	Ashtead Group	2.21

Sector Breakdown

	28/02/14 %	31/08/13 %
Financials	23.47	23.82
Oil & Gas	14.38	15.29
Industrials	14.66	11.35
Healthcare	9.72	9.19
Consumer Services	9.42	9.17
Basic Materials	7.33	8.85
Consumer Goods	7.20	7.96
Telecommunications	4.91	7.34
Utilities	3.57	3.03
Technology	2.83	1.35
Cash and net other assets	2.51	2.65
Total¹	100.00	100.00

¹ Subject to rounding

Royal London UK Equity Income Fund

Investment Objectives and Policies

The investment objective and policy of the Fund is to achieve a combination of income and some capital growth by investing mainly in UK higher yielding and other equities, as well as convertible stocks.

Assets

The Fund may hold transferable securities, (including Exchange Traded Funds which are closed ended funds, but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014 the fund gave a total return of 14.6%, against 8.8% for the benchmark (FTSE® All share Index) and 10.1% for the IMA UK Equity Income peer group.

The fund's performance against competitor funds over the last six months benefited from a range of positive stock contributions, including Booker, WH Smith, Ricardo, Close Brothers, AZ Electronic Materials, AstraZeneca and WS Atkins. AZ Electronic Materials announced an agreed cash offer for their company at more than a 50% premium to the prevailing share price from Merck, the European pharmaceutical company. Cineworld and Intu Properties both detracted from performance.

Portfolio Commentary

During the six months under review the fund has continued to target companies that offer sustainable and growing dividends, with a focus on cashflow, robust balance sheets and international earnings. The shape of the fund has remained broadly unchanged over the last six months and new money received has been largely used to add to existing holdings.

The main thrust of activity during the period has been taking some profits in stocks that have done well and no longer offer a particularly high dividend yield and reinvesting the money into higher yielding equities. This has helped maintain the running yield of the fund and has offset some of the effect of the relative running yield falling due to the fund continuing to outperform. The fund reduced its positions in Home Retail Group, Essentra, and Ricardo. It also completely sold out of AZ Electronic Materials (post the bid). All these shares had done well and no longer offer such compelling dividend yields. In addition, the fund sold out of Daily Mail & General Trust; the shares have performed well, the dividend yield had fallen

to 2.3% and in our opinion the valuation looks a bit rich at 10.2 times EV/EBITDA for the year to September 2014.

During January and February the fund increased its holding in British American Tobacco, taking advantage of relative share price weakness. The purchase was in part funded by reducing Vodafone Group. BAT yields over 4.5% and its growing dividend is well covered by annual cashflow with money left over for buybacks each year. Medium term the company should be capable of mid-single digit growth using current broker forecasts. Vodafone Group's valuation now looks much fuller given outperformance by the shares and consensus earnings downgrades over the last 12 months. A bid for Vodafone Group is still possible in due course, but getting European regulatory approval could still be problematic for a US bidder. Verizon Communications was demerged from Vodafone Group and these shares were sold towards the end of the period under review.

Portfolio Outlook

Politics in the UK are likely to have a higher stock market profile as we enter an extended pre-election period. We have already seen energy prices in the UK become a political football and expect more sectors to follow. We have avoided Centrica for many years in part because of this risk. Political risk will be an emerging theme as 2014 progresses and we do not feel it is currently priced into many stocks. Any business model dependent on Government subsidies is potentially vulnerable to politicisation and we are currently avoiding a number of stocks for this reason.

Mergers and acquisitions are also likely to be a theme of 2014 as business confidence starts to recover against a background of improving economic activity. IPO activity has continued to be strong so far in 2014. We think that if stock market conditions continue to be supportive then there are plenty of new issues in the pipeline

that will be launched during 2014. Historically there has been a strong correlation between takeover activity and new issues. When business confidence improves sufficiently, acquisitions may well be seen as a route forward for large companies who are becalmed by anaemic economic growth to step up their growth rates. The overall strength of corporate balance sheets and cashflows will enable companies to prioritise this and dividends. It is one of the reasons for our preference for mid cap shares over mega cap companies, who are typically bid proof and far more likely to be doing the taking over of their smaller brethren.

Geopolitical developments, such as those in Ukraine, are an extraneous risk and may lead to increased stock market volatility. However, the underlying tone of the market remains firm with a buoyant IPO market and support from Vodafone Group money being reinvested. Quantitative tapering continues to have a negative impact on certain emerging market economies, especially those that have deficits to fund externally, and we have seen further currency related downgrades across a broad range of UK companies with overseas earnings in February.

Overall stock market valuations remain undemanding and we continue to believe that stock markets can continue to do well against a background of anaemic economic growth. We see no reason why we should not see further progress for the stock market as 2014 progresses.

Martin Cholwill
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London UK Equity Income Fund

(continued)

Fund Facts					
	As at	A Inc Shares	M Inc Shares	M Acc Shares	Z Inc Shares
Sedol Number		B67N865	B3M9JJ7	B8Y4ZB9	BG48LT7
Initial Charge		4.00%	0.00%	0.00%	0.00%
Initial Commission		4.00%	0.00%	0.00%	0.00%
Annual Management Charge (AMC)		1.25%	0.62%	0.62%	0.55%
Ongoing Charges Figure (OCF) ¹	28/02/14	1.30%	0.67%	0.67%	0.60%
Portfolio Turnover Rate	28/02/14	20%	20%	20%	20%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6	6	6	6
Launch Date (See notes overleaf)		05/11/10	05/11/10	27/11/12	02/12/13
Fund Type	Authorised OEIC Fund				
Domiciled	UK				
Distribution Calculation Dates (XD)	1 September, 1 December, 1 March & 1 June				
Distribution Payment Dates	31 October, 31 January, 30 April & 31 July				

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
A Shares	312,781	702.69
M Inc Shares	347,370	717.26
M Inc Shares	63,117	145.87
Z Inc Shares	528,740	107.34

