

For professional clients only, not suitable for retail investors.

# **Royal London UK Growth Trust**

## **Interim Report**

For the six month period ended 31 January 2023 (unaudited)



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\* The Authorised Fund Manager's Report comprises these items (subsequent references to the Manager's Report).

## Trust Information

### Trust Status

The Trustee is HSBC Bank plc which holds the title to the Trust's investments on behalf of unitholders. The Royal London UK Growth Trust (the Trust) is a "wider-range" investment under the Trustee Investments Act 1961. It is an authorised unit trust scheme under section 243 of the Financial Services and Markets Act 2000 and is a UCITS Scheme under the Financial Conduct Authority Collective Investment Schemes Sourcebook. Copies of the Trust Deed may be inspected at the offices of the Manager: 55 Gracechurch Street, London EC3V 0RL.

### Manager

#### RLUM Limited

55 Gracechurch Street, London EC3V 0RL

Authorised and regulated by the Financial Conduct Authority.

### Directors of the Manager

P. Beamish

P. Bowker (Director, appointed 1 January 2023)

J.M. Brett (Non-executive Director)

J.S. Glen (Chairman, appointed 1 January 2023)

J.M. Jackson (Non-executive Director)

M.P. Lewis (resigned 31 December 2022)

### Trustee

#### HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

### Administrator

#### HSBC Securities Services (UK) Limited

1-2 Lochside Way, Edinburgh Park, Edinburgh EH12 9DT

Authorised and regulated by the Financial Conduct Authority.

### Registrar

#### RLUM Limited

RLUM Limited has delegated responsibility for safekeeping and maintenance of the register to **Capita Life and Pensions**

#### Regulated Services Limited

The Register may be inspected at:

Churchgate House, 56 Oxford Street, Manchester M1 6EU

### Independent Auditors

#### PricewaterhouseCoopers LLP

#### Chartered Accountants and Statutory Auditors

7 More London Riverside, London SE1 2RT

### Investment Adviser

#### Royal London Asset Management Limited

55 Gracechurch Street, London EC3V 0RL

Authorised and regulated by the Financial Conduct Authority.

Please note that with effect from 11 April 2023, the registered address will change to 80 Fenchurch Street, London EC3M 4BY.

## Manager's Investment Report

The Royal London UK Growth Trust (the Trust) is an authorised unit trust scheme, the Manager of which is RLUM Limited. The Manager has appointed Royal London Asset Management Limited to undertake the portfolio management for the Trust.

Royal London Asset Management Limited is the fund management arm of The Royal London Group and is independently authorised by the Financial Conduct Authority to provide asset management services.

We have a long and successful history of managing our customers' money and our specialist fund management service offers a distinctive approach to responsible investing across all of the funds that we manage. For example, we fully integrate consideration of financial, environmental, social and governance issues throughout the investment process when selecting companies for investment and we also vote at every Annual General Meeting of companies we hold, the exception being where voting would prevent trading.

### Investment Objective and Policy

The Trust's investment objective is to achieve capital growth over the medium term, which should be considered as a period of 3-5 years, by predominantly investing in the shares of UK companies included in the FTSE® All-Share Index.

### Risk and Reward Profile



#### About this indicator

- This Synthetic Risk and Reward Indicator (SRRI) is calculated according to European Securities and Markets Authority (ESMA) regulations, to allow investors to compare funds on the same basis. According to this methodology the Trust has been classed as category 6.
- The scale shows that the higher the risk, the higher the potential for greater returns. The numerical indicator which is referenced on the scale, is a measure of how much the unit price of this Trust has risen and fallen (over the last five years) and therefore how much the Trust's returns have varied.
- The Trust is shown in risk category 6 because its unit price has shown a high level of volatility historically. As an investment, bonds are typically more volatile than money market instruments but less volatile than shares. This Trust has historically been primarily invested in shares.
- This risk rating remains unchanged from the prior financial period.

#### Investors should note

- The indicator is based on historical data and may not be a reliable indication of the future risk profile of this Trust.
- The lowest rating does not mean 'risk free' and it does not measure the risk that you may suffer a capital loss.
- The risk and reward profile shown is not guaranteed to remain the same and may change over time.

## Manager's Investment Report (continued)

### Cumulative Performance (% change to 31/01/23)

	6 month total return %	1 year total return %	3 year total return %	5 year total return %
Royal London UK Growth Trust, Class A Income	3.52	-1.04	9.56	18.34
FTSE® All-Share Index (Total Return)	5.29	5.20	15.64	23.08

**Past performance is not necessarily a reliable indicator of future performance. The value of investments and the income from them is not guaranteed and may go down as well as up, and investors may not get back the amount originally invested.**

Source: RLAM and Lipper, as at 31 January 2023. Returns are net of management fees. Investors should note that the total return is calculated on the Trust's official midday price whereas the Trust has been valued as at close of business for the Net Asset Value quoted within the Comparative Table. For further information, including ongoing performance and Trust breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Investment Review and Outlook

#### Performance overview

The Trust returned 3.52% over the six months to 31 January 2023. The Trust underperformed its benchmark during the period, reflecting weaker performance from a number of holdings that are more exposed to rising interest rates. In the longer term we believe these companies provide a solid foundation to the Trust.

#### Market and portfolio commentary

The six-month period for the Trust and markets continued to be dominated by central bank activity with the Federal Reserve, Bank of England and European Central Bank all increasing their rates of interest with the specific objective of curtailing the rise of inflation through slowing down their respective economies.

