

31.08.19

## FUND OVERVIEW

Fund Manager(s)	Richard Marwood
Fund Size	£255.40m
Domicile	United Kingdom
ISA	Available and Eligible
Benchmark Index	FTSE All Share
Investment Association	IA UK Equity & Bond
Sector	Income
Currency	GBP
<b>Share Class A (Income)</b>	
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	212.20p
Historic Yield	5.34%

## Overview

The Scheme's investment objective is to achieve an above-average and rising income with some capital growth over the medium-to-long term (5-7 years) by investing at least 70% in the shares and sterling-denominated bonds of UK companies listed on the London Stock Exchange. The Scheme's income target is to produce an annual income that exceeds the income of the FTSE All-Share Index (the "Index") by at least 20% over a rolling 7-year period. For further information on the Fund's index, please refer to the Prospectus.

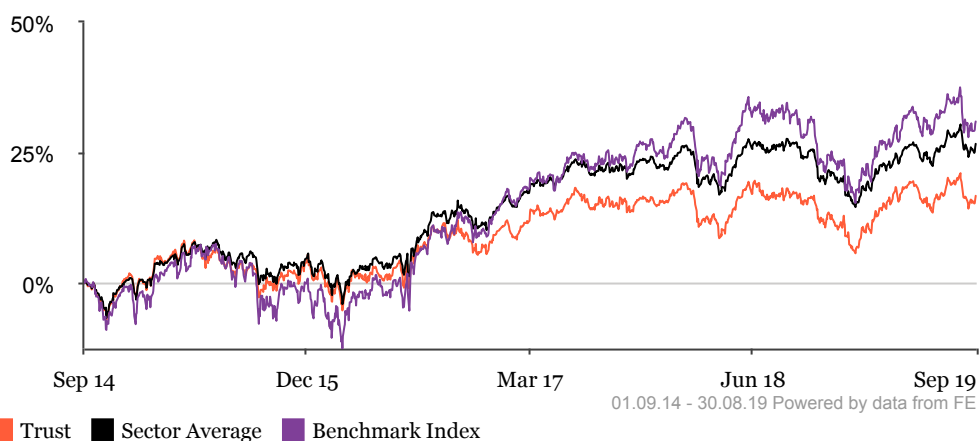
## Year-on-year performance

	31.08.18 to 31.08.19	31.08.17 to 31.08.18	31.08.16 to 31.08.17	31.08.15 to 31.08.16	31.08.14 to 31.08.15
Share Class A (Income)	0.4%	0.9%	5.1%	11.0%	-0.7%
Sector Average	0.6%	3.0%	8.4%	11.2%	1.6%
Benchmark Index	0.4%	4.7%	14.3%	11.7%	-2.3%

## Cumulative Performance (as at 31.08.19)

	3 Months	6 Months	1 Year	3 Years	5 Years
Share Class A (Income)	2.4%	2.2%	0.4%	6.6%	17.4%
Sector Average	3.1%	4.2%	0.6%	12.3%	26.9%
Benchmark Index	2.0%	4.3%	0.4%	20.2%	31.2%
Quartile Ranking	3	4	3	4	4

## Performance Chart



Source: RLAM and FE as at 31.08.19. 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)

	Aug 19	May 19	Feb 19	Nov 18
Share Class A (Income)	3.96p	2.47p	2.55p	2.34p

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  
Email: BDSupport@rlam.co.uk

### Institutional Investors

For enquiries: Tel: 020 7506 6500  
Email: Institutional@rlam.co.uk

### Head Office

Royal London Asset Management Limited  
55 Gracechurch Street  
London, EC3V 0RL  
Tel: 020 7506 6500

### 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 31.08.19, unless otherwise stated. Yield definitions are shown above.

Our ref: FF RLAM PD 0245

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, equity markets were relatively weak on concerns about slowing global growth and trade disputes, while bonds made small positive returns. Against this backdrop, the trust returned -2.79% Year-to-date, the trust has returned +9.15% The trust's equity portfolio underperformed the broader market in the month, with weakness in our holdings of Standard Life Aberdeen, John Wood Group and Cineworld.

During the month, the trust sold out of equity holdings in TUI Travel, RPS, De la Rue and PZ Cussons and established a new holding in the power generation company Drax.

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 trust'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	68.1%
Financials	16.0%	UK Corporate Fixed Interest	30.4%
Industrials	12.0%	Global Corporate Fixed Interest	0.5%
Oil & Gas	11.9%	Money Market	0.9%
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 30.08.19

	Fund (%)
ROYAL DUTCH SHELL	5.2%
BP	5.0%
HSBC HOLDINGS PLC	4.5%
GLAXOSMITHKLINE	3.3%
IMPERIAL BRANDS PLC	3.0%
NATIONAL GRID	2.9%
RIO TINTO	2.9%
BRITISH AMERICAN TOBACCO	2.3%
STANDARD LIFE ABERDEEN PLC	2.0%
IG GROUP HLDGS	1.9%
<b>Total</b>	<b>33.0%</b>
<b>No of Holdings</b>	<b>233</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.