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	A Shares	707.40	663.70	4.13
	M Inc Shares	722.10	677.20	4.21
	M Inc Shares	145.99	136.92	0.85
	Z Inc Shares	108.10	101.30	0.63
2013	A Shares	678.80	535.50	23.27
	M Inc Shares	692.20	542.70	23.66
	M Acc Shares	139.95	105.65	4.67
	Z Inc Shares ²	103.60	98.92	n/a
2012	A Shares	530.20	455.40	21.49
	M Inc Shares	537.10	459.70	21.69
	M Acc Shares ³	104.60	100.10	0.11
2011	A Shares	511.12	422.41	21.14
	M Inc Shares	513.21	424.44	21.22
2010 ⁴	A Shares	489.00	459.30	0.91
	M Inc Shares	489.40	459.50	0.91

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 22 November 2013

³ From launch on 27 November 2012

⁴ From launch on 5 November 2010

Royal London UK Equity Income Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London UK Equity Income Fund A	28.42	17.64	22.33
IMA UK Equity Income Sector Average	18.55	11.59	17.28
Relative Out-Performance	+9.87	+6.05	+5.05

The sub-fund was launched on 5 November 2010 and first priced on 8 November 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London Equity Income Trust launched on 11 April 1984.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
 Holding	28/02/14 % Holding	 Holding	31/08/13 % Holding
HSBC Holdings (London listed)	5.04	HSBC Holdings (London listed)	5.08
Royal Dutch Shell 'B'	4.48	Royal Dutch Shell 'B'	4.63
AstraZeneca	4.33	AstraZeneca	3.77
British American Tobacco	4.08	BP	3.43
BP	3.40	Vodafone Group	2.93
WH Smith	2.55	GlaxoSmithKline	2.58
Close Brothers	2.46	BBA	2.35
Restaurant Group	2.45	Restaurant Group	2.35
Berendsen	2.40	Rio Tinto	2.31
Rio Tinto	2.37	Berendsen	2.30

Sector Breakdown

	28/02/14 %	31/08/13 %
Industrials	26.43	27.86
Financials	26.25	24.43
Consumer Services	13.23	14.06
Oil & Gas	7.88	8.06
Healthcare	6.64	6.35
Utilities	6.09	5.92
Consumer Goods	5.20	2.88
Basic Materials	4.31	5.43
Telecommunications	2.86	4.68
Cash and net other assets	1.11	0.33
Total¹	100.00	100.00

¹ Subject to rounding

Royal London UK Ethical Equity Fund

Investment Objectives and Policies

The Fund seeks to achieve capital growth and income over the medium to long term by investing predominantly in shares of UK companies which meet the Fund's predefined ethical criteria.

A full specification of the ethical criteria is available from the Manager upon request.

Assets

The Fund may hold transferable securities, (including Exchange Traded Funds which are closed ended funds, but not those which are collective investment schemes), deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only.

Ethical Criteria

A full specification of the ethical criteria is available from the Manager upon request.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014 the fund gave a total return of 15.4% against 8.8% by the FTSE® All Share benchmark and 11.2% from the IMA UK All Companies peer group.

Portfolio Commentary

The six months under review saw a general improvement in the UK economic outlook, driven in part by the strong recovery in the housing market. This was reflected in the beginnings of a recovery in house prices outside London, a pick-up in housing transactions as well as a significant pick up in housing construction. The US also saw a modest but broad based recovery, whilst sentiment towards Europe recovered sharply – this was most noticeable in the big falls in Spanish and Italian bond yields. Chinese growth excited a lot of commentary, particularly in the first few months of 2014 as the market became yet again concerned over the perceived 'slowdown' in Chinese economic growth.

There were several good performances, but the one that shone in terms of contribution to fund performance was Trinity Mirror, which rose 92% on the back of several very positive trading updates. Entertainment One did well as the market became more appreciative of the value within its Film and TV operations. International Consolidated Airlines Group (IAG) (formerly British Airways), Northgate and the house builders were the other positive contributors. Our long standing zero weighting in the food retailers also contributed to fund performance as the whole sector struggled in the face of several strategic pressures, the most notable of which being the continued rise of the 'hard discounters' such as ALDI. Despite the poor share price performance of the sector, we have no desire to change our bearish stance.

Oil exploration shares remained out of favour and this detracted from fund performance. Premier Oil suffered from poor production growth as did BG. We also got caught by the February profit warning from Tate and Lyle.

The fund is invested using pre-defined ethical criteria. Ethical screening is provided by independent research company EIRiS.

Portfolio Outlook

The UK stock market has done well over the last twelve months, helped by buoyant markets internationally and a better economic outlook here and in the USA. However the US authorities are now signalling that quantitative easing will be scaled back and this has created some uncertainty in financial markets, particularly in emerging market currencies. This has put huge pressure on the highly rated consumer staples stocks, an area the fund has little exposure to. However we are also seeing heightened investor nervousness over China.

The overall strength of corporate balance sheets and ongoing strong cashflows should encourage merger and acquisition activity in due course, which will be supportive of the market. Business confidence is picking up and we are seeing a very strong pick up in initial public offering (IPO) activity. Whilst valuations are not as attractive as they were twelve months ago, the outlook for equities remains broadly positive, particularly against other asset classes.