The backdrop of inflation has not been a significant problem for markets since the early 1990s. However, the onset of Covid resulted in a material change – global manufacturing was forced to temporarily cease operations just at the time significant financial stimulus was being injected into economies, resulting in a sharp rise in the prices of goods and services. The Russian invasion of Ukraine further exacerbated a shortage of certain commodities and became a serious problem for those countries which were dependant on Russian energy to survive the winter.

In the UK, the Bank of England has increased rates to try to reduce inflation, raising these from the low of 0.1% seen through most of 2020 and 2021, to 3.5% by the end of the review period, with similar measures in the US and Europe. Over time the rise in rates should bring inflation down, but the short-term impact is to make borrowing more expensive and therefore slow the economy. Corporate profits typically fall as the economy slows and this explains why global equity markets were generally weak in the first half of 2022.

Moving into the second half of 2022 the market had discounted a lot of the bad news from the first half of 2022. Markets were reassured by data showing that the rate of inflation had started to decline across the West and that we may therefore be nearer to a peak in interest rates, with reductions even possible by the end of 2023. Markets therefore rallied in the review period simply because economic and corporate figures didn't turn out as badly as had been expected earlier in the year. Markets further benefitted at the start of 2023 from the news that China would drop its Covid restrictions and allow the economy to reopen, therefore providing a positive boost for the global economy.

For the Trust, 2022 was a challenging year and one of much change. At the start of the year, we had a bias towards companies that are expected to deliver a higher proportion of their growth further in the future. These have generally performed well for the past few years, but these tend to underperform when interest rates increase, and hence affected performance compared to the benchmark during the review period and 2022 in general.

To provide balance to the portfolio we actively increased our exposure to both energy companies and banks. Both of these sectors have been out of favour for a long period as they have struggled to make attractive returns. However, change is taking place and returns on capital are improving. As a result, the combination of attractive valuations, growing profitability and improved capital allocation means that we are comfortable holding sizeable positions in these companies now. In energy we favour BP, which is using the cash flows from its oil operations to fund the move to more sustainable energy production over time and reduce its carbon emissions. Meanwhile in banking we have significant positions in Lloyds bank, HSBC and NatWest. The sector is a beneficiary of higher interest rates and allows banks to achieve improved returns on the capital and return more funds back to shareholders through dividends and share buy backs.

By the end of the review period, the Trust therefore had a mix of attractive growth companies such as Experian, Spirax-Sarco Engineering and London Stock Exchange which are more highly rated by the market, balanced by large positions in improving businesses such as BP, Shell, HSBC and Lloyds bank.

## Manager's Investment Report (continued)

### Investment Review and Outlook – continued

#### Investment outlook

The Trust continues to seek those companies that can deliver sustained growth despite the challenges of the uncertain economic environment. The factors that we particularly focus upon include the quality of the business model, the strength of the management team, a macroeconomic assessment of where corporates can find the most supportive operating conditions to run a business and finally, the valuation that the market puts on the business.

In the short term, the outlook remains clouded by the objective of central banks to lower the rate of inflation back towards target levels – around 2% for most central banks – and what level of interest rates will be required to achieve that target. Our belief is that inflation is not going back towards those levels swiftly, and we therefore continue to seek a balance in the portfolio and look for companies that are beneficiaries of a higher pricing environment. Markets will look for signs that we are close to the top of the interest rate cycle – and when that is the case, equities can potentially do well and deliver attractive returns.

**Joe Walters**

**Trust Manager**

**Royal London Asset Management Limited**

**31 January 2023**

Please note that this commentary is written as at 31 January 2023. For further insights on marketing events or positioning since then, please go to [www.rlam.com](http://www.rlam.com).

This report covers investment performance, activity and outlook. For a wider look at the Trust, our RLUM Annual Value Assessment Report March 2022 (published July 2022) is available on [www.rlam.com](http://www.rlam.com).

The views expressed are the author's own and do not constitute investment advice and are not an indication of future Trust performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management Limited, unless otherwise stated.

