



## FUND OVERVIEW

Fund Manager(s)	Niko de Walden, Richard Marwood
Fund Size	£1,204.99m
Domicile	United Kingdom
ISA	Eligible
Benchmark Index	FTSE All Share
Investment Association Sector	IA UK Equity Income
Currency	GBP
Initial Charge	0.0%
Fund Management Fee (FMF):	M Inc: 0.72% A Inc: 1.13% M Acc 0.72% Z Inc 0.64%

### Share Class M (Accumulation)

Unit Launch Date	26.11.12
Minimum Investment	£100,000
SEDOL	B8Y4ZB9
Mid Price	232.20p
Historic Yield	3.89%

### Share Class M (Income)

Unit Launch Date	05.11.10
Minimum Investment	£100,000
SEDOL	B3M9JJ7
Mid Price	827.90p
Historic Yield	3.99%

### Share Class A (Income)

Unit Launch Date	11.04.84
Minimum Investment	£1,000
SEDOL	B67N865
Mid Price	772.80p
Historic Yield	3.96%

### Share Class Z (Income)

Unit Launch Date	02.12.13
Minimum Investment	£25,000,000
SEDOL	BG48LT7
Mid Price	124.10p
Historic Yield	4.15%

## Overview

The Fund's investment objective is to achieve a total return (combination of capital growth and income) over the medium term (3-5 years) by investing at least 80% in the shares of UK companies listed on the London Stock Exchange. The Fund's performance target is to outperform, after the deduction of charges, the FTSE All-Share Total Return GBP Index (the "Index") over rolling 3-year periods. The Fund also aims to produce an income in excess of the Index's income over rolling 3-year periods. The Index is regarded as a good measure of the share-price performance of the approximately 600 largest companies on the London Stock Exchange. The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index. In addition to the benchmark for the Fund's performance as noted above (the "Index"), the IA UK Equity Income sector is considered to be an appropriate benchmark for performance comparison.

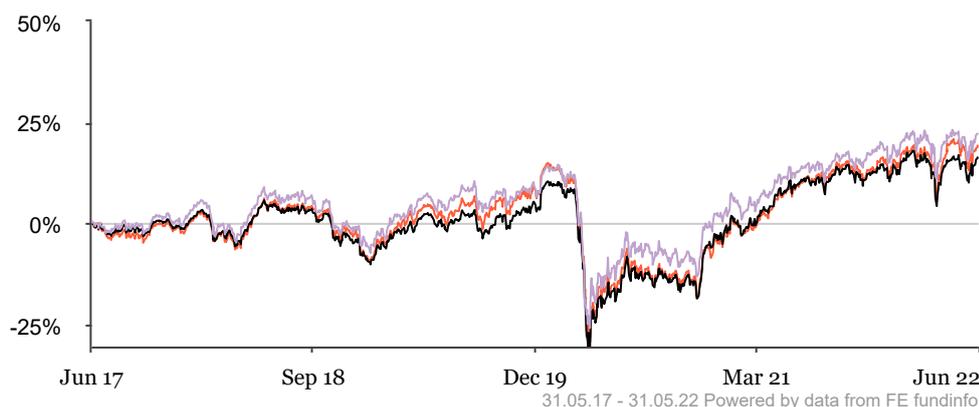
## Year-on-year performance

	31.03.21 to 31.03.22	31.03.20 to 31.03.21	31.03.19 to 31.03.20	31.03.18 to 31.03.19	31.03.17 to 31.03.18
Share Class M (Accumulation)	15.9%	28.6%	-20.3%	6.1%	1.5%
Share Class M (Income)	15.9%	28.8%	-20.4%	6.0%	1.6%
Share Class A (Income)	15.4%	28.1%	-20.9%	5.4%	0.9%
Share Class Z (Income)	15.7%	28.8%	-20.3%	6.1%	1.6%

## Cumulative Performance (as at 31.05.22)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class M (Accumulation)	4.2%	6.7%	9.0%	19.0%	19.3%
Share Class M (Income)	4.2%	6.7%	9.0%	19.0%	19.3%
Share Class A (Income)	4.1%	6.5%	8.6%	17.2%	16.0%
Share Class Z (Income)	4.1%	6.6%	8.8%	19.0%	19.4%
IA Sector Average	3.3%	5.4%	5.7%	18.1%	16.3%
FTSE All Share	2.3%	6.2%	8.3%	18.4%	22.2%
Quartile Ranking	2	2	2	2	2

## Performance Chart



■ Fund ■ IA Sector Average ■ FTSE All Share

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

Source: RLAM and FE fundinfo as at 31.05.22. Fund performance is shown on a mid to mid price basis, net of fees and gross of taxes, with gross income reinvested unless otherwise stated. Benchmark performance is shown gross of fees and taxes.

## Distribution History (Net)

	30/04/2022	31/01/2022	31/10/2021	31/07/2021
Share Class M (Income)	7.7249p	7.2773p	8.5608p	7.1847p
Share Class A (Income)	7.0565p	6.6588p	8.0193p	6.7347p
Share Class Z (Income)	1.2179p	1.2267p	1.2878p	1.0808p

Table above shows figures as at payment date.

