



ASSET MANAGEMENT

FUND OVERVIEW

| | |
|-------------------------------|----------------------------|
| Fund Manager(s) | Richard Marwood |
| Fund Size | £264.46m |
| Domicile | United Kingdom |
| ISA | Available and Eligible |
| Benchmark Index | FTSE All Share |
| Investment Association Sector | IA UK Equity & Bond Income |
| Currency | GBP |
| - | |

Share Class A (Income)

| | |
|------------------------------|----------|
| Unit Launch Date | 25.09.89 |
| Initial Charge | 0.00% |
| Annual Charge | 1.50% |
| Minimum Investment | £1,000 |
| Ongoing Charges Figure (OCF) | 1.52% |
| SEDOL | 0159805 |
| Mid | 218.30p |
| Historic Yield | 5.19% |

ROYAL LONDON UK INCOME WITH GROWTH TRUST

31.07.19

Overview

The investment objective of the fund is to provide an above-average and growing income, together with some capital appreciation, from a diverse portfolio of UK securities comprising mainly higher yielding equities in any economic sector, but including some fixed interest securities.

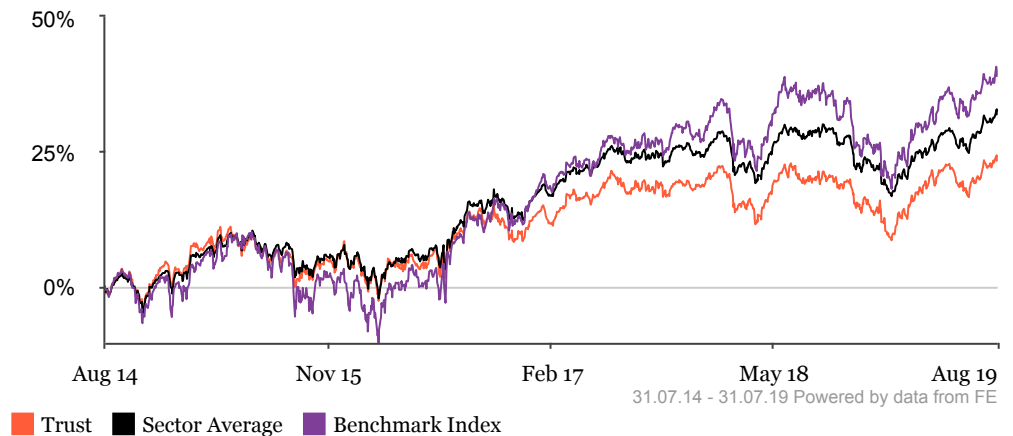
Year-on-year performance

| | 31.07.18 to 31.07.19 | 31.07.17 to 31.07.18 | 31.07.16 to 31.07.17 | 31.07.15 to 31.07.16 | 31.07.14 to 31.07.15 |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Share Class A (Income) | 1.6% | 3.1% | 6.8% | 4.8% | 5.1% |
| Sector Average | 1.9% | 4.7% | 10.6% | 4.5% | 6.9% |
| Benchmark Index | 1.3% | 9.2% | 14.9% | 3.8% | 5.4% |

Cumulative Performance (as at 31.07.19)

| | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years |
|------------------------|----------|----------|--------|---------|---------|
| Share Class A (Income) | 1.1% | 7.1% | 1.6% | 11.9% | 23.2% |
| Sector Average | 2.3% | 8.0% | 1.9% | 18.0% | 31.8% |
| Benchmark Index | 2.6% | 10.6% | 1.3% | 27.0% | 38.9% |
| Quartile Ranking | 4 | 4 | 3 | 4 | 4 |

Performance Chart



Source: RLAM and FE as at 31.07.19. Fund performance is shown on a mid to mid price basis, net of fees and taxes, with net income reinvested unless otherwise stated. Benchmark performance is shown gross of fees and taxes. Past performance is not a guide to future performance. The value of investments and the income from them is not guaranteed and may go down as well as up and investors may not get back the amount originally invested.