## Portfolio Statement

As at 31 January 2023

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 99.13% (31/07/22 – 99.27%)</b>			
<b>Oil &amp; Gas – 13.96% (31/07/22 – 12.49%)</b>			
Oil & Gas Producers – 13.96%			
15,205,370	BP	74,331	6.77
3,323,403	Shell	78,898	7.19
<b>Total Oil &amp; Gas</b>		<b>153,229</b>	<b>13.96</b>
<b>Basic Materials – 11.60% (31/07/22 – 11.47%)</b>			
Chemicals – 2.50%			
266,455	Croda International	18,348	1.67
494,050	Victrex	9,081	0.83
Mining – 9.10%			
1,024,359	Anglo American	35,504	3.23
5,681,044	Glencore	30,746	2.80
534,125	Rio Tinto	33,751	3.07
<b>Total Basic Materials</b>		<b>127,430</b>	<b>11.60</b>
<b>Industrials – 17.29% (31/07/22 – 22.16%)</b>			
Construction & Materials – 0.40%			
558,563	Marshalls	1,898	0.17
251,494	Travis Perkins	2,551	0.23
General Industrials – 1.47%			
4,558,387	Smith (DS)	16,109	1.47
Electronic & Electrical Equipment – 0.91%			
311,511	Spectris	9,965	0.91
Industrial Engineering – 3.03%			
575,711	Hill & Smith	7,242	0.66
5,105,842	Melrose Industries	7,261	0.66
162,436	Spirax-Sarco Engineering	18,729	1.71
Support Services – 11.48%			
575,203	Ashtead Group	30,555	2.78
539,959	Bunzl	16,037	1.46
462,211	Diploma	12,618	1.15
925,148	Experian	27,310	2.49
2,217,607	Howdens Joinery	15,310	1.39
3,984,789	Rentokil Initial	19,553	1.78
505,134	RS Group	4,746	0.43
<b>Total Industrials</b>		<b>189,884</b>	<b>17.29</b>
<b>Consumer Goods – 12.62% (31/07/22 – 10.25%)</b>			
Beverages – 2.01%			
626,498	Diageo	22,050	2.01
Food Producers – 0.84%			
3,569,530	SSP Group	9,242	0.84
Household Goods – 1.33%			
689,904	Bellway	14,612	1.33
Personal Goods – 3.02%			
808,016	Unilever	33,197	3.02
Tobacco – 5.42%			
872,613	British American Tobacco	27,012	2.46
1,599,289	Imperial Brands	32,482	2.96
<b>Total Consumer Goods</b>		<b>138,595</b>	<b>12.62</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Healthcare – 6.03% (31/07/22 – 7.97%)</b>			
Pharmaceuticals & Biotechnology – 6.03%			
611,355	AstraZeneca	64,743	5.90
49,911	Dechra Pharmaceuticals	1,430	0.13
<b>Total Healthcare</b>		<b>66,173</b>	<b>6.03</b>
<b>Consumer Services – 6.29% (31/07/22 – 5.19%)</b>			
Food & Drug Retailers – 0.72%			
292,162	Greggs	7,859	0.72
General Retailers – 1.29%			
214,544	Next	14,199	1.29
Media – 2.56%			
1,169,067	RELX	28,069	2.56
Travel & Leisure – 1.72%			
979,721	Compass Group	18,918	1.72
<b>Total Consumer Services</b>		<b>69,045</b>	<b>6.29</b>
<b>Utilities – 3.41% (31/07/22 – 3.56%)</b>			
Electricity – 3.41%			
2,173,233	SSE	37,456	3.41
<b>Total Utilities</b>		<b>37,456</b>	<b>3.41</b>
<b>Financials – 24.80% (31/07/22 – 20.28%)</b>			
Banks – 11.39%			
6,537,626	Barclays	12,150	1.11
7,307,508	HSBC	43,582	3.97
75,600,730	Lloyds Banking Group	39,751	3.62
7,856,838	NatWest Group	24,191	2.20
786,302	Standard Chartered	5,341	0.49
Life Insurance – 3.73%			
1,714,841	Prudential	22,970	2.09
1,476,000	St James's Place Capital	18,029	1.64
Financial Services – 7.14%			
2,053,915	3i Group	32,339	2.95
684,046	Close Brothers	6,628	0.60
824,844	Intermediate Capital Group	11,445	1.04
377,993	London Stock Exchange	27,987	2.55
Real Estate Investment Services – 0.54%			
2,288,771	Grainger	5,937	0.54
Real Estate Investment Trusts – 2.00%			
1,796,514	Segro	14,911	1.36
1,397,564	Workspace	7,051	0.64
<b>Total Financials</b>		<b>272,312</b>	<b>24.80</b>
<b>Technology – 3.13% (31/07/22 – 5.90%)</b>			
Software & Computer Services – 3.13%			
569,384	Computacenter	12,629	1.15
1,156,738	Rightmove	6,785	0.62
1,923,773	Sage	14,944	1.36
<b>Total Technology</b>		<b>34,358</b>	<b>3.13</b>
<b>Total value of investments</b>		<b>1,088,482</b>	<b>99.13</b>
<b>Net other assets</b>		<b>9,504</b>	<b>0.87</b>
<b>Total net assets</b>		<b>1,097,986</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are "approved securities" within the meaning of FCA rules unless otherwise stated.

## Summary of Material Portfolio Changes

For the six month period ended 31 January 2023

### Significant Purchases

	Cost £'000
HSBC	39,885
Imperial Brands	32,549
NatWest Group	21,835
Lloyds Banking Group	16,352
Compass Group	12,187
British American Tobacco	9,647
Unilever	9,449
Standard Chartered	5,572
Prudential	2,797
Smith (DS)	2,764
<b>Subtotal</b>	<b>153,037</b>
<b>Total cost of purchases, including the above, for the period</b>	<b>156,423</b>

### Significant Sales

	Proceeds £'000
Halma	17,477
Aveva Group	15,888
British American Tobacco	14,466
Dechra Pharmaceuticals	13,965
Barclays	11,018
Shaftesbury	9,435
Sage	8,198
London Stock Exchange	8,193
Melrose Industries	7,941
Experian	6,430
<b>Subtotal</b>	<b>113,011</b>
<b>Total proceeds from sales, including the above, for the period</b>	<b>171,600</b>