## Fund Manager(s)



### Richard Marwood

Lead Manager  
Fund Manager tenure:  
21.05.21



### Niko de Walden

Deputy Manager  
Fund Manager tenure:  
21.05.21

## Yield Definitions

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. Reported yields reflect RLAM's current perception of market conventions around timing of bond cash flows.

## Important Information

This is a financial promotion and is not investment advice. The Fund is a sub-fund of Royal London Equity Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC000807. The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037.

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Source: RLAM, FE fundinfo and HSBC as at 31.05.22, unless otherwise stated. Yield definitions are shown above.

Our ref: FS RLAM PD 0041

For more information concerning the risks of investing, please refer to the Prospectus and Key Investor Information Document (KIID).

Breakdowns exclude cash and futures.

## Fund Commentary

The fund returned -0.19% in the month, behind both the benchmark and peer group median. The fund placed 74th percentile in the month but remains ahead of median year to date.

Domestically the key theme remains high inflation and the cost-of-living squeeze that UK households are facing. At the heart of this issue is the much higher cost of energy, driven by the severe disruption to the energy markets from Russia's invasion of Ukraine. However, the pressures are by no means confined to energy. Others inflationary factors are also at play, such as supply chain disruption from COVID lockdowns in China, tight labour markets and sharp rises in many agricultural products feeding through into food prices. To try to counter the severe pressure on household budgets the UK government announced a series of support measures to tackle fuel affordability. These measures will be part funded by a windfall levy on oil and gas firm profits and there was also suggestion that this could be extended to include electricity generation companies.

The two biggest hits to performance in the month were the holdings in IG group and Segro. In the case of IG investors are perhaps worried that the recent market sell-off and volatility may reduce the number and trading activity of their retail investment customers. This may be the case, but historically trading activity has tended to increase when markets are volatile. Segro was hit on concerns that as and when consumer spending slows, the online giant Amazon would seek less warehousing growth, reducing what has been high demand for the logistics warehouses that Segro owns.

During the month the fund established a new holding, in the pharmaceuticals company Hikma. Hikma is a company that we have followed for some time, and we chose to start the position after the shares were weak due to announcing that one of its generic products would be delayed. While the delay means a downgrade to this year's results, the contribution from the product will still occur, just later than originally hoped. We see the current price as an attractive entry point. The purchase was funded by trimming the holdings in United Utilities, Severn Trent, National Grid and RELX.

Consumers are facing a significant cost of living squeeze, as inflation is currently at its highest level for decades. Likewise, companies are battling to defend margins, as their own input costs increase significantly. In this tricky background we feel that our approach of investing in a broad range of companies from different sectors and stages of their lifecycle is very appropriate and will allow performance to continue to be driven more by the success of our hunting for undervalued long term cashflows than by the prevailing winds of the macroeconomy, or factors such as growth or value styles being in vogue.

This is not a recommendation or solicitation to buy or sell any particular security. The views and opinions expressed herein are those of the manager at the time and are subject to change without notice.

## Sector Breakdown

	Fund
Financials	18.6%
Industrials	16.4%
Energy	11.3%
Consumer Staples	11.1%
Consumer Discretionary	11.0%
Health Care	9.3%
Basic Materials	7.9%
Utilities	7.8%
Real Estate	4.6%
Technology	2.0%

## Top 10 Holdings as at 31.05.22

	Fund
Shell Plc	6.9%
Astrazeneca Usdo.25	5.6%
British American Tobacco Ord Gbp0.25	5.0%
Bp Plc Ord Usdo.25	4.4%
Rio Tinto Ord Gbp0.10	3.7%
Glaxosmithkline Ord Gbp0.25	3.2%
3i Group Ord Gbp0.738636	2.9%
Relx Plc Ord Gbp0.1444	2.9%
Unilever Ord Gbp0.031	2.8%
Anglo American Usdo.549	2.8%
<b>Total</b>	<b>40.2%</b>
<b>No of Holdings</b>	<b>51</b>

Every effort is made to ensure the accuracy of any information provided but no assurances or warranties are given. Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell shares.

## CONTACT DETAILS

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information please see the privacy policy at  
<http://www.rlam.co.uk>.

## Key Concepts to Understand

**Total Return:** A total return is a combination of capital growth and income. Capital growth is defined as the rise in an investment's value over time and income as the payment an investment generates, such as dividends or bond coupons.

**Rolling 3 Year Period:** A rolling 3-year period is any period of three years, no matter which day you start on.

**Efficient Portfolio Management:** A list of approved investment techniques, including the use of derivatives, used to protect against excessive risk, reduce cost or generate extra income or growth.

## Fund Risks

**Investment Risk:** The value of investments and any income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

**EPM Techniques:** The Fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Fund to increased price volatility.

**Counterparty Risk:** The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

**Charges from Capital Risk:** Charges are taken from the capital of the Fund. Whilst this increases the yield, it also has the effect of reducing the potential for capital growth.