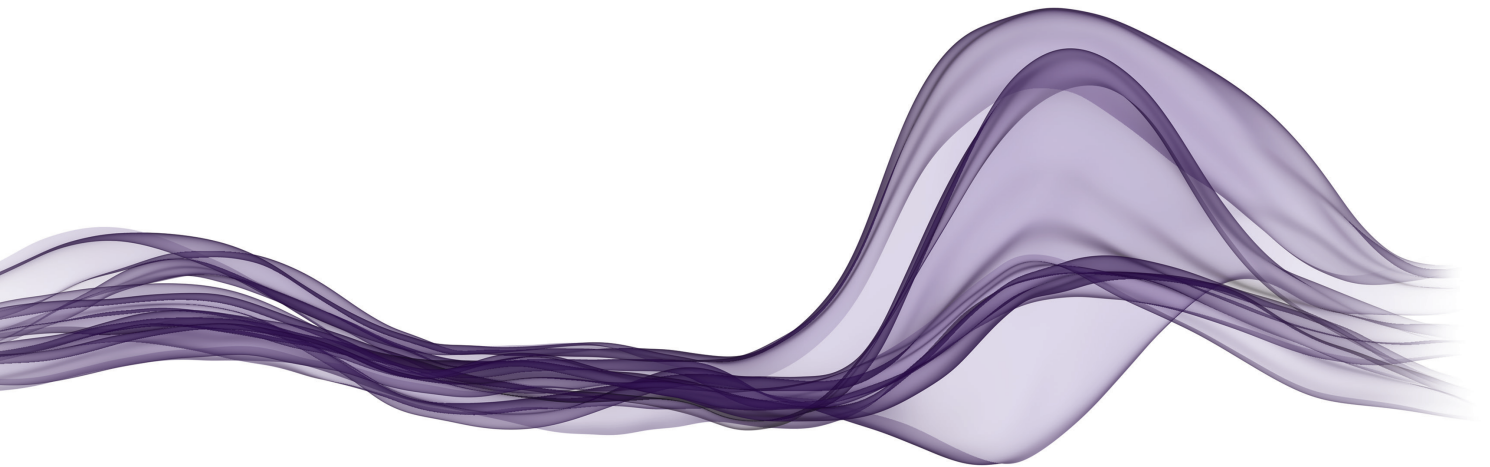


For professional clients only, not suitable for retail investors.

# Royal London Equity Funds ICVC

## Annual Report

For the year ended 31 August 2022



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## Company Information

### Company

#### Royal London Equity Funds ICVC

Registered in England with Company Number IC000807

*Registered office:*

55 Gracechurch Street, London EC3V 0RL

### Director

**The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited which is the sole director.**

*Place of business and Registered office:*

55 Gracechurch Street, London EC3V 0RL

Authorised and regulated by the Financial Conduct Authority; a member of The Investment Association (IA).

T: 020 7506 6500

F: 020 7506 6503

### Directors

R.A.D. Williams

A. Hunt

R. Kumar

S. Spiller

J. Brett (Non-executive Director)

H. Georgeson

J.M. JACKSON (Non-executive Director, appointed 1 April 2022)

### Investment Adviser

#### Royal London Asset Management Limited

*Place of business and Registered office:*

55 Gracechurch Street, London EC3V 0RL

Authorised and regulated by the Financial Conduct Authority.

### Depositary

#### HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

### Registrar

#### SS&C Financial Services Europe Limited

The Register may be inspected at:

SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS

Authorised and Regulated by the Financial Conduct Authority.

### Independent Auditors

#### PricewaterhouseCoopers LLP

#### Chartered Accountants and Statutory Auditors

141 Bothwell Street, Glasgow G2 7EQ

\* The Authorised Corporate Director's report comprises these items, together with the following for each individual sub-fund: Manager's Investment Report; Investment Objective and Policy and Portfolio Statement.

## Directors' Report

We are pleased to present the Annual Report and Financial Statements for the Royal London Equity Funds ICVC, covering the year from 1 September 2021 to 31 August 2022.

Royal London Equity Funds ICVC ('the Company') is authorised and regulated by the Financial Conduct Authority and is structured as an umbrella investment company, in that the Company proposes to issue shares linked to different sub-funds which have been established. The Company is a UCITS umbrella scheme.

The sub-funds in existence during the year from 1 September 2021 to 31 August 2022 were:

- Royal London UK Mid Cap Growth Fund (launched on 30 October 2009)
- Royal London UK Opportunities Fund (launched on 30 October 2009)
- Royal London Japan Equity Tilt Fund (launched on 26 February 2010)
- Royal London UK Core Equity Tilt Fund (launched on 26 February 2010)
- Royal London UK All Share Tracker Fund (launched on 26 February 2010)
- Royal London US Equity Tilt Fund (launched on 26 February 2010)
- Royal London European Growth Fund (launched on 30 April 2010)
- Royal London UK Dividend Growth Fund (launched on 30 April 2010)
- Royal London UK Equity Income Fund (launched on 5 November 2010)
- Royal London UK Equity Fund (launched on 5 November 2010)
- Royal London UK Smaller Companies Fund (launched on 5 November 2010)
- Royal London Asia Pacific ex Japan Tilt Fund (launched on 5 November 2010)
- Royal London Europe ex UK Equity Tilt Fund (launched on 4 June 2013)
- Royal London Emerging Markets ESG Leaders Equity Tracker Fund (launched on 12 June 2017)
- Royal London Global Equity Diversified Fund (launched on 10 October 2017)
- Royal London Global Equity Select Fund (launched on 10 October 2017)

- Royal London Global Equity Income Fund (launched on 25 February 2020)
- Royal London Global Sustainable Equity Fund (launched on 25 February 2020)
- Royal London UK Broad Equity Tilt Fund (launched on 3 December 2021)
- Royal London Sustainable Growth Fund (launched on 24 May 2022)

An ICVC may comprise a single fund or may be structured as an umbrella with a number of different sub-funds, each with its own portfolio of underlying assets invested in accordance with the investment objective and policy applicable to that sub-fund.

Currently, the funds of an umbrella company are ring-fenced, and consequently creditors of the company may not look to all the assets of the company for payment regardless of the sub-fund in respect of which that creditor's debt has arisen. Certain assets held or liabilities incurred by an umbrella company which are not attributable to a particular fund can be allocated between all of the funds in a manner which the ACD considers fair to shareholders.