## Comparative Table

### Class A Income

Change in net assets per unit	31/01/23 (p)	31/07/22 (p)	31/07/21 (p)	31/07/20 (p)
Opening net asset value per unit	613.52	658.44	497.94	591.27
Return before operating charges*	26.78	(24.31)	174.57	(78.03)
Operating charges	(3.81)	(8.17)	(7.83)	(8.32)
Return after operating charges*	22.97	(32.48)	166.74	(86.35)
Distributions on income units	(5.63)	(12.44)	(6.24)	(6.98)
<b>Closing net asset value per unit</b>	<b>630.86</b>	<b>613.52</b>	<b>658.44</b>	<b>497.94</b>
* after direct transaction costs of:	0.51	0.52	0.28	0.59
<b>Performance</b>				
Return after charges	3.74%	(4.93)%	33.49%	(14.60)%
<b>Other information</b>				
Closing net asset value (£'000)	1,097,986	1,080,511	1,190,891	931,383
Closing number of units	174,044,650	176,115,650	180,866,350	187,048,500
Operating charges	1.26%	1.26%	1.26%#	1.51%
Direct transaction costs	0.09%	0.08%	0.05%	0.11%
<b>Prices<sup>^</sup></b>				
Highest unit price	640.50	704.10	665.20	623.60
Lowest unit price	548.70	565.60	498.40	390.70

# The AMC was reduced on 1 January 2021 from 1.50% to 1.25%.

<sup>^</sup> The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per unit price is based on the net asset value in the published accounts and may be different due to the prior year end accounting adjustments.

It should be remembered that past performance is not a reliable indicator of future performance and that the value of units, and the income derived from them, can vary.

## Financial Statements

### Statement of Total Return

For the six month period ended 31 January 2023

	31 Jan 2023 £'000	31 Jan 2022 £'000
Income		
Net capital gains/ (losses)	31,021	(19,488)
Revenue	16,579	17,231
Expenses	(6,693)	(7,758)
Net revenue before taxation	9,886	9,473
Taxation	–	–
Net revenue after taxation	9,886	9,473
Total return/(deficit) before distributions	40,907	(10,015)
Distributions	(9,886)	(9,473)
<b>Change in net assets attributable to unitholders from investment activities</b>	<b>31,021</b>	<b>(19,488)</b>

### Statement of Change in Net Assets Attributable to Unitholders

For the six month period ended 31 January 2023

	31 Jan 2023 £'000	31 Jan 2022 £'000
<b>Opening net assets attributable to unitholders</b>	<b>1,080,511</b>	<b>1,190,891</b>
Amounts receivable on issue of units	16,316	15,434
Amounts payable on cancellation of units	(29,867)	(30,135)
	(13,551)	(14,701)
Change in net assets attributable to unitholders from investment activities	31,021	(19,488)
Retained distribution	5	–
<b>Closing net assets attributable to unitholders</b>	<b>1,097,986</b>	<b>1,156,702</b>

### Balance Sheet

As at 31 January 2023

	31 Jan 2023 £'000	31 Jul 2022 £'000
<b>Assets</b>		
Investments	1,088,482	1,072,637
Current assets:		
Debtors	2,666	4,139
Cash and bank balances	18,709	18,335
<b>Total assets</b>	<b>1,109,857</b>	<b>1,095,111</b>
<b>Liabilities</b>		
Other creditors	2,078	1,924
Distribution payable	9,793	12,676
<b>Total liabilities</b>	<b>11,871</b>	<b>14,600</b>
<b>Net assets attributable to unitholders</b>	<b>1,097,986</b>	<b>1,080,511</b>

The financial statements were approved on 27 March 2023 and signed on behalf of the Board of the Manager by:

J.S. Glen (Director)

P. Beamish (Director)

# Notes to the Financial Statements

For the six month period ended 31 January 2023

## 1. Accounting policies

### Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investments Schemes Sourcebook. They have been prepared in accordance with applicable UK accounting standards, Trust Deed and in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association (now referred to as The Investment Association) in May 2014 (the 2014 SORP) and amended in 2017.

The accounting policies outlined below have been applied on a consistent basis throughout the period.

### Basis of valuation of investments

The investments of the Trust have been valued at closing bid price on 31 January 2023, the last valuation point in the accounting period.

### Exchange rates

Assets and liabilities denominated in foreign currencies have been converted to sterling at the bid-market closing rates of exchange on 31 January 2023.

Revenue and expenditure transactions are translated at the rates of exchange ruling at the date of transaction.

### Recognition of revenue

Revenue from equities and non-equity shares is recognised when the security is quoted ex-dividend.

Other revenue is accounted for on an accruals basis.

All revenue is recognised as a gross amount that includes any withholding taxes but excludes any other taxes such as attributable tax credits.

Special dividends are treated as revenue or capital according to the nature of the event giving rise to the payment.

Dividends from UK REITs are split into PID (Property Income Distributions) and Non-PID components for tax purposes. Revenue arising from UK REITs tax-exempt rental business is colloquially known as PID revenue and is taxable in the hands of the Trust. A UK REIT may also carry out activities that give rise to taxable profits and gains, it is from these that the REIT will make a Non-PID distribution, these are treated for tax purposes in the same way as dividends from UK companies.

### Treatment of expenses

RLUM Limited's annual charge (A Income 1.25%) is calculated daily on the total net assets of the Trust.

All expenses are charged against revenue, except those relating to the purchase and sale of investments, which are charged against capital.

### Taxation

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Where overseas tax has been deducted from overseas revenue, then that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only to the extent they are regarded as recoverable.

It should be noted that legislation governing taxation is liable to change. The information contained in this report is based upon RLUM Limited's understanding of the current position.

## 2. Distribution policy

The excess of revenue over expenses and taxation charged to revenue, as disclosed in the financial statements, is distributable to unitholders.

Any revenue deficit is deducted from capital.

Distributions are paid to unitholders semi-annually.

Equalisation applies only to units purchased during the distribution period (Group 2 units). It represents the accrued revenue included in the purchase price of the units. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the units for Capital Gains Tax purposes.