Distribution History (Net)

| | May 19 | Feb 19 | Nov 18 | Aug 18 |
|------------------------|--------|--------|--------|--------|
| Share Class A (Income) | 2.47p | 2.55p | 2.34p | 3.24p |

Table above shows figures as at payment date.

Fund Manager(s)



Richard Marwood

Lead Manager
Fund Manager tenure:
31.12.17

Yield Definitions

The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions.

CONTACT DETAILS

Private Investors

For enquiries and dealing: Tel: 03456 04 04 04

Intermediaries

For enquiries: Tel: 0203 272 5950
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Institutional Investors

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Risk Warning

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. 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. The marketing brand also includes Royal London Asset Management Bond 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. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

Source: RLAM, Financial Express and HSBC as at 31.07.19, unless otherwise stated. Yield definitions are shown above.

Our ref: FF RLAM PD 0240

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 trust is multi-asset with a bias towards equities. During the month both equities and bonds made similar positive returns. The trust returned +2.3%. Year-to-date, the trust has returned +12.3%. The fund's equity portfolio outpaced the broader market, with holdings in the aviation services business BBA, tobacco company Imperial Brands and telecommunications business Vodafone all making significant contributions.

No new equity positions were instigated, but a number of existing holdings were added to. Most notably we expanded our holdings of brick manufacturer Ibstock and the owner of Southend airport, Stobart. The latter addition was made when a large block of shares was sold by Neil Woodford's firm.

The primary aim of the trust is to achieve an attractive yield for investors. In order to do this we seek to invest in the shares of companies that offer an attractive dividend yield together with some capital growth. We also want a fixed interest portfolio that can generate a stable return from good quality corporate bonds with strong covenants. The skew towards equities is necessary in order to meet the fund's income requirements because dividend yields on equities are currently significantly higher than the yields on good quality bonds.

We have not tried to position the trust for any particular macroeconomic outcome. The outlook for UK interest rates is unclear given Brexit-related uncertainty, which makes it hard for the stock market to achieve meaningful progress.

Whether 'deal' or 'remain', we do not expect much of a boost to growth given weak productivity growth, the soft global backdrop and the likelihood of continued high levels of uncertainty. These factors, as well as the limited evidence of a pick-up in domestically-driven inflation, render a Bank of England (BoE) interest rate rise unlikely for a more extended period. In a 'no deal' outcome, we expect a significant hit to growth and BoE easing.

Any Brexit-inspired sterling weakness provides opportunities for international companies to buy UK corporate assets more cheaply, which is clearly supportive for the stock market. There will always be issues that cause some concern, but provided that economies keep growing, corporate profits should increase, leading to attractive returns for investors.

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 | Asset Split | Fund |
|--------------------|-------|---------------------------------|-------|
| Fixed Income | 29.6% | UK Equities | 68.7% |
| Financials | 16.0% | UK Corporate Fixed Interest | 28.6% |
| Industrials | 12.0% | Global Corporate Fixed Interest | 0.5% |
| Oil & Gas | 11.9% | Money Market | 2.3% |
| Consumer Goods | 10.2% | | |
| Consumer Services | 6.8% | | |
| Utilities | 4.5% | | |
| Basic Materials | 3.4% | | |
| Health Care | 3.1% | | |
| Telecommunications | 2.6% | | |

Top 10 Holdings as at 31.07.19

| | Fund (%) |
|--|--------------|
| ROYAL DUTCH SHELL | 5.7% |
| BP | 5.2% |
| HSBC HOLDINGS PLC | 4.7% |
| GLAXOSMITHKLINE | 3.1% |
| IMPERIAL BRANDS PLC | 2.8% |
| NATIONAL GRID | 2.7% |
| VODAFONE GROUP | 2.6% |
| BRITISH AMERICAN TOBACCO | 2.2% |
| MORRISON (WM) SUPERMARKETS ORD GBP0.10 | 2.0% |
| GLENCORE PLC | 2.0% |
| Total | 33.0% |
| No of Holdings | 237 |

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.