Shareholders are not liable for the debts of the Company.

**This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.**

**For and behalf of Royal London Unit Trust Managers Limited**

**Authorised Corporate Director**

**A. Hunt** (Director)

**R. Kumar** (Director)

**7 December 2022**

## **Statement of Authorised Corporate Director's Responsibilities in Relation to the Financial Statements of the Company**

The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Financial Conduct Authority Collective Investment Schemes Sourcebook (COLL) require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company for the year.

The financial statements are prepared on the basis that the Company will continue in operation unless it is inappropriate to assume this. In preparing the financial statements the Authorised Corporate Director is required to:

- select suitable accounting policies and then apply them consistently;
- make adjustments and estimates that are reasonable and prudent;
- comply with the requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (now referred to as The Investment Association) in May 2014 (the 2014 SORP), as amended in 2017;
- comply with the disclosure requirements of the prospectus;
- 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
- take reasonable steps for the prevention and detection of fraud and other irregularities.

The Authorised Corporate Director is responsible for the management of the Company in accordance with its Prospectus and the FCA's rules.

## Statement of Depositary's Responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation 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 Company and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company'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 Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

## Report of the Depositary to the Shareholders of the Royal London Equity Funds ICVC

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

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

### HSBC Bank plc

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

# Independent Auditors' Report to the Shareholders of Royal London Equity Funds ICVC

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Royal London Equity Funds ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 August 2022 and of the net revenue and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the respective periods then ended ("respective periods" is defined as 1 September 2021 to 31 August 2022 for all sub-funds except Royal London UK Broad Equity Tilt Fund with a period of 3 December 2021 to 31 August 2022 and Royal London Sustainable Growth Fund with a period of 24 May 2022 to 31 August 2022); 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 Instrument of Incorporation.

Royal London Equity Funds ICVC is an Open Ended Investment Company ('OEIC') with 20 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheets as at 31 August 2022; the Statements of Total Return and the Statements of Change in Net Assets Attributable to Shareholders for the period then ended; the Distribution Tables; the Accounting Policies (included in the Summary of Significant Accounting Policies Section); and the Notes to the Financial Statements.

### 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 Company 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.

### Emphasis of matter – financial statements of Royal London UK All Share Tracker, a sub-fund, prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to the Summary of Significant Accounting Policies within the Financial Statements which describes the Authorised Corporate Director's reasons why the financial statements for Royal London UK All Share Tracker Fund (the "terminating sub-fund"), a sub-fund of Royal London Equity Funds ICVC, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

### Conclusions relating to going concern in respect of the Company and the continuing sub-funds

With the exception of the terminating sub-fund, in respect of the Company as a whole and the continuing sub-funds and 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 Company's or any of its continuing sub-funds' 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.

With the exception of the terminating sub-fund, in auditing the financial statements, we have concluded that the Authorised Corporate Director'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 Company's or its continuing sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director 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 Authorised Corporate Director 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



## Independent Auditors' Report to the Shareholders of Royal London Equity Funds ICVC (continued)

### Reporting on other information – continued

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.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

### Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### Responsibilities for the financial statements and the audit Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities in Relation to the Financial Statements of the Company, the Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds 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 Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

### 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 Company/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 Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director'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.

# **Independent Auditors' Report to the Shareholders of Royal London Equity Funds ICVC** (continued)

## **Use of this report**

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 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.

We have no exceptions to report arising from this responsibility.

**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Glasgow**

**7 December 2022**



## Summary of Significant Accounting Policies

For the year ended 31 August 2022

### 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 Investment Schemes sourcebook. They have been prepared in accordance with FRS102 and the Statement of Recommended Practice for Authorised Funds (SORP) for Financial Statements of Authorised Funds issued by The Investment Association (now referred to as The Investment Association) in May 2014 (the 2014 SORP), as amended in 2017.

As stated in the Statement of Authorised Corporate Director's Responsibilities in relation to the Report and Financial Statements of the Company on page 4, the Authorised Corporate Director continues to adopt the going concern basis in the preparation of the financial statements of the Company.

Royal London UK All Share Tracker Fund has been prepared on a basis other than going concern. This basis includes reclassifying the sub-fund's investments to current assets as the sub-fund was closed for dealing on 22 July 2022. No other adjustments were necessary and the ACD will meet any additional costs of termination.

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

Further analysis of the distribution and the net asset position can be found within the Financial Statements of the individual sub-funds.

#### Basis of valuation of investments

The investments of the Company have been valued at the closing bid price on 31 August 2022, the last valuation point in the accounting period. This is deemed by the ACD to reflect the fair value of investments. A valuation as at the balance sheet date, 31 August 2022, has been analysed along with indices movements.

Unquoted, suspended and delisted investments are valued based on the Investment Adviser's (RLAM) opinion of fair value. The Investment Adviser has a Valuations Oversight Committee (VOC) which reviews and values unquoted investments on a monthly basis. Stale, static asset prices and suspended assets are monitored weekly by the Fund Manager and reviewed quarterly by the RLAM VOC in line with their Fair Value Pricing Policy.

#### Exchange rates

Assets and liabilities denominated in foreign currencies have been converted to sterling at the bid-market closing rates of exchange on 31 August 2022.

Foreign income and expenditure has been converted into sterling at the rate of exchange ruling at the date of transaction.

#### Recognition of revenue

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

Revenue from unquoted equity investments is recognised when the dividend is declared. Interest and revenue from bank balances and deposits, stock lending (net of fees paid) and other securities is recognised on an accruals basis.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the sub-fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those shares.

UK dividends are shown net of any associated tax credits attached to the income.

Overseas revenue received after the deduction of withholding tax is shown gross of tax, with the tax consequences shown within the tax charge.

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 Fund. 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 and are reflected under UK dividends within the revenue note.

Dividends received from US REITs are allocated between revenue and capital for distribution purposes. The split is based on the year-end tax reporting data issued by the US REIT available on [www.REIT.com](http://www.REIT.com). Where the split of revenue and capital has not been announced at the accounting date a provisional split will be used. The provision will be calculated on the prior year's aggregated dividend split for each US REIT.

Any income arising from stock lending is treated as revenue on an accruals basis and is disclosed in the notes to the financial statements net of directly attributable fees.

## Summary of Significant Accounting Policies (continued)

For the year ended 31 August 2022

### 1. Accounting policies – continued

#### Treatment of expenses

Expenses are recognised on an accruals basis.