Bradley Mitchell
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London UK Ethical Equity Fund

(continued)

Fund Facts			
	As at	M Inc Shares	M Acc Shares
Sedol Number		B5B49T7	B7ZPQG6
Initial Charge		0.00%	0.00%
Initial Commission		0.00%	0.00%
Annual Management Charge (AMC)		0.70%	0.70%
Ongoing Charges Figure (OCF) ¹	28/02/14	0.86%	0.86%
Portfolio Turnover Rate	28/02/14	73%	73%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6	6
Launch Date (See notes overleaf)		09/05/11	26/11/12
Fund Type		Authorised OEIC Fund	
Domiciled		UK	
Distribution Calculation Dates (XD)		1 March & 1 September	
Distribution Payment Dates		30 April & 31 October	

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
M Inc Shares	7,365	129.92
M Acc Shares	9,003	139.59

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	M Inc Shares	131.20	122.50	1.09
	M Acc Shares	139.76	130.57	1.16
2013	M Inc Shares	126.00	103.40	3.60
	M Acc Shares	134.30	106.77	3.27
2012	M Inc Shares	102.20	86.84	3.18
	M Acc Shares ²	105.50	99.87	n/a
2011 ³	M Inc Shares	102.60	78.91	0.97

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 26 November 2012

³ From launch on 9 May 2011

Royal London UK Ethical Equity Fund

(continued)

Fund vs Sector Average Out-Performance

	1 year %
Royal London UK Ethical Equity Fund	23.35
IMA UK All Companies Sector Average	19.33
Relative Out-Performance	+4.02

The sub-fund was launched on 9 May 2011 and first priced on 10 May 2011,

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	28/02/14 % Holding	Holding	31/08/13 % Holding
Rio Tinto	5.23	HSBC Holdings (London listed)	5.37
Royal Dutch Shell 'B'	5.13	Rio Tinto	4.89
Ashtead Group	4.09	Royal Dutch Shell 'B'	4.65
HSBC Holdings (London listed)	3.99	BG Group	3.99
Shire	3.30	ITV	2.97
ITV	3.01	BP	2.79
BG Group	2.86	Ashtead Group	2.76
BP	2.77	Shire	2.63
Aviva	2.59	United Utilities	2.56
TUI Travel	2.46	AstraZeneca	2.53

Sector Breakdown		
	28/02/14	31/08/13
	%	%
Financials	23.91	26.45
Oil & Gas	19.14	17.31
Consumer Services	16.48	16.20
Industrials	10.06	7.86
Basic Materials	8.83	8.51
Healthcare	8.16	7.17
Utilities	4.69	6.17
Consumer Goods	4.09	4.44
Telecommunications	1.96	4.00
Cash and net other assets	2.68	1.89
Total¹	100.00	100.00

¹ Subject to rounding

Royal London UK Growth Fund

Investment Objectives and Policies

The investment objective and policy of the Fund is to actively seek capital growth through investing predominantly in UK equities.

Assets

To achieve this objective the Fund may hold transferable securities, including Exchange Traded Funds (but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014 the fund gave a total return of 12.8% against 8.8% by the FTSE® All Share benchmark and 11.2% from the IMA UK All Companies peer group.

Portfolio Commentary

The six months under review saw a general improvement in the UK economic outlook, driven in part by the strong recovery in the housing market. This was reflected in the beginnings of a recovery in house prices outside London, a pick-up in housing transactions as well as a significant pick up in housing construction. The US also saw a modest but broad based recovery, whilst sentiment towards Europe recovered sharply – this was most noticeable in the big falls in Spanish and Italian bond yields. Chinese growth excited a lot of commentary, particularly in the first few months of 2014 as the market became yet again concerned over the perceived 'slowdown' in Chinese economic growth.

There were several good performances, but the one that shone in terms of contribution to fund performance was Trinity Mirror, which rose 92% on the back of several very positive trading updates. International Consolidated Airlines Group (IAG) (formerly British Airways), Northgate and the house builders were the other positive contributors. Our long standing zero weighting in the food retailers also contributed to fund performance as the whole sector struggled in the face of several strategic pressures, the most notable of which being the continued rise of the 'hard discounters' such as ALDI. Despite the poor share price performance of the sector, we have no desire to change our bearish stance. We also avoided the outsourcing companies such as G4S and SERCO that struggled in the wake of several 'over-charging' scandals. Our one stock in this area is Advanced Computer Software, which performed extremely well.

Oil exploration shares remained out of favour and this detracted from fund performance. Premier Oil suffered from poor production growth as did BG Group. We also got caught by the February profit warning from Tate and Lyle.

Portfolio Outlook

The UK stock market has done well over the last twelve months, helped by buoyant markets internationally and a better economic outlook here and in the USA. However the US authorities are now signalling that quantitative easing will be scaled back and this has created some uncertainty in financial markets, particularly in emerging market currencies. This has put huge pressure on the highly rated consumer staples stocks, an area the fund has little exposure to. However we are also seeing heightened investor nervousness over China.

The overall strength of corporate balance sheets and ongoing strong cashflows should encourage merger and acquisition activity in due course, which will be supportive of the market. Business confidence is picking up and we are seeing a very strong pick up in initial public offering (IPO) activity. Whilst valuations are not as attractive as they were twelve months ago, the outlook for equities remains broadly positive, particularly against other asset classes.

Bradley Mitchell
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London UK Growth Fund

(continued)

Fund Facts			
	As at	A Acc Shares	M Acc Shares
Sedol Number		B63H3D3	B63DTG6
Initial Charge		4.00%	0.00%
Initial Commission		4.00%	0.00%
Annual Management Charge (AMC)		1.25%	0.62%
Ongoing Charges Figure (OCF) ¹	28/02/14	1.29%	0.64%
Portfolio Turnover Rate	28/02/14	63%	63%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6	6
Launch Date (See notes overleaf)		30/04/10	17/05/12
Fund Type		Authorised OEIC Fund	
Domiciled		UK	
Distribution Calculation Dates (XD)		1 September & 1 March	
Distribution Payment Dates		31 October & 30 April	

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
A Shares	489,485	274.69
M Shares	589	140.37

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014*	A Shares	275.34	256.50	0.65
	M Shares	140.70	131.03	0.74
2013	A Shares	264.99	220.72	4.29
	M Shares ²	135.28	111.93	2.91
2012	A Shares	222.70	192.70	3.52
	M Shares ²	110.42	97.33	0.88
2011	A Shares	223.00	170.80	2.93
2010***	A Shares	218.60	167.50	1.41