## Notes to the Financial Statements (continued)

For the six month period ended 31 January 2023

### 3. Risk management policies

In pursuing the Trust's objectives set out on page 4, the Trust holds a number of financial instruments which include:

- Equity shares held in accordance with the Trust's investment objectives and policies.
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations.

The main risks arising from the Trust's financial instruments are summarised below, and remain unchanged from the prior year.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements. The asset allocation of the portfolio is reviewed in order to manage the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual Fund Manager has responsibility for monitoring the existing portfolio selected in accordance with an overall asset allocation parameter and seeks to ensure that the Trust invests in a diversified fashion, to reduce the risk of exposure to a significant event affecting a single security, or industry, subject to the obligation under the Trust's objective to invest in securities which share certain characteristics.

#### Foreign currency risk

The assets of the Trust can be significantly affected by currency translation movements, as a small portion of the Trust's assets are denominated in currencies other than sterling, which is the Trust's base currency. The Trust does not hedge on foreign exchange rates.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk. Cash is held with reputable credit institutions and credit risk is assessed on a regular basis. Certain transactions in securities that the Trust enters into expose it to the risk that a counterparty will not deliver the investment for a purchase, or cash for a sale after the Trust has fulfilled its responsibilities. The Trust only buys and sells investments through brokers which have been approved by the Manager as an acceptable counterparty and these are reviewed on an ongoing basis.

#### Liquidity risk

The Trust's assets comprise mainly readily available realisable securities, which can be sold to meet funding requirements if and when necessary. The main liability of the Trust is the redemption of any units that investors wish to sell. Liquidity risk, mainly derived from the liability to unitholders, is minimised through holding cash and readily realisable securities which can meet the usual requirements of unit redemptions.

#### Other risks – geopolitical

The Ukraine conflict and its consequences, including economic sanctions on Russia, are having an impact on global financial markets and commodity pricing.

RLAM is closely monitoring the associated geopolitical risks in relation to inflation, volatile markets and security pricing. The Trust has no direct exposure to Russian companies and RLAM is complying with all restrictions and sanctions issued by the relevant authorities.

### 4. Events after the balance sheet date

Subsequent to the Trust's period end, 31 January 2023, factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic & the Ukraine situation could cause the Trust to be impacted by resulting volatility in stock markets and adverse investor sentiment.

These events have given rise to a non-adjusting subsequent event. The net asset value (NAV) of the Trust as at 23 March 2023 was £1,047,381,037. The impact of the market movements on the Trust's NAV between the end of the reporting period 31 January 2023 and the date of which the financial statements were authorised for issue was (4.81%).

There have been no significant redemptions during this period.

## Distribution Table

For the six month period ended 31 January 2023

### Distribution in pence per unit

#### Interim

Group 1: Units purchased prior to 1 August 2022

Group 2: Units purchased between 1 August 2022 to 31 January 2023

	Net income	Equalisation	Distribution payable 31/03/23	Distribution paid 31/03/22
<b>Class A Income</b>				
Group 1	5.6269	–	5.6269	5.2470
Group 2	2.2861	3.3408	5.6269	5.2470

## General Information

### Pricing and dealing

The prices of units are determined by reference to the underlying market value of the net assets of the Trust at the relevant valuation point.

Unit prices are normally calculated daily however, if the markets are exceptionally volatile the Manager may conduct more frequent valuations to reflect any significant changes in the value of the Trust's underlying assets.

Dealing prices, yields and details of risks and charges are published on our website, [www.rlam.com](http://www.rlam.com).

Dealing in units is conducted between 8.00am and 8.00pm Monday to Friday, and 8.00am and 5.00pm on Saturday.

### Buying units

Units may be bought on any business day via an authorised intermediary or from the Manager by telephoning the Dealing desk on 03456 05 77 77\*. Alternatively, an application form should be completed and sent to the Manager. Units will be allocated at the price ruling at the next valuation point and a contract note confirming the purchase will be issued immediately thereafter.

### Selling units

Units may be sold back to the Manager on any business day. Units can be sold by telephone by calling the Dealing desk on 03456 05 77 77\* or alternatively by putting your request in writing. The Manager will allocate the price calculated from the next valuation point and issue a contract note as evidence of the sale.

Settlement will be issued within 4 business days following receipt of satisfactory evidence to title of the units.

\* In the interest of investors' protection all telephone calls to the Dealing desk are recorded.

### Cancellation rights

Where a person purchases units the Conduct of Business Sourcebook Instrument 2001 (as amended from time to time) may give the investor the right to cancel the relevant purchase within 14 days of receipt of the requisite notice of a right to cancel. The right to cancel does not arise if (a) the investor is not a private customer, (b) the investor is not an execution-only customer, (c) the agreement to purchase is entered into through a direct offer financial promotion, or (d) the agreement is entered into under a customer agreement or during negotiations (which are not ISA or PEP related) intended to lead to a client agreement.

### UK taxation

The Trust is not subject to Capital Gains Tax.

Capital gains established when units are sold are subject to tax, but at the present time investors are not liable unless their total gains in any tax year from all disposals of assets exceed the Capital Gains Tax annual exemption.

Investors receive a distribution of net revenue with tax credit equivalent to the lower rate of income tax. Where the distribution is retained within the Trust and not paid out it should be included in investors' Income Tax Return. No further liability exists if they pay at the lower or basic rate, but higher rate tax will be payable as appropriate. If investors are not liable to tax they are unable to claim repayment of the tax credit from HM Revenue & Customs.