The underlying sub-funds will hold a number of various share classes. Each share class suffers a different Fund Management Fee, which can be found in the constitution starting on page 307. Consequently the level of expenses attributable to each share class will differ.

The costs and charges detailed in the Prospectus, including the ACD's own fee, will be met out of this fixed Fund Management Fee. In the event the actual costs incurred by a sub-fund exceed the level of the fixed Fund Management Fee applicable to that share class, the ACD shall bear any such excess. Where the actual costs incurred by a sub-fund fall below the fixed Fund Management Fee, the ACD shall be entitled to retain any amount by which the fixed Fund Management Fee exceeds those actual costs.

#### Taxation

Provision is made for taxation at current rates on the excess of investment revenue over allowable expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is not recognised on permanent differences.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

Authorised funds are exempt from UK Capital Gains Tax. However, sub-funds which invest in certain types of Indian assets are, in certain circumstances, subject to Indian Capital Gains Tax. At period end 31 August 2022 the Royal London Emerging Markets ESG Leaders Equity Tracker Fund was the only sub-fund with direct exposure to these type of assets. A deferred tax provision is included within note 9a on the balance sheet, page 216 of the notes.

#### Treatment of derivative contracts

The unrealised gain/(loss) on open future contracts is disclosed in the portfolio statement, where such contracts are held by an individual sub-fund. The margins paid on these contracts are included in the amounts held at derivative clearing houses and brokers.

Motives and circumstances are used to determine whether returns on derivative contracts should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital and the circumstances support this, the returns are included within net capital gains/(losses) in the Statement of Total Return. Where they are undertaken for generating or protecting revenue and the circumstances support this, the returns are treated as revenue and are included within the net revenue in the Statement of Total Return. The basis of apportionment is typically made by reference to the yield on the underlying security, index or other appropriate source.

#### Dilution

In certain circumstances the ACD may make a dilution adjustment on the sale or repurchase of shares. The levy is intended to cover certain dealing charges not included in the value of the sub-fund used in calculating the share price, which could have a dilutive effect.

Normally the Company will only charge such a levy on a sub-fund experiencing large levels of net purchases or net redemptions relative to its size. From 1 April 2022 the ACD reserves the right to make a daily dilution adjustment, using swinging single pricing, for the sole purpose of reducing dilution in the Funds. For further details please refer to the Prospectus.

#### Cross holding

There were no cross holdings in the current or prior year for any sub-funds within the ICVC.

## Summary of Significant Accounting Policies (continued)

For the year ended 31 August 2022

### 2. Distribution policy

#### Basis of distribution

Revenue produced by the sub-funds' investments accumulates during each accounting year. If at the end of the accounting year, revenue exceeds expenses, the net revenue of each sub-fund is available to be distributed, at share class level, to shareholders.

The following sub-funds make distributions on a quarterly basis: Global Equity Income, UK Equity Income & UK Dividend Growth.

The following sub-funds make distributions on a half yearly basis: Japan Equity Tilt, UK Core Equity Tilt, UK All Share Tracker, European Growth, UK Equity, UK Smaller Companies, Asia Pacific ex Japan Tilt, Europe ex UK Equity Tilt, Global Equity Diversified, Global Equity Select, Global Sustainable Equity, Sustainable Growth and UK Broad Equity Tilt.

The following sub-funds make distributions on an annual basis: UK Mid Cap Growth, UK Opportunities, US Equity Tilt and Emerging Markets ESG Leaders Equity Tracker.

#### Apportionment to multiple share classes

The allocation of revenue and expenses to each share class is based on the proportion of the sub-funds assets attributable to each share class on the day the revenue is earned or the expense is suffered. The Fund's management charge is specific to each share class.

#### Policy for stock dividends

The ordinary element of stock dividends is treated as income but does not form part of the distribution, except in the case of UK Equity Income where stock dividend income is distributed.

In the case of an enhanced stock dividend the value of the enhancement is treated as capital and also does not form part of the distribution.

#### Expenses

In determining the net revenue available for distribution, expenses related to the purchase and sale of investments are borne wholly by capital. In the case of Global Equity Income, UK Equity Income and UK Dividend Growth sub-funds, all expenses are borne by capital.

#### Equalisation

Equalisation applies only to shares purchased during the distribution year/period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. 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 shares for Capital Gains Tax purposes.

### 3. Risk management policies

In accordance with its investment objective, the Company holds financial instruments such as equity shares, non-equity shares, cash and has short-term debtors and creditors. The risks arising from the Company's financial instruments are summarised below and remain unchanged from the prior year. Further details can be found on pages 312 to 320 .

#### Market risk

The main risk arising from the Company's financial instruments is market price risk which arises from the uncertainty about future prices.

The individual Fund Managers of the sub-funds review the portfolios in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors, whilst continuing to follow the sub-funds investment objectives.

The ACD adheres to the investment guidelines and investment and borrowing powers established in the Prospectus and in the Rules governing the operations of ICVCs. In this way the ACD monitors and controls the exposure to risk from any type of security, market sector or individual issuer.

#### Credit and liquidity 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 Company 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 Company has fulfilled its responsibilities. The Company 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.

The Company'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 Company is the redemption of any shares that investors wish to sell. Liquidity risk, mainly derived from the liability to shareholders, is minimised through holding cash and readily realisable securities which can meet the usual requirements of share redemptions.

The liquidity risk for all sub-funds has been deemed insignificant therefore numerical disclosures are not required.

## Summary of Significant Accounting Policies (continued)

For the year ended 31 August 2022

### 3. Risk management policies – continued

#### Currency risk

The value of the Company's investments may be affected by currency movements since a proportion of the assets are denominated in currencies other than sterling. The ACD may, from time to time, seek to mitigate the effect of these currency exposures by covering a proportion of its investments using forward currency hedges. However, no such arrangements were in place at the period end. The Company may also be subject to short-term exposure to exchange rate movements, for example where there is a delay between dealing and subsequent settlement. However, the ACD considers that this does not pose a significant risk given the short-term nature of this exposure. The risk of currency movements on the income property of the Company is minimised by converting income received in foreign currency into sterling on the date of transaction.

#### Interest rate risk

The Company's exposure to interest rate risk is limited to balances held at the bank as disclosed in the balance sheet. Changes to the rate of interest applied on the underlying balances will affect the Company accordingly. All cash balances earn interest at a variable rate. Interest rate risk is considered insignificant for the majority of the funds, the exception being the Royal London Sustainable Growth Fund which holds a mixture of bonds and equities.