Single priced ICVC sub-fund

* To 28 February 2014

² From launch on 17 May 2012

³ From launch on 30 April 2010

Royal London UK Growth Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London UK Growth Fund A	17.53	8.24	18.45
IMA UK All Companies Sector Average	19.33	11.20	18.70
Relative Out-Performance	-1.80	-2.96	-0.25

The sub-fund was launched on 30 April 2010 and first priced on 4 May 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London UK Growth Trust launched on 4 August 1997.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
 Holding	28/02/14 % Holding	 Holding	31/08/13 % Holding
Rio Tinto	5.25	HSBC Holdings (London listed)	6.32
HSBC Holdings (London listed)	5.20	Royal Dutch Shell 'B'	5.18
Royal Dutch Shell 'B'	4.96	Rio Tinto	5.14
Ashtead Group	4.71	BG Group	4.03
BP	3.86	BP	4.00
Shire	3.45	GlaxoSmithKline	3.89
GlaxoSmithKline	3.27	Ashtead Group	3.53
ITV	3.27	Shire	2.87
GKN	2.83	ITV	2.62
TUI Travel	2.72	Glencore Xstrata	2.53

Sector Breakdown

	28/02/14 %	31/08/13 %
Oil & Gas	19.98	20.80
Financials	17.66	19.01
Consumer Services	13.38	12.70
Industrials	11.00	9.52
Consumer Goods	10.74	7.43
Healthcare	9.39	9.02
Basic Materials	8.11	9.21
Utilities	4.80	6.01
Telecommunications	1.98	4.20
Technology	0.84	0.45
Cash and net other assets	2.12	1.65
Total¹	100.00	100.00

¹ Subject to rounding

Royal London UK Mid Cap Growth Fund

Investment Objectives and Policies

The Fund seeks to maximise capital growth over the medium to long term, mainly through the investment in medium-sized UK companies. The remainder of investments may consist of larger or smaller companies and Exchange Traded Funds as the Manager deems strategically appropriate.

Assets

The Fund may hold transferable securities, Exchange Traded Funds, and cash. It may also hold derivatives and forward transactions for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014, the fund gave a total return of 17.2% against 16.6% by the FTSE® 250 (ex IT) benchmark and 11.2% from the IMA UK All Companies peer group.

Portfolio Commentary

The deluge of outlook comment for 2014 began with most of it resolutely bullish in tone. However, this outlook can only be achieved as long as the earnings growth story that is suggested by current levels of economic activity finally becomes visible. Without it, a five year bull market based entirely on multiple expansion leaves the market increasingly stretched, even if the valuations on all other risk assets look even more stretched. Happily solid earnings growth is on most strategists' horizons for 2014 with 10% growth a reasonable proxy for where people are.

In the UK, the British Chambers of Commerce quarterly survey – the widest regular business survey in the UK – gave evidence that the economy is booming, with rapid growth in orders, investment and employment. Among manufacturing companies, the readings for employment growth, employment expectations, recruitment difficulties, business confidence and capacity use are all at record highs.

The return of mergers and acquisitions during the period boosted fund performance. AZ Electronic Materials received a bid from Merck at a 53% premium to the prior day's closing price, while both Dixons and Carphone Warehouse were propelled higher following an announcement that the pair were looking to merge. Elsewhere, the approval in the US of a treatment for varicose veins helped BTG to outperform strongly. This should be the start of a multiple upgrade cycle for the stock if management's targets are achieved. St James's Place was another good performer, aided by dividends that are forecast to grow

strongly, while low interest rates should ensure that their equities-based investment proposition continues to attract inflows from its retail clients.

On the downside, Spirent Communications suffered from several earnings downgrades and a change in management, and International Personal Finance suffered a sharp fall after it received a notice from the Polish regulator stating that the way it calculates APR amounts to a collective infringement of consumer interests.

There were four additions to the fund during the period – Bodycote International, which has shown real internal discipline with a focus on margin improvement and strong FCF generation; Cobham, where low valuation metrics and overwhelming negative sentiment more than offsets uncertainty over the US sequester and the scaling down of operations in Afghanistan; Britvic, where there is good earnings upside with multiple revenue drivers combined with a 3% dividend yield; and Investec which has been ravaged by the emerging market sell off and the Rand depreciation, but where management have signalled that a change is underway by looking to sell parts of their Australian banking business, and the UK lender, Kensington.

Making way for the above new holdings were Kenmare Resources and Tyman, while Ashtead Group was sold following its promotion to the FTSE® 100.

Other dealing activity on the fund was centred on reducing the consumer cyclical exposure following very good performance. Currently, the outlook for the UK economy is very buoyant as indicated by the strength of the PMI's and consumer confidence. Strong growth will lead to higher gilt yields which in turn will have an impact on the performance of housebuilders, certain retailers, and builders merchants. Profits were taken in Barratt Developments, Dixons Retail, and Home Retail Group.

Portfolio Outlook

Given today's investor positioning, the pain trades are a bond crash, an EM crash, and G7 stagnation. Investors are now heavily positioned in equities versus bonds, and developed versus emerging markets. Not many think stock markets will fall this year, or that bond yields will decline in 2014. So, while remaining positive, one has to recognise that the consensus is also bullish. The surfeit of liquidity will undoubtedly have unintended consequences and that it would not be surprising if at some point liquidity withdrawal caused a spike in volatility.

The new year has had a difficult start with the market troubled by events unfolding in emerging markets, as well as a disappointing lack of earnings upgrades. Both will weigh on sentiment, with the market unlikely to make any headway while they persist.