The treatment of distributions as received by corporate unit holders is detailed on the reverse of dividend warrants. The first distribution received after purchasing units includes an amount described as 'equalisation'. This is a repayment of capital and is therefore not liable to Income Tax. It should, however, be deducted from the initial cost of units for Capital Gains Tax purposes.

### Authorisation

RLUM Limited is authorised and regulated by the Financial Conduct Authority and is a subsidiary of The Royal London Mutual Insurance Society Limited.

### Trust Reports and Prospectus

Copies of the latest yearly and half yearly financial statements and copies of the Prospectus may be obtained from RLUM Limited upon request.

### Transfer of units

Subject to any restrictions in the Trust's Prospectus, unitholders are entitled to transfer their units to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the Manager for this purpose.

Completed instruments of transfer must be returned to the Manager in order for the transfer to be registered by the Manager.

The Manager currently accepts transfers of title (including renunciation of title in the case of a redemption) to units on the authority of electronic instructions transmitted via electronic messaging systems.

Please refer to the Trust's Prospectus for further information.

## Contact Us

For further information  
please contact:

**Royal London  
Asset Management Limited**

55 Gracechurch Street,  
London EC3V 0RL

020 3272 5950

bdsupport@rlam.co.uk

www.rlam.com

This report is issued by Royal London Asset Management Limited on behalf of RLUM Limited.

Royal London Asset Management Limited provides asset management services to RLUM Limited which is the authorised Manager of the Royal London UK Growth Trust.

Royal London Asset Management Limited, registered in England and Wales number 2244297; Royal London Unit Trust Managers Limited, registered in England and Wales number 2372439. RLUM Limited, registered in England and Wales number 2369965. All of these companies are authorised and regulated by the Financial Conduct Authority.

The marketing brand also includes Royal London Asset Management Funds Plc, an umbrella company with segregated liability between sub-funds, authorised and regulated by the Central Bank of Ireland, registered in Ireland number 364259, and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

All of these companies are subsidiaries of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London EC3V 0RL.

Ref: SREP RLAM PD 0265





## Statement of Manager's Responsibilities in Relation to the Report and Financial Statements of the Trust

Financial statements for the year ended 31 December 2021, and this Manager's Report have been prepared in accordance with the rules of the Collective Investment Schemes Sourcebook, published by the Financial Conduct Authority (FCA).

These require the Manager to prepare financial statements for each accounting year which give a true and fair view of the financial affairs of the Trust and of its net revenue and the net capital gains on the property of the Trust for the year.

In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the requirements of the Statement of Recommended Practice relating to Authorised Funds and the Trust Deed;
- follow United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements and;
- prepare accounts on a going concern basis unless inappropriate to do so.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, Prospectus and the FCA's rules. The Manager has general responsibility for taking such steps as are reasonably open to him to prevent and detect fraud and other irregularities.

## Statement of the Trustee's Responsibilities in Relation to the Financial Statements of the Trust

The Depositary in its capacity as Trustee of Royal London UK Growth Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

## Report of the Trustee to the Unitholders of the Royal London UK Growth Trust

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

This report is given on the basis that no breaches are subsequently advised to us by the Auditors before the distribution date. We therefore reserve the right to amend the report in the light of such circumstances.

**HSBC Bank Plc**  
**Trustee of Royal London UK Growth Trust**  
**8 Canada Square, Canary Wharf, London E14 5HQ**  
**24 March 2022**

# Independent Auditors' Report to the Unitholders of Royal London UK Growth Trust

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Royal London UK Growth Trust (the "Trust"):

- give a true and fair view of the financial position of the Trust as at 31 July 2021 and of the net expense and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 July 2021; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Table; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

### Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Responsibilities for the financial statements and the audit responsibilities of the Manager for the financial statements

As explained more fully in the Statement of Manager's Responsibilities in Relation to the Report and Financial Statements of the Trust, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

# Independent Auditors' Report to the Unitholders of Royal London UK Growth Trust (continued)

## Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Trust. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Glasgow**  
**24 March 2022**

## Notes to the Financial Statements (continued)

For the year ended 31 July 2021

### 4. Net capital gains

	31 Jan 2022 £'000	31 Jan 2021 £'000
<b>The net capital gains during the year comprise:</b>		
Non-derivative securities	72,962	31,506
Special dividends (capital)	3	60
Currency losses	(33)	(80)
Activity fees	(10)	(11)
<b>Net capital gains</b>	<b>72,922</b>	<b>31,475</b>

### 5. Revenue

	31 Jan 2022 £'000	31 Jan 2021 £'000
Overseas dividends	3,454	3,693
Bank interest	–	1
<b>Total revenue</b>	<b>3,454</b>	<b>3,694</b>

### 6. Expenses

	31 Jan 2022 £'000	31 Jan 2021 £'000
<b>Payable to the Manager, associates of the Manager and their agents:</b>		
Manager's annual charge	3,402	3,313
<b>Payable to the Trustee, associates of the Trustee and their agents:</b>		
Trustee's fee	36	33
Safe custody charges	27	23
	63	56
<b>Other expenses</b>		
Audit fee	14	12
	14	12
<b>Total expenses</b>	<b>3,479</b>	<b>3,381</b>

Audit fee £13,634 (31/12/20: £12,350) inclusive of VAT.