#### Derivatives risk

The ACD may employ derivatives for the purpose of efficient portfolio management. All derivative trading is in the form of instruments listed on a regulated exchange. Financial futures are used in particular for efficient management of cashflow, i.e. to deal with the control of marginal cashflow monies – for example, investment of anticipated dividend receipts, as well as to effect re-allocations of assets. Futures allow the ACD to obtain market exposure quickly (thereby reducing risk) and cheaply (reducing cost).

#### Other

##### Coronavirus, the Ukraine situation and inflation

For RLAM's views on market conditions and mitigating these risks please refer to the Managers' Investment Reports.

RLAM is complying with all restrictions and sanctions issued by the relevant authorities in relation to the conflict in Ukraine. Economic sanctions placed on Russia are having a significant impact on global financial markets and commodity pricing. The Company has minimal exposure to Russian securities. Those listed on the Russia stock exchange have been written down the nil value due to trading restrictions.

RLAM is closely monitoring the geopolitical risks, market risks and current inflationary risks.

# Royal London UK Mid Cap Growth Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Mid Cap Growth Fund, Class M Accumulation	-25.46	-1.85	7.64
Royal London UK Mid Cap Growth Fund, Class N Accumulation	-25.34	-1.39	8.47
Royal London UK Mid Cap Growth Fund, Class R Accumulation	-25.44	-	-
Royal London UK Mid Cap Growth Fund, Class Z Accumulation	-24.90	0.27	-
FTSE® 250 (ex Investment Trust) Total Return GBP	-21.72	1.46	3.23

Class R Accumulation launched on 22 November 2018 and Class N Accumulation launched on 20 March 2020.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

Over the last twelve months to the end of August the Fund has underperformed its benchmark (the FTSE® 250 ex-Investment Trust Index) in a market environment that has not favoured small and mid cap equities in general vs their larger cap peers. The Fund's underperformance relative to its benchmark was due to both sector allocation and stock selection, but the style rotation from Growth to Value has been the major cause. The Fund's performance relative to its IA UK All Companies peer group (which was down -10.59%, one year total return) is more a reflection of the underperformance of the FTSE® 250 investment universe relative to the FTSE® All-Share. Indeed, the Fund invests a minimum of 80% of assets in the FTSE® 250 and in that sense remains a 'genuine mid cap' fund. The large-cap FTSE® 100 Index significantly outperformed, due to the materially greater exposure to commodity companies, financials and consumer staples.

### Market and portfolio commentary

Macroeconomic and geopolitical news flow have dominated headlines and driven stock market direction in 2022. After a strong year for equity returns in 2021, 2022 has been significantly more challenging and particularly in small and mid cap equities.

Inflation soared above 10% as demand recovered strongly and supply chains have remained tight and disrupted post Covid (particularly in China). War has broken out between Russia and the Ukraine, leading to a surge in the cost of energy and even the prospect of fuel rationing. As price levels have escalated for different goods and services throughout the economy, there is an understandable concern for the pressures being heaped on the UK consumer and their ability to withstand this 'cost of living crisis'. Those businesses with pricing power have managed to push price rises onto their customers and grow revenues but ultimately there is a risk to demand and volumes should these price levels be sustained.

UK Interest rates and bond yields have soared in response to this rise in inflation and the ten year gilt yield as at 30 August 2022 is now over 3%, having been just 0.7% twelve months ago. Not only have rising yields put pressure on equity market valuations, as investors have applied higher discount rates to future cashflows, but they are also responsible for a material rise in the cost of debt for corporates and consumers, after an extraordinarily long period of declining rates. The strength of a company's balance sheet and healthy free cashflow generation are likely to be defining features of those companies that survive this turmoil.

Market participants have been coming to terms with the sobering reality of slowing growth and the prospect of recession. In response, the mid cap market has declined more than 20% over this period, eating into its historic track record of consistently outperforming the FTSE® 100. At this moment in time, valuations would seem compelling, with UK equities



## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

trading back on single digit 12 month forward P/Es (Eikon consensus data). This has historically been a decent buy signal on a 12, 24 and 60 month view (Berenberg data, September, 2022). The fact that Sterling has also suffered a substantial decline has left the UK market (and in particular mid and small cap equities) looking particularly attractive to foreign buyers, from a merger and acquisition perspective.

In previous reports, we alluded to the secular attractions of the technology sector and the fact that Covid has accelerated corporate spend on IT software, infrastructure, security and cloud. Fund holdings such as Bytes (IT software reseller), GB Group (ID verification) and FDM (IT recruitment) have been just some of the beneficiaries of this theme. However, despite this, the stock price performance of the FTSE® 250 Technology sector in 2022 has in fact been disappointing (-21.5%). Some of this can be attributed to the 'growth stocks sell-off' referred to above but some of the performance can be explained by the risk to margins and thus profits from elevated labour costs, in particular IT engineers (where wage inflation has been over 10% in certain geographies). Higher input costs, together with the potential for a pause in IT spend in a weaker economic environment have left many of these companies looking vulnerable to bid approaches. Indeed, some commentators have referred to the current phenomenon as the 'UK Tech Raid' as Fund holdings Aveva, Euromoney and GB Group amongst others on the market, have been bid for.

While so far only the Euromoney bid has been agreed, it is surely an indication that there remains attractive value on offer in this sector on a long term view (our investment horizon). The reason why we remain overweight the sector is because such companies are exposed to structural growth, can scale on low levels of capital, have high levels of recurring revenues and offer an innovative product or service. In the case of Euromoney, our biggest contributor from a stock perspective in the period, their price reporting agency, Fastmarkets, was a particularly attractive, fast growing and unique asset.

As mentioned above, inflation and all its implications was a significant factor that drove market returns. One of the traits of small and mid cap companies (vs larger companies) is that they are often nimble and dynamic enough to offset such headwinds or evolve to avoid them. A key part of our investment process involves meeting companies face to face and during the period under review we spent significant time discussing their strategies for dealing with labour, transport and energy cost inflation in particular. For some, such as Hilton foods (a food producer) this involved automation to take labour out of the production process. Others were able to rationalise their cost base by consolidating their real estate footprint (e.g.