Derek Mitchell
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London UK Mid Cap Growth Fund

(continued)

Fund Facts			
	As at	A Acc Shares	M Acc Shares
Sedol Number		B4V70S5	B5BRW42
Initial Charge		4.00%	0.00%
Initial Commission		4.00%	0.00%
Annual Management Charge (AMC)		1.40%	0.70%
Ongoing Charges Figure (OCF) ¹	28/02/14	1.45%	0.75%
Portfolio Turnover Rate	28/02/14	78%	78%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6	6
Launch Date (See notes overleaf)		30/10/09	11/11/09
Fund Type		Authorised OEIC Fund	
Domiciled		UK	
Distribution Calculation Dates (XD)		1 September	
Distribution Payment Dates		31 October	

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
A Shares	202,211	292.23
M Shares	45,161	300.95

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	A Shares	292.50	266.20	n/a
	M Shares	301.20	274.00	n/a
2013	A Shares	276.90	207.20	2.88
	M Shares	284.80	211.70	4.54
2012	A Shares	203.20	162.60	1.90
	M Shares	207.60	165.00	3.02
2011	A Shares	187.70	143.60	1.65
	M Shares	190.00	145.60	2.87
2010	A Shares	176.20	128.70	1.28
	M Shares	177.70	129.30	2.20
2009 ²	A Shares	134.10	123.70	n/a
	M Shares	134.10	126.60	n/a

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 30 October 2009 for Class A and 11 November 2009 for Class M

Royal London UK Mid Cap Growth Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London UK Mid-Cap Growth Fund A	29.77	18.91	27.99
IMA UK All Companies Sector Average	19.33	11.20	18.70
Relative Out-Performance	+10.44	+7.71	+9.29

The sub-fund was launched on 30 October 2009 and first priced on 2 November 2009, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London UK Mid Cap Trust launched on 2 June 2006.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
Holding	28/02/14 % Holding	Holding	31/08/13 % Holding
Barratt Developments	3.00	Michael Page International	3.05
Booker	2.94	Senior	3.02
Close Brothers	2.94	BBA Group	2.94
Howden Joinery Group	2.90	Booker Group	2.92
Thomas Cook Group	2.88	3i Group	2.86
St James's Place	2.84	Countrywide	2.85
Balfour Beatty	2.81	Barratt Developments	2.79
Michael Page International	2.78	Inchcape	2.79
Senior	2.71	Howden Joinery Group	2.77
BBA	2.66	Dixons Retail	2.75

Sector Breakdown

	28/02/14 %	31/08/13 %
Consumer Services	27.84	30.76
Industrials	26.93	24.21
Financials	24.97	22.87
Consumer Goods	8.11	5.54
Oil & Gas	3.57	4.18
Telecommunications	2.25	2.71
Healthcare	2.10	1.61
Basic Materials	1.80	4.18
Technology	1.63	2.14
Cash and net other assets	0.80	1.80
Total¹	100.00	100.00

¹ Subject to rounding

Royal London UK Opportunities Fund

Investment Objectives and Policies

The investment objective and policy of the Fund is to achieve capital growth by exploiting a concentrated portfolio of UK company shares with the potential for above average returns.

Assets

The Fund may hold transferable securities and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014, the fund gave a total return of 15.7% against 8.8% by the FTSE® All Share benchmark and 11.2% from the IMA UK All Companies peer group.

Portfolio Commentary

The deluge of outlook comment for 2014 began with most of it resolutely bullish in tone. However, this outlook can only be achieved as long as the earnings growth story that is suggested by current levels of economic activity finally becomes visible. Without it, a five year bull market based entirely on multiple expansion leaves the market increasingly stretched, even if the valuations on all other risk assets look even more stretched. Happily solid earnings growth is on most strategists' horizons for 2014 with 10% growth a reasonable proxy for where people are.

In the UK, the British Chambers of Commerce quarterly survey – the widest regular business survey in the UK – gave evidence that the economy is booming, with rapid growth in orders, investment and employment. Among manufacturing companies, the readings for employment growth, employment expectations, recruitment difficulties, business confidence and capacity use are all at record highs.

The return of mergers and acquisitions (M&A) during the period boosted fund performance. Carphone Warehouse was propelled higher following an announcement that it was looking to merge with Dixons Group.

Also adding to the good performance was Ashtead Group which continues to be driven by a supportive US macro, and its strong platform for growth. Going forward, it is likely to continue to benefit from a number of positive trends including increased rental penetration, market recovery, market share gains, premium pricing and selected M&A activity. DS Smith was another that

did well, driven by improving volumes and market share gains. Earnings upgrades for International Consolidated Airlines Group (IAG) kept coming, with three clear avenues for progress in the year ahead – the earnings power of British Airways, coupled with the recovery potential at Iberia, and the growth of Vueling.

A profit warning from BG Group was the main surprise during the period. Earnings estimates were reduced by 25% for 2014 and 17% for 2015. The warning related to lower gas exports from Egypt, reduced US capex, and prolonged maintenance on mature assets.

Political risk is also emerging with fifteen months to go to the election. Along with the utilities, banks, and telecoms, the latest area to attract the attention of the politicians is the betting shops. The political focus is on the clustering of shops in areas of deprivation and low income, as well as the number of Fixed Odds Betting Terminal machines in shops, and the amount of time between plays.

There were two additions to the fund during the period – Investec which has been ravaged by the emerging market (EM) sell off and the Rand depreciation, but where management have signalled that a change is underway by looking to sell parts of their Australian banking business, and the UK lender, Kensington; and Aviva, where momentum is gathering that new management will succeed in turning the business around. Radical decisions need to be taken to implement this strategy such as disposal of unprofitable divisions which will greatly improve the cashflow metrics of the business.

Other dealing activity on the fund was centred on reducing the consumer cyclical exposure following very good performance. Currently, the outlook for the UK economy is very buoyant as indicated by the strength of the PMI's and consumer confidence. Strong growth will lead to higher gilt yields which in turn will have an impact on the performance of housebuilders, certain

retailers, and builders merchants. Profits were taken in Persimmon, Travis Perkins, and Home Retail Group.