### 7. Taxation

#### a) Analysis of charge for the year

	31 Jan 2022 £'000	31 Jan 2021 £'000
Overseas tax	496	539
<b>Current tax charge for the year</b>	<b>496</b>	<b>539</b>

#### b) Factors affecting current tax charge for the year

The tax assessed for the year is higher (31/12/20: higher) than the standard rate of corporation tax in the UK for a unit trust of 20% (31/12/20: 20%).

The differences are explained below:

Net (expense)/revenue before taxation	(25)	313
Corporation tax 20% (31/12/20: 20%)	(5)	63
Effects of:		
Revenue not subject to taxation	(671)	(717)
Tax relief on overseas tax suffered	(3)	(3)
Irrecoverable overseas tax	496	539
Current year management expenses not utilised	679	657
<b>Current tax charge for the year</b>	<b>496</b>	<b>539</b>

#### c) Factors that may affect future tax charges

At 31 December 2021, there are surplus management expenses of £32,333,000 (31/12/20: £28,937,000). It is unlikely that the Trust will generate sufficient taxable profits in the future to utilise this amount, and therefore a deferred tax asset of £6,466,000 (31/12/20: £5,787,000) has not been recognised.

## Notes to the Financial Statements (continued)

For the year ended 31 July 2021

### 8. Distributions

The distributions take account of income received on the issue of units and income deducted on the cancellation of units and comprise:

	31 Jan 2022 £'000	31 Jan 2021 £'000
<b>Income Units</b>		
Interim	–	27
	–	27
Add: Amounts deducted on cancellation of units	(13)	(14)
Deduct: Amounts received on creation of units	14	14
<b>Net distribution for the year</b>	<b>1</b>	<b>27</b>

The difference between the net revenue after taxation and the distribution paid is as follows:

Net expense after taxation	(521)	(226)
Income deficit	522	244
Irrecoverable tax on special dividends	–	9
<b>Net distribution for the year</b>	<b>1</b>	<b>27</b>

### 9. Debtors

	31 Jan 2022 £'000	31 Jan 2021 £'000
Accrued revenue	163	156
<b>Total debtors</b>	<b>163</b>	<b>156</b>

### 10. Cash and bank balances

	31 Jan 2022 £'000	31 Jan 2021 £'000
Cash and bank balances	966	562
<b>Total cash and bank balances</b>	<b>966</b>	<b>562</b>

### 11. Other creditors

	31 Jan 2022 £'000	31 Jan 2021 £'000
Amount payable for cancellation of units	145	136
Accrued expenses	350	318
<b>Total other creditors</b>	<b>495</b>	<b>454</b>

### 12. Reconciliation of number of units

	Class A Income
Opening units at 01/01/21	79,020,550
Units issued	12,791,950
Units cancelled	(12,191,850)
<b>Closing units at 31/12/21</b>	<b>79,620,650</b>

This is a single class Trust therefore there will be no conversions or switches.

### 13. Contingent liabilities and outstanding capital commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/12/20: same).

### 14. Related party transactions

The Manager is a related party to the Trust as defined by Financial Reporting Standard FRS 102 'Related Party Disclosures' and is named on page 3. Fees received by the Manager are disclosed in note 6 of the financial statements. By virtue of the Regulations governing authorised unit trusts, the Manager is party to every transaction in respect of units of the Trust, which are summarised in the Statement of Change in Net Assets Attributable to Unitholders and within note 8, Distributions, for the revenue element.

Any amounts due to or from the Manager at the end of the accounting year are disclosed in notes 9 (Debtors) and 11 (Other creditors).

At the year end £474,000 (31/12/20: £434,000) was due to RLUM Limited. These amounts are included in amounts receivable for issue of units in note 9 and amounts payable for cancellation of units and accrued expenses in note 11.

At the year end, 60.89% (31/12/20: 58.87%) of the units in issue were held by RLUM Limited.

The Royal London Mutual Insurance Society Limited is the ultimate parent of RLUM Limited.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2021

### 15. Risk disclosures

The Trust's currency exposure is analysed below:

Currency	31 Jan 2022 £'000	31 Jan 2021 £'000
Sterling	109	(5)
US dollar	311,072	237,063
<b>Total</b>	<b>311,181</b>	<b>237,058</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £31,107,000 (31/12/20: £23,706,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Trust would have increased by £31,107,000 (31/12/20: £23,706,000). These calculations assume all other variables remain constant.

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Trust would have increased by £31,055,000 (31/12/20: £23,679,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Trust would have decreased by £31,055,000 (31/12/20: £23,679,000). These calculations assume all other variables remain constant.

## Notes to the Financial Statements (continued)

For the year ended 31 December 2021

### 16. Portfolio Transaction Costs

For the year ended 31 December 2021

Analysis of total purchases costs	Value £000	Commissions £000	%	Taxes £000	%	Other Expenses £000	%	Total £000
Equity transactions	82,417	14	0.02	–	–	–	–	82,431
<b>Total</b>	<b>82,417</b>	<b>14</b>		<b>–</b>		<b>–</b>		<b>82,431</b>

Analysis of total sales costs	Value £000	Commissions £000	%	Taxes £000	%	Other Expenses £000	%	Total £000
Equity transactions	81,642	13	0.02	–	–	–	–	81,629
<b>Total</b>	<b>81,642</b>	<b>13</b>		<b>–</b>		<b>–</b>		<b>81,629</b>

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31 December 2020

Analysis of total purchases costs	Value £000	Commissions £000	%	Taxes £000	%	Other Expenses £000	%	Total £000
Equity transactions	81,120	12	0.01	–	–	–	–	81,132
<b>Total</b>	<b>81,120</b>	<b>12</b>		<b>–</b>		<b>–</b>		<b>81,132</b>

Analysis of total sales costs	Value £000	Commissions £000	%	Taxes £000	%	Other Expenses £000	%	Total £000
Equity transactions	106,697	14	0.01	–	–	2	–	106,681
<b>Total</b>	<b>106,697</b>	<b>14</b>		<b>–</b>		<b>2</b>		<b>106,681</b>

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.00%
Other expenses	0.00%

In the case of shares, commissions and taxes are paid by the Trust on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.03% (31/12/20: 0.05%).