Bodycote, the heat treatment services company). FDM, the IT recruitment services company expanded their internal talent development capability to bypass the difficulties associated with hiring IT staff in the open market. Other companies, such as Marshalls, the specialist provider of commercial and residential landscaping services, have been able to pass higher input costs on in the form of higher prices – their market share and the quality of their product/service has been the cornerstone of this 'pricing power'.

The Fund avoids investing directly in commodity producing companies due to the capital intensity of growth, highly volatile earnings, lack of product differentiation or pricing power, and often poor corporate governance which comes along with often operating in higher risk jurisdictions. Therefore the Fund currently owns no miners or oil companies – typically beneficiaries of inflation – and this underweight in commodities has been a detractor to performance over the period from a sector perspective. However, one of the Funds biggest contributors from a stock perspective has been an indirect beneficiary of higher energy prices; Telecom Plus, which operates as an asset-light energy and telecoms provider through the Utility Warehouse brand. Amid soaring wholesale energy prices, there were a host of headline-grabbing failures amongst new entrants to the UK retail energy market – Igloo, Avro, Utility Point to name a few. These were typically companies operating at a loss in efforts to win new customers, and their exit should support Telecom Plus competitive position and allow them to accelerate customer growth. Telecom Plus offers a bundled package of energy, broadband, mobile and insurance to residential customers at a material and demonstrable discount to other operators. We anticipate attractive potential revenue growth in an environment where consumers are tightening their belts.

While the invasion of the Ukraine by Russia has contributed to an 'energy crisis' it has also resulted in a tectonic shift in the geopolitical landscape and national commitments to defence spending. For example, Germany has pledged to spend 2% of GDP on its military and Sweden and Finland are on a journey towards NATO membership. Chemring, the provider of countermeasures and sensors and security solutions is likely to be a beneficiary and has been another strong relative performer this year. It is one of the last remaining defence companies on the market after a spate of acquisitions in recent years and has strategic value, with a market leading position in countermeasures (and the most well invested and efficient manufacturing facilities) and an attractive pipeline of contract opportunities in the UK and US in its cyber security business, Roke. The management are experienced (the CFO was part of the Avon Protection restructuring) and the balance sheet has plenty of capacity (over £185m) to absorb earnings accretive acquisitions. Free cash flow should now also improve as the major upgrades to facilities are largely complete.



## Manager's Investment Report (continued)

### Activity

Two new holdings were initiated in Spectris and JTC. Spectris designs and assembles electronic products and instrumentation used in the analysis and measurement of materials and processes. Following Spectris's failed bid to acquire Oxford Instruments (another mid cap fund holding), the shares had declined from a peak of nearly £41 to below £25. Under relatively new management and despite having sold £1bn worth of lower margin and more capital intensive assets for c. 17x EBITDA (including Omega for c. £400m in 2022), Spectris was only trading on c. 11x EBITDA. It had announced a £300m buyback earlier this year and was still forecast to have £200m of net cash on its balance sheet. A site visit to Malvern Panalytical, one of the remaining divisions highlighted the opportunity in fast growing markets such as life sciences and gave an insight into the opportunity for margin improvement.

JTC is a corporate fund administration services business similar to Sanne, a previous mid cap fund holding which was subject to a successful takeover approach by Apex private equity. The market for outsourced fund administration services continues to grow at a high single digit rate for regulatory and cost reduction/transparency reasons and margins are very attractive at over 30%. Consolidation has been an ongoing feature and JTC, with its significant employee ownership, has been recently scaling its footprint in the US.

These were funded through the sale of Ultra Electronics (post the completion of the bid), Melrose (FTSE® 100) and Countryside. Countryside was sold following the decision to split the business into housebuilding and partnerships and to run down the former, when no adequate indications of buying interest were received. The shares had performed very well as investors anticipated a significant release of value and rerating of the remaining partnerships business. However growth expectations appeared aggressive in the face of supply chain shortages and so the decision was taken to exit the position.

### Investment outlook

Investors are rightly concerned about the impact that input cost inflation and rising interest rates will have on consumer spending, corporate profitability and economic growth. This year has seen significant market volatility and a general valuation derating across the market capitalization spectrum to account for this uncertainty.

We take encouragement from three features of the UK market; the first is that on the whole corporate balance sheets are generally in very robust health following actions taken during the pandemic (in contrast to previous periods before a recession). This provides ultimate downside protection in the event of conditions worsening and provides flexibility for management teams to invest in projects to increase efficiency and offset cost inflation, or possibly to acquire less well-funded competitors.

Secondly, the unemployment rate of 3.8% has rarely been lower in decades and the economy has continued to create jobs over the Summer (Office for National Statistics, 2022). It is unusual to be approaching a recession with full national employment.

Finally, the market drawdown has left our investment universe looking attractive from a valuation perspective. Not only do relative strength and market breadth signals indicate that the UK market is looking oversold but UK equities are now trading back on single-digit 12 month P/Es. Furthermore, despite the increase in bond yields, the equity earnings yield (the return for investing in equities) has maintained its significant premium to fixed income yields (the return for investing in bonds) as equities have derated so significantly. This has contributed to the buoyant merger and acquisition environment.

For investors with a long term horizon, this is an exciting opportunity to revisit the small and mid cap universe. However, over the short term, perceived and actual risk to earnings delivery will be an important factor determining equity returns.

**Henry Lowson**  
**Fund Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	570.30	414.81	432.32
Return before operating charges*	(141.89)	159.19	(14.23)
Operating charges	(3.77)	(3.70)	(3.28)
Return after operating charges*	(145.66)	155.49	(17.51)
Distributions on accumulation shares	(7.74)	(5.07)	(3.29)
Retained distributions on accumulation shares	7.74	5.07	3.29
<b>Closing net asset value per share</b>	<b>424.64</b>	<b>570.30</b>	<b>414.81</b>
* after direct transaction costs of:	0.66	0.51	0.55
<b>Performance</b>			
Return after charges	(25.54)%	37.48%	(4.05)%
<b>Other information</b>			
Closing net asset value ( £'000)	80,291	80,384	59,428
Closing number of shares	18,908,065	14,095,225	14,326,431
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.14%	0.11%	0.13%
<b>Prices<sup>^</sup></b>			
Highest share price	575.50	571.10	498.80
Lowest share price	413.30	394.80	285.90

### Class N Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20** (p)
Opening net asset value per share	182.63	132.77	100.00
Return before operating charges*	(45.56)	50.92	33.15
Operating charges	(0.97)	(1.06)	(0.38)
Return after operating charges*	(46.53)	49.86	32.77
Distributions on accumulation shares	(2.60)	(1.72)	(0.32)
Retained distributions on accumulation shares	2.60	1.72	0.32
<b>Closing net asset value per share</b>	<b>136.10</b>	<b>182.63</b>	<b>132.77</b>
* after direct transaction costs of:	0.19	0.16	0.16
<b>Performance</b>			
Return after charges	(25.48)%	37.55%	32.77%
<b>Other information</b>			
Closing net asset value ( £'000)	9,338	6	7
Closing number of shares	6,861,016	3,294	5,000
Operating charges	0.70%	0.70%	0.70%
Direct transaction costs	0.13%	0.11%	0.13%
<b>Prices<sup>^</sup></b>			
Highest share price	184.30	182.90	134.30
Lowest share price	132.40	126.40	96.05

\*\* Class N Accumulation launched on 20 March 2020.