Portfolio Outlook

Given today's investor positioning, the pain trades are a bond crash, an EM crash, and G7 stagnation. Investors are now heavily positioned in equities versus bonds, and developed versus emerging markets. Not many think stock markets will fall this year, or that bond yields will decline in 2014. So, while remaining positive, one has to recognise that the consensus is also bullish. The surfeit of liquidity will undoubtedly have unintended consequences and that it would not be surprising if at some point liquidity withdrawal caused a spike in volatility.

The new year has had a difficult start with the market troubled by events unfolding in emerging markets, as well as a disappointing lack of earnings upgrades. Both will weigh on sentiment, with the market unlikely to make any headway while they persist.

Derek Mitchell
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London UK Opportunities Fund

(continued)

Fund Facts				
	As at	A Acc Shares	M Acc Shares	M Inc Shares
Sedol Number		B4WMW05	B5BRWCO	B4MB138
Initial Charge		4.00%	0.00%	0.00%
Initial Commission		4.00%	0.00%	0.00%
Annual Management Charge (AMC)		1.40%	0.70%	0.70%
Ongoing Charges Figure (OCF) ¹	28/02/14	1.42%	0.72%	0.72%
Portfolio Turnover Rate	28/02/14	63%	63%	63%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6	6	6
Launch Date (See notes overleaf)		30/10/09	14/04/10	10/11/10
Fund Type	Authorised OEIC Fund			
Domiciled	UK			
Distribution Calculation Dates (XD)	1 September			
Distribution Payment Dates	31 October			

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
A Shares	586,365	159.87
M Inc Shares	993	133.23
M Acc Shares	18,999	164.32

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	A Shares	159.90	149.30	n/a
	M Inc Shares	133.30	124.40	n/a
	M Acc Shares	164.40	153.40	n/a
2013	A Shares	153.60	121.00	2.11
	M Inc Shares	127.90	102.20	2.54
	M Acc Shares	157.70	123.30	3.07
2012	A Shares	121.80	108.10	1.68
	M Inc Shares	104.60	93.00	2.14
	M Acc Shares	123.60	109.80	2.47
2011	A Shares	122.10	92.90	1.44
	M Inc Shares	105.90	79.02	1.65
	M Acc Shares	122.90	93.95	2.26
2010	A Shares	120.20	92.32	0.81
	M Inc Shares ²	104.20	96.08	n/a
	M Acc Shares ³	120.90	93.94	0.57
2009 ⁴	A Shares	98.28	89.28	n/a

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 10 November 2010

³ From launch on 14 April 2010

⁴ From launch on 30 October 2009

Royal London UK Opportunities Fund

(continued)

Fund vs Sector Average Out-Performance

	1 year %	3 years %	5 years %
Royal London UK Opportunities Fund A	23.76	10.71	20.54
IMA UK All Companies Sector Average	19.33	11.20	18.70
Relative Out-Performance	+4.43	-0.49	+1.84

The sub-fund was launched on 30 October 2009 and first priced on 2 November 2009, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London UK Special Situations Trust launched on 20 July 2007.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings

Holding	28/02/14 % Holding	Holding	31/08/12 % Holding
Lloyds Banking Group	4.45	Lloyds Banking Group	4.83
GKN	4.36	ITV	4.43
Ashtead Group	4.05	Legal & General	3.97
ITV	4.03	Ashtead Group	3.72
Legal & General	3.96	HSBC Holdings (London listed)	3.55
International Consolidated Airlines Group	3.69	Barclays	3.41
Rio Tinto	3.59	GKN	3.36
BT Group	3.53	Prudential	3.18
Prudential	3.36	BT Group	3.04
Babcock International Group	3.34	William Hill	2.98

Sector Breakdown

	28/02/14 %	31/08/12 %
Consumer Services	22.63	23.28
Financials	21.66	22.26
Industrials	19.88	19.18
Oil & Gas	9.02	10.21
Consumer Goods	7.97	7.68
Basic Materials	7.43	7.94
Healthcare	6.01	4.60
Telecommunications	3.53	3.04
Cash and net other assets	1.87	1.81
Total¹	100.00	100.00

¹ Subject to rounding

Royal London UK Smaller Companies Fund

Investment Objectives and Policies

The investment objective and policy of the Fund is to achieve capital growth by investing primarily in UK smaller companies.

Assets

The Fund may hold transferable securities, (including Exchange Traded Funds which are closed ended funds, but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014, the return from the Royal London Smaller Companies Fund was 13.0%. This compares with a return on the FTSE® Small Cap ex-Investment Fund Index of 18.1%.

Portfolio Commentary

The fund aims to seek out attractively priced companies with sustainable growth potential and sound financial positions. Our positive outlook for real assets laid out in the August annual report along with the view that the pro-growth environment would favour smaller companies over large has come to fruition over the most recent six months. Smaller companies have significantly outperformed larger equity indices. Equity market valuations, which we reported had already begun to rise by August 2013 have, as expected, risen further. Confidence has most definitely returned to the equity market as evidenced by increased valuation multiples and the buoyant market for Initial Public Offers (IPOs), rights issues and other forms of fund raising. As yet though, we have not seen a meaningful pick-up in take-overs of quoted smaller companies. Indeed it has been more common for these companies to raise additional equity to buy private companies.

The fund has continued to lag the benchmark a little further in this last six months as the drag from a lower risk and lower beta portfolio, given the bias to quality and growth, played out the final stages of the 'recovery stage' of the equity market cycle. There are tentative signs that this is now beginning to broaden out as valuations of quality and cyclical earnings streams have largely converged. Share prices will require ongoing earnings growth to support the associated valuation of earnings that is now reflected in prices and as profit margins are in many cases back to peak levels, this growth will need to come from sales.