## Notes to the Financial Statements (continued)

For the year ended 31 December 2021

### 17. Fair value of investments

The fair values of the Trust's assets and liabilities are represented by the values shown in the balance sheet. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

The fair value of investments has been determined using the following hierarchy :

- Category 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Category 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Category 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

#### For the year ended 31 December 2021

Category	1 £000	2 £000	3 £000	Total £000
<b>Investments</b>				
Equities	310,547	–	–	310,547
<b>Total</b>	<b>310,547</b>	<b>–</b>	<b>–</b>	<b>310,547</b>

#### For the year ended 31 December 2020

Category	1 £000	2 £000	3 £000	Total £000
<b>Investments</b>				
Equities	236,794	–	–	236,794
<b>Total</b>	<b>236,794</b>	<b>–</b>	<b>–</b>	<b>236,794</b>

### 18. Events after the balance sheet date

Subsequent to the Trust's year end, 31 December 2021, the impact of the Coronavirus pandemic has continued to cause widespread market and economic disruption. In the short-term, the Trust could be impacted by fluctuations in global stock markets, adverse investor sentiment and increased operational risks. The full impact of the virus remains unclear, however, a long-term adverse impact to the Trust is not expected.

The event has given rise to a non-adjusting subsequent event due to continued volatility in global markets after the Trust's reporting period. The NAV of the Trust as at xxxx was xxx, the impact of the volatility on the Trust's NAV between the end of the reporting period and the date of which the financial statements were authorised for issue was xx.xx%, the price movements per share class are shown below:

	Price 31 Jan 2022 (p)	Price xx Feb 2022 (p)	Movement (%)
Royal London UK Growth Trust, Class A Income	393.90	xxx.xx	x.xx

Investors should note that the prices used are the Trust's official midday price whereas the Trust has been valued as at close of business for the Net Asset Value quoted within the Comparative Table.

There have been no significant redemptions during this period.

## Remuneration Policy (unaudited)

The Manager of the Royal London UK Growth Trust, RLUM Limited (the “Manager”), is subject to remuneration policies, procedures and practices (together, the “Remuneration Policy”), as required under the UCITS Directive (“UCITS V”).

RLUM Limited and Royal London Asset Management Ltd (“the Investment Adviser”) are wholly-owned subsidiaries of The Royal London Mutual Insurance Society, “the Group”. The Group maintains a “Group Remuneration Policy” that RLUM has adopted which is consistent with and promotes sound and effective risk management. It is designed so that risk-taking is not encouraged where this is inconsistent with the risk profile of the Trust. The Group has appointed a Remuneration Committee which is made up of Non-Executive Directors and is advised by independent remuneration consultants. The Committee considers the advice by independent remuneration consultants and the Committee considers implications of remuneration policies across the Group, including for RLUM.

The Group Remuneration Policy adopts performance related pay, with salaries determined by reference to both individual performances and the external market. Total Remuneration comprises a mix of fixed remuneration (including base salary and benefits), and variable remuneration in the form of incentives. The ratio between fixed and variable pay (both short-term and long-term incentives) is set by the Group to ensure that there is appropriate balance between the fixed and variable remuneration components. The Group Remuneration Policy applies to staff of the Manager whose professional activities have a material impact on the risk profile of the Manager or the Trust, and ensures that an individual cannot be involved in determining or approving their own remuneration.

The Group Remuneration Policy is updated annually and reviewed and approved by the Remuneration Committee. The most recent review included requirements under the Senior Manager and Certification Regime which came into effect for some areas of the Group in December 2018. Details of the Remuneration Policy (provided in the form of the RLUM Limited Summary Remuneration Policy), includes a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits and the composition of the remuneration committee. The RLUM Limited Summary Remuneration Policy will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the Manager, upon request.

The Manager delegates investment management of the Trust to Royal London Asset Management Ltd (the “Investment Adviser”). In accordance with the Group Remuneration Policy and the requirements of UCITS V, staff working for the Investment Adviser are not remunerated by the Manager, they are subject to remuneration requirements which are equally as effective as those in place under the UCITS Directive.

RLUM has a board of directors (the “Directors”). The Directors of the Company who are also employees of the Group, do not receive any remuneration in respect of their services as directors of RLUM. The other Non-Executive Directors receive fixed remuneration in respect of their services which is set at a level determined by the Group and is not performance related. None of the Directors are currently in receipt of variable remuneration in respect of their services as Directors of RLUM.

RLUM has no employees and therefore there are no other controlled functions, or senior management employed and paid by RLUM. However, for the financial year ending 31 December 2020, total remuneration of £4,888,015 was paid to 13 individuals whose actions may have a material impact on the risk profile of RLUM, of which £3,724,328 related to senior management. The fixed element of the total remuneration mentioned above is £2,787,718 and the variable element is £2,100,297.