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	149.30	107.83	111.59
Return before operating charges*	(37.26)	41.55	(3.70)
Operating charges	(0.08)	(0.08)	(0.06)
Return after operating charges*	(37.34)	41.47	(3.76)
Distributions on accumulation shares	(2.95)	(2.21)	(1.64)
Retained distributions on accumulation shares	2.95	2.21	1.64
<b>Closing net asset value per share</b>	<b>111.96</b>	<b>149.30</b>	<b>107.83</b>
* after direct transaction costs of:	0.17	0.13	0.14
<b>Performance</b>			
Return after charges	(25.01)%	38.46%	(3.37)%
<b>Other information</b>			
Closing net asset value ( £'000)	302,730	422,997	315,588
Closing number of shares	270,384,942	283,318,751	292,672,336
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.13%	0.11%	0.13%
<b>Prices<sup>^</sup></b>			
Highest share price	150.70	149.50	129.10
Lowest share price	108.80	102.70	74.09

### Class Z Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	198.74	144.34	150.21
Return before operating charges*	(49.44)	55.43	(4.95)
Operating charges	(1.09)	(1.03)	(0.92)
Return after operating charges*	(50.53)	54.40	(5.87)
Distributions on accumulation shares	(2.95)	(2.02)	(1.37)
Retained distributions on accumulation shares	2.95	2.02	1.37
<b>Closing net asset value per share</b>	<b>148.21</b>	<b>198.74</b>	<b>144.34</b>
* after direct transaction costs of:	0.23	0.18	0.19
<b>Performance</b>			
Return after charges	(25.43)%	37.69%	(3.91)%
<b>Other information</b>			
Closing net asset value ( £'000)	7,474	22,810	18,382
Closing number of shares	5,043,100	11,477,114	12,735,083
Operating charges	0.62%	0.62%	0.62%
Direct transaction costs	0.13%	0.11%	0.13%
<b>Prices<sup>^</sup></b>			
Highest share price	200.50	199.00	173.40
Lowest share price	144.20	137.40	99.43

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 95.62% (31/08/21 – 97.42%)</b>			
<b>Basic Materials – 1.47% (31/08/21 – 3.25%)</b>			
Chemicals – 1.47%			
335,000	Victrex	5,862	1.47
<b>Total Basic Materials</b>		<b>5,862</b>	<b>1.47</b>
<b>Industrials – 28.69% (31/08/21 – 29.30%)</b>			
Aerospace & Defence – 2.15%			
2,750,000	Chemring	8,608	2.15
Construction & Materials – 2.90%			
2,050,000	Genuit Group	7,370	1.84
1,275,000	Marshalls	4,256	1.06
Electronic & Electrical Equipment – 6.74%			
485,000	Oxford Instruments	9,700	2.43
3,825,000	Rotork	9,440	2.36
280,000	Spectris	7,806	1.95
General Industrials – 1.93%			
12,875,000	Coats Group	7,699	1.93
Industrial Engineering – 3.98%			
1,500,000	Bodycote	8,257	2.06
735,000	Hill & Smith	7,659	1.92
Support Services – 10.99%			
255,000	Diploma	6,406	1.60
2,830,000	Essentra	5,626	1.41
1,000,000	Grafton	7,225	1.81
2,800,000	IntegraFin	7,515	1.88
1,700,000	Rentokil Initial	8,857	2.21
765,000	RS Group	8,300	2.08
<b>Total Industrials</b>		<b>114,724</b>	<b>28.69</b>
<b>Consumer Goods – 9.30% (31/08/21 – 10.21%)</b>			
Food Producers – 4.58%			
336,667	Cranswick	10,376	2.59
820,000	Hilton Food	7,938	1.99
Household Goods – 1.62%			
317,500	Bellway	6,487	1.62
Leisure Goods – 1.86%			
105,000	Games Workshop	7,439	1.86
Personal Goods – 1.24%			
2,100,000	Dr. Martens	4,964	1.24
<b>Total Consumer Goods</b>		<b>37,204</b>	<b>9.30</b>
<b>Healthcare – 4.25% (31/08/21 – 8.16%)</b>			
Pharmaceuticals & Biotechnology – 4.25%			
210,000	Dechra Pharmaceuticals	7,300	1.83
385,000	Genus	9,679	2.42
<b>Total Healthcare</b>		<b>16,979</b>	<b>4.25</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Consumer Services – 13.18% (31/08/21 – 13.71%)</b>			
General Retailers – 8.03%			
1,100,000	B&M European Value Retail	4,068	1.02
870,000	Inchcape	6,612	1.65
2,100,000	JD Sports Fashion	2,372	0.59
1,110,000	Watches of Switzerland Group	8,702	2.18
725,000	WH Smith	10,360	2.59
Media – 4.59%			
3,075,000	Ascential	6,236	1.56
835,000	Euro money Institutional Investor	12,107	3.03
Travel & Leisure – 0.56%			
5,500,000	Restaurant Group	2,253	0.56
<b>Total Consumer Services</b>		<b>52,710</b>	<b>13.18</b>
<b>Telecommunications – 3.51% (31/08/21 – 1.61%)</b>			
Fixed Line Telecommunications – 3.51%			
720,000	Telecom Plus	14,040	3.51
<b>Total Telecommunications</b>		<b>14,040</b>	<b>3.51</b>
<b>Financials – 20.31% (31/08/21 – 16.74%)</b>			
Financial Services – 10.54%			
3,375,000	AJ Bell	9,916	2.48
490,000	Intermediate Capital Group	6,693	1.68
115,479	JTC	883	0.22
220,000	Liontrust Asset Management	2,013	0.50
1,476,786	OSB Group	8,115	2.03
1,880,000	Paragon Banking Group	10,096	2.53
245,000	Rathbones Group	4,410	1.10
Non-Life Insurance – 4.25%			
1,650,000	Beazley	9,611	2.40
1,500,000	Lancashire	7,401	1.85
Real Estate Investment Services – 2.45%			
3,650,000	Grainger	9,782	2.45
Real Estate Investment Trusts – 3.07%			
350,000	Safestore	3,860	0.97
800,000	Unite Group	8,408	2.10
<b>Total Financials</b>		<b>81,188</b>	<b>20.31</b>
<b>Technology – 14.91% (31/08/21 – 14.44%)</b>			
Software & Computer Services – 11.40%			
1,175,000	Auction Technology	9,659	2.42
175,000	Aveva Group	4,900	1.23
2,325,000	Bytes Technology Group	9,691	2.42
1,155,000	FDM	8,790	2.20
1,640,000	GB	7,331	1.83
2,650,000	Moonpig Group	5,189	1.30
Technology Hardware & Equipment – 3.51%			
400,000	Gamma Communications	4,320	1.08
3,775,000	Spirent Communications	9,732	2.43
<b>Total Technology</b>		<b>59,612</b>	<b>14.91</b>
<b>Total value of investments</b>		<b>382,319</b>	<b>95.62</b>
<b>Net other assets</b>		<b>17,514</b>	<b>4.38</b>
<b>Total net assets</b>		<b>399,833</b>	<b>100.00</b>