However, there were two particular disappointments in the portfolio, namely Genus and Hyder Consulting. Animal genetics company, Genus, has suffered a number of set-backs over the period, largely outwith the company's control, and this has resulted in no earnings growth being delivered, which has led to significant reduction in forecasts for 2014 and 2015. Hyder Consulting had to report that profit margins would be considerably lower than expectations too as both their Australian and Middle Eastern markets were weaker than expected. On the positive side, UK domestic stocks largely did well including Galliford Try, Workspace Group, Advanced Computer Software, Brewin Dolphin and CVS Group. Oil services company, Kentz performed strongly after an eventful year in which they were approached by two bidders and then raised funds and mounted their own earnings enhancing acquisition of a US based business.

As discussed above, there has been an increase in corporate fund raising over the period, which has included some of the fund's investee companies. We supported a fund raising by one of the smallest investments in the fund, oil re-refiner Hydrodec Group, which raised funds to acquire a strategic position in the UK market for oil recycling bringing a welcome boost to the profit and cash generation of the company and despite an unfortunate accident at its US plant in December, the shares recovered to deliver a 78% return over the period. Both Cineworld and Kentz raised funds to make transformational acquisitions overseas, which the fund supported. Other new investments included two IPO's; healthcare and oil service mission critical IT software provider, Servelec Group (+53% since floatation in December) and telecom operator, Manx Telecom (+13% since floatation in February). Both companies have strong track records and in Manx' case good dividend support. Investments over the period have been funded from profit taking in existing holdings, mostly at the higher market capitalisation end

of the portfolio and in particular from some of interest rate sensitive stocks that have done so well including Galliford Try, Workspace Group and Brewin Dolphin. Personal Group Holdings and Babcock International Group were exited completely.

Portfolio Outlook

Our continued strategy of investing in a broad range of financially sound companies with a focus on structural and self-determined growth should deliver strong returns as revenue growth as a driver of profit growth becomes an increasingly important feature over the coming year in turn driving share price returns for equity investors.

Victoria Stewart
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London UK Smaller Companies Fund

(continued)

Fund Facts			
	As at	A Acc Shares	M Acc Shares
Sedol Number		B694M64	B3NQHL5
Initial Charge		4.00%	0.00%
Initial Commission		4.00%	0.00%
Annual Management Charge (AMC)		1.40%	0.70%
Ongoing Charges Figure (OCF) ¹	28/02/14	1.44%	0.74%
Portfolio Turnover Rate	28/02/14	20%	20%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	5	5
Launch Date (See notes overleaf)		05/11/10	01/05/12
Fund Type		Authorised OEIC Fund	
Domiciled		UK	
Distribution Calculation Dates (XD)		1 September & 1 March	
Distribution Payment Dates		31 October & 30 April	

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
A Shares	191,661	155.29
M Shares	305	152.57

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	A Shares	156.00	149.00	0.17
	M Shares	153.20	146.30	0.67
2013	A Shares	149.20	112.20	1.44
	M Shares	146.40	109.40	2.22
2012	A Shares	110.40	87.91	1.04
	M Shares ²	107.60	92.38	0.81
2011	A Shares	101.10	82.64	0.60
2010	A Shares	94.14	85.23	n/a

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 1 May 2012

Royal London UK Smaller Companies Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London UK Smaller Companies Fund A	29.14	17.84	24.35
IMA UK Smaller Companies Sector Average	32.99	16.61	26.72
Relative Out-Performance	-3.85	+1.23	-2.37

The sub-fund was launched on 05 November 2010 and first priced on 08 November 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London UK Smaller Companies Trust launched on 20 July 2007.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
Holding	28/02/14 % Holding	Holding	31/08/12 % Holding
Workspace Group REIT	3.09	Cineworld	3.71
Unite Group	3.02	Workspace Group REIT	3.45
Hill & Smith	2.81	Brammer	2.97
Mears Group	2.79	Brewin Dolphin	2.81
Galliford Try	2.77	Diploma	2.78
Brammer	2.77	Unite Group	2.76
Diploma	2.72	Galliford Try	2.70
Cineworld	2.67	Berendsen	2.59
Kentz	2.51	Hill & Smith	2.55
Lavendon	2.40	Hyder Consulting	2.47

Sector Breakdown

	28/02/14 %	31/08/12 %
Industrials	34.93	36.46
Financials	19.44	21.36
Consumer Services	16.76	18.44
Technology	10.25	7.91
Basic Materials	4.09	4.05
Oil & Gas	3.77	2.35
Healthcare	2.96	3.77
Consumer Goods	2.44	2.37
Utilities	0.40	0.28
Telecommunications	1.24	0.00
Cash and net other assets	3.72	3.01
Total¹	100.00	100.00

¹ Subject to rounding

Royal London US Tracker Fund

Investment Objectives and Policies

The investment objective and policy of the Fund is to aim to achieve the capital return of the FTSE® World US Index by investing primarily in the securities that make up the FTSE® World US Index.

Assets

The Fund may hold transferable securities, (including Exchange Traded Funds, but not those which are collective investment schemes), government and public securities, deposits and cash (for the purposes of EPM and redemption of units). It may also hold derivatives for the purposes of EPM only.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Fund Performance

During the 6 month period ending 28 February 2014, the return from the Royal London US Tracker Fund was 6.2%. This compares with a capital return on the FTSE® World US Index of 5.3%. This difference can be explained primarily by a combination of the timing of the fund pricing, the fund being priced at midday while the index is priced at the end of the day, and the impact of income within our fund.

Portfolio Commentary

The fund manager uses an optimised portfolio to track the capital return of the FTSE® World US Index. We take the view that full replication may result in too much costly trading, which could outweigh the benefit of perfect replication.

We use an optimiser to help construct a portfolio designed to track the performance of the benchmark without necessarily holding all the constituents in their exact benchmark weights. The optimiser uses an algorithm which minimises tracking risk, based on a multi factor model and associated covariance matrix.

In practice, the Royal London US Tracker Fund holds most of its benchmark's names as well as having holdings in futures and cash.

Symon Bradford
Fund Manager

February 2014

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future fund performance.

Source: RLAM

Royal London US Tracker Fund

(continued)

Fund Facts		
	As at	Z Acc Shares
Sedol Number		B5172X1
Initial Charge		0.00%
Initial Commission		0.00%
Annual Management Charge (AMC)		0.20%
Ongoing Charges Figure (OCF) ¹	28/02/14	0.23%
Portfolio Turnover Rate	28/02/14	0%
Synthetic Risk Reward Indicator (SRRI) ²	28/02/14	6
Launch Date (See notes overleaf)		26/02/10
Fund Type		Authorised OEIC Fund
Domiciled		UK
Distribution Calculation Dates (XD)		1 September
Distribution Payment Dates		31 October

¹ The OCF replaces the TER as at 1 July 2012. The OCF consists of the AMC and any other additional expenses charged to a fund, such as Depositary fees.

² The SRRI is monitored on a weekly basis, for further information and commentary on this please see the fund Key Investor Information Document (KIID) on our website <http://www.rlam.co.uk/Fund-Performance-Prices>.

Fund Performance Data

Share Class	Net Asset Value as at 28/02/14 £'000	Net Asset Value per share as at 28/02/14 p
Z Shares	2,031,258	171.96

Price and Net Income Comparison

Year	Share Class	High Price p	Low Price p	Income p
2014 ¹	Z Shares	174.40	164.70	n/a
2013	Z Shares	172.20	132.20	2.37
2012	Z Shares	136.70	119.60	1.84
2011	Z Shares	125.10	100.50	1.50
2010 ²	Z Shares	119.80	97.87	0.78

Single priced ICVC sub-fund

¹ To 28 February 2014

² From launch on 26 February 2010

Royal London US Tracker Fund

(continued)

Fund vs Sector Average Out-Performance			
	1 year %	3 years %	5 years %
Royal London US Tracker Fund Z	13.61	12.96	17.96
IMA North America Sector Average	14.74	11.42	16.99
Relative Out-Performance	-1.13	+1.54	+0.97

The sub-fund was launched on 26 February 2010 and first priced on 1 March 2010, however the performance track record and income information are linked to the previous merging Unit Trust the Royal London US Index Tracker Trust launched on 24 August 2007.

Please note that the above information relates to the past and that past performance is not a reliable indication of future returns.

Performance is annualised over the period indicated.

(Source: Lipper Hindsight, Total Return in GBP).

Top Ten Holdings			
Holding	28/02/14 % Holding	Holding	31/08/13% Holding
Apple	2.60	Apple	2.83
Exxon Mobil	2.32	Exxon Mobil	2.44
Google	1.89	Microsoft	1.59
Microsoft	1.57	General Electric	1.52
General Electric	1.44	Johnson & Johnson	1.48
Johnson & Johnson	1.39	Chevron	1.48
Wells Fargo & Co	1.35	Google	1.44
Chevron	1.24	Wells Fargo & Co	1.36
JPMorgan Chase & Company	1.19	Procter & Gamble	1.32
Procter & Gamble	1.18	International Business Machines	1.27

Geographical Breakdown

	28/02/14 %	31/08/13 %
United States	93.41	93.90
Ireland	1.11	0.80
Switzerland	0.61	0.65
Netherlands	0.37	0.27
United Kingdom	0.35	0.32
Bermuda	0.34	0.36
Channel Islands	0.15	0.12
Singapore	0.11	0.10
Israel	0.07	0.06
Liberia	0.05	0.04
Cayman Islands	0.04	0.05
Canada	0.02	0.02
Panama	0.01	0.01
Cash and net other assets	3.36	3.30
Total¹	100.00	100.00

¹ Subject to rounding

Sector Breakdown

	28/02/14 %	31/08/13 %
Financials	16.69	17.08
Technology	15.75	15.37
Consumer Services	13.36	13.11
Healthcare	12.04	11.42
Industrials	11.42	11.28
Consumer Goods	9.93	10.52
Oil & Gas	9.17	9.79
Utilities	3.03	3.08
Basic Materials	2.80	2.69
Telecommunications	2.39	2.36
Futures	0.06	0.00
Cash and net other assets	3.36	3.30
Total¹	100.00	100.00

¹ Subject to rounding

Important Notes

Investments in stocks and shares can go down as well as up. This can affect the price of shares within Open Ended Investment Companies and the income from them.

Where overseas securities are held the prices and income may also be affected by changes in currency exchange rates. It is possible that the value of an investment may fall below its original level.

Where funds hold investments in smaller companies it should be noted that by their nature these companies are generally new to the market and may therefore be subject to significant price movements. They may also be difficult for the fund manager to buy and sell.

Past performance should not be seen as a guide to future returns.

The views expressed are the author's own and do not constitute investment advice and are not an indication of future fund performance. Source RLAM unless otherwise stated.

Your holding in an Open Ended Investment Company must be regarded as a medium to long term investment, this means for at least five years.

Risk Profile

Any stock market investment involves risks. Some of these risks are general, which means that they apply to all investments. Others are specific, which means that they apply to individual Funds. For more details of the investment risks that affect this Fund please refer to your copy of the Fund's Key Investor Information Document. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from a Financial Advisor.

Company Information

A copy of the Long Form Report and Accounts is available on request.

The Authorised Corporate Director (ACD) of the Royal London Equity Funds ICVC is Royal London Unit Trust Managers Ltd.

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Dealing line: 08456 04 04 04

www.rlam.co.uk

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Canary Wharf

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The Auditor of the Royal London Equity Funds ICVC is Price Waterhouse Coopers LLP.

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Good thinking. Well applied.

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