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Spectris	7,955
OSB Group	7,480
Marshalls	7,476
Inchcape	7,235
Dr. Martens	5,761
Auction Technology	5,522
AJ Bell	4,986
Safestore	3,959
Grafton	3,207
Hill & Smith	3,151
<b>Subtotal</b>	<b>56,732</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>109,146</b>

### Significant Sales

	Proceeds £'000
Ultra Electronics	12,628
Watches of Switzerland Group	9,250
Dechra Pharmaceuticals	8,138
Sanne Group	7,957
Countryside Partnerships	7,146
Clinigen Group	6,867
SSP Group	5,391
Melrose Industries	5,318
Synthomer	4,170
TP ICAP	4,030
<b>Subtotal</b>	<b>70,895</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>101,713</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(137,739)	140,631
Revenue	3	10,485	8,372
Expenses	4	(854)	(855)
Net revenue before taxation		9,631	7,517
Taxation	5	(89)	(172)
Net revenue after taxation		9,542	7,345
Total (deficit)/return before distributions		(128,197)	147,976
Distributions	6	(9,542)	(7,345)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(137,739)</b>	<b>140,631</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		382,319	512,625
<b>Current assets:</b>			
Debtors	7	3,803	1,654
Cash and bank balances	8	15,431	12,859
<b>Total assets</b>		<b>401,553</b>	<b>527,138</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	1,720	941
<b>Total liabilities</b>		<b>1,720</b>	<b>941</b>
<b>Net assets attributable to shareholders</b>		<b>399,833</b>	<b>526,197</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>526,197</b>	<b>393,405</b>
Amounts receivable on creation of shares	52,577	8,933
Amounts payable on cancellation of shares	(51,028)	(23,983)
	1,549	(15,050)
Dilution adjustment charged	57	–
Change in net assets attributable to shareholders from investment activities	(137,739)	140,631
Retained distribution on accumulation shares	9,769	7,211
<b>Closing net assets attributable to shareholders</b>	<b>399,833</b>	<b>526,197</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(137,739)	140,631
<b>Net capital (losses)/gains</b>	<b>(137,739)</b>	<b>140,631</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	9,099	6,596
Overseas dividends	1,177	1,776
Property investment income (PID)	166	–
Bank interest	43	–
<b>Total revenue</b>	<b>10,485</b>	<b>8,372</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	854	855
<b>Total expenses</b>	<b>854</b>	<b>855</b>

\* Audit fee £13,340 (31/08/21: £11,078) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	89	172
<b>Current tax charge for the year</b>	<b>89</b>	<b>172</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	9,631	7,517
Corporation tax at 20% (31/08/21: 20%)	1,926	1,503

Effects of:

Revenue not subject to taxation	(2,055)	(1,674)
Current year management expenses not utilised	129	171
Irrecoverable overseas tax	89	172
<b>Current tax charge for the year</b>	<b>89</b>	<b>172</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/ (losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £5,394,000 (31/08/21: £5,265,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Final	9,769	7,211
	9,769	7,211
Add: Amounts deducted on cancellation of shares	428	174
Deduct: Amounts received on the creation of shares	(655)	(40)
<b>Net distributions for the year</b>	<b>9,542</b>	<b>7,345</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	9,542	7,345
<b>Net distributions for the year</b>	<b>9,542</b>	<b>7,345</b>

Details of the distribution per share are set out on page 25.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	1,123	79
Sales awaiting settlement	1,665	909
Accrued revenue	1,015	666
<b>Total debtors</b>	<b>3,803</b>	<b>1,654</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	15,431	12,859
<b>Total cash and bank balances</b>	<b>15,431</b>	<b>12,859</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	32	328
Purchases awaiting settlement	1,609	528
Accrued expenses	79	85
<b>Total other creditors</b>	<b>1,720</b>	<b>941</b>

### 10. Reconciliation of number of shares

	Class M Accumulation	Class N Accumulation
Opening shares at 01/09/21	14,095,225	3,294
Shares issued	7,997,635	7,355,929
Shares cancelled	(3,186,260)	(498,207)
Shares converted	1,465	–
<b>Closing shares at 31/08/22</b>	<b>18,908,065</b>	<b>6,861,016</b>

	Class R Accumulation	Class Z Accumulation
Opening shares at 01/09/21	283,318,751	11,477,114
Shares issued	4,103,203	719,344
Shares cancelled	(17,037,012)	(7,149,156)
Shares converted	–	(4,202)
<b>Closing shares at 31/08/22</b>	<b>270,384,942</b>	<b>5,043,100</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due from/(to) Royal London Unit Trust Managers Limited in respect of these transactions was £1,013,000 (31/08/21: £334,000).

At the year end, 31 August 2022, 89.77% (31/08/21: 91.72%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 13. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 19. 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 proportion of the Fund's asset denominated in currencies other than sterling is considered insignificant, therefore, no currency sensitivity has been disclosed in these financial statements.

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £38,232,000 (31/08/21: £51,263,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £38,232,000 (31/08/21: £51,263,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £15,431,000 (31/08/21: £12,859,000) which earn interest by reference to SONIA or international equivalent. This equates to 3.86% of the current Net Asset Value and 2.44% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 14. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	108,607	49	0.05	468	0.43	22	0.02	109,146
<b>Total</b>	<b>108,607</b>	<b>49</b>		<b>468</b>		<b>22</b>		<b>109,146</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	97,919	56	0.06	–	–	–	–	97,863
Corporate actions	3,850	–	–	–	–	–	–	3,850
<b>Total</b>	<b>101,769</b>	<b>56</b>		<b>–</b>		<b>–</b>		<b>101,713</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.11%
Other expenses	0.01%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	86,434	38	0.04	389	0.45	–	–	86,861
Corporate actions	5,588	–	–	–	–	–	–	5,588
<b>Total</b>	<b>92,022</b>	<b>38</b>		<b>389</b>		<b>–</b>		<b>92,449</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	98,465	53	0.05	–	–	–	–	98,412
Corporate actions	4,490	–	–	–	–	–	–	4,490
<b>Total</b>	<b>102,955</b>	<b>53</b>		<b>–</b>		<b>–</b>		<b>102,902</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.09%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.13% (31/08/21: 0.16%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	382,319	–	–	382,319
<b>Total</b>	<b>382,319</b>	<b>–</b>	<b>–</b>	<b>382,319</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	512,625	–	–	512,625
<b>Total</b>	<b>512,625</b>	<b>–</b>	<b>–</b>	<b>512,625</b>

### 16. Events after the balance sheet date

October 2022 – a new Prospectus was issued. The minimum investment for Class N was decreased from £15 million to £5 million.

These events have given rise to a non-adjusting subsequent event. The net asset value (NAV) of the Fund as at 5 December 2022 was £416,172,736. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 4.06%.

There have been no significant redemptions during this period.

## Distribution Table

For the year ended 31 August 2022

### Distribution in pence per share

#### Final

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class M Accumulation</b>				
Group 1	7.7392	–	7.7392	5.0659
Group 2	2.0921	5.6471	7.7392	5.0659
<b>Class N Accumulation</b>				
Group 1	2.6018	–	2.6018	1.7180
Group 2	1.0033	1.5985	2.6018	1.7180
<b>Class R Accumulation</b>				
Group 1	2.9508	–	2.9508	2.2116
Group 2	1.9232	1.0276	2.9508	2.2116
<b>Class Z Accumulation</b>				
Group 1	2.9522	–	2.9522	2.0151
Group 2	0.2145	2.7377	2.9522	2.0151

# Royal London UK Opportunities Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Opportunities Fund, Class M Accumulation	-20.26	2.81	2.20
Royal London UK Opportunities Fund, Class R Accumulation	-19.69	5.02	–
Royal London UK Opportunities Fund, Class S Accumulation	-19.73	4.99	–
FTSE® All-Share Total Return Index	1.01	12.01	17.77

Class R Accumulation launched on 22 November 2018 and Class S Accumulation launched on 23 April 2019.

**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 August 2022. Returns are net of management fees. Investors should also note that the total return is calculated on the Fund's official midday price whereas the Fund has been valued as at close of business for the Closing Net Asset Value quoted within the Comparative Table. For further information, including ongoing performance and Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The Fund underperformed its benchmark the FTSE® All-Share Index and competitor funds during the period under review.

### Market and portfolio commentary

During the period under review, many factors were at play which had major implications for the market. Chief amongst these was the ever-higher levels of inflation, not just the UK, but also many other countries were having to deal with. With Central Banks around the world slow to respond to the impending threat, we are now in the situation where meaningful increases are commonplace at each meeting. The other main event which has taken place is the Russian invasion of Ukraine. The invasion, leaving aside the tragic consequences on a humanitarian level, has driven up the cost of energy around the globe. Gas prices have skyrocketed as Europe clamber to ensure security of supply, and this has turbo charged the rates of inflation we are currently witnessing. The cost-of-living crisis in the UK has only just begun for millions for citizens and that despite the new Prime Minister's interventions.

If we look at the twelve months under review, the period from September 2021 to the end of December 2021 was reasonably benign from a stock market review. Quality growth stocks were in the ascendancy, and it felt very much business as usual. Since the turn of the year, the events outlined above have proved difficult to navigate.

Although the FTSE® All-Share was only off 4.78% from January 2022 until the end of August 2022, that masks the underlying moves which have often been brutal. The sectors which have performed strongest in 2022 thus far include Oil & Gas, Healthcare, Utilities and Telecommunications. This is a sharp reversal of many years where these sectors have been deeply out of favour. On the other side of this trade, Technology, Consumer Discretionary, Real Estate and Industrials have been heavily sold. The only real place to be this year has been in the biggest, liquid FTSE® 100 stocks.

To be clear, and this should come as no surprise given previous comments, there has been a marked difference between the FTSE100 and FTSE250 indices. During the 12 months under review, the FTSE100 has outperformed the FTSE250 by 23%, a quite staggering number. The mid cap index is much more UK centric, and these are the stocks which have been sold down, often without any regard to ratings. Another reason for the discrepancy has to do with the level of Sterling versus the US Dollar. At the end of August 2021, the Sterling was trading at \$1.37. Roll forward twelve months and the rate has collapsed to \$1.16.



## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

During the period under review, the best performing stock in the portfolio (+18%) was Imperial Brands, as new management started to run the business far more effectively and concentrated on its main markets.

AstraZeneca also added 18% as results kept impressing alongside a very healthy new pipeline of drugs. Other companies which proved their worth included the two oil & gas stocks in the portfolio, Shell, and BP, up 18% and 16% respectively.

On the downside, there was a litany of disappointments led by Marshalls, the UK's leading hard landscaping and building materials supplier which lost 46% as investors became increasingly concerned for discretionary spending. Dunelm lost 42% and although it continues to perform well operationally it would be wrong not to expect conditions to deteriorate for the consumer. That said, we believe the stock is pricing in an Armageddon scenario.

Other stocks which damaged performance included Future, the media company which also lost 42%. Once again, it continues to perform robustly and is, we believe, trading on a very modest rating.

The Fund added four new holdings over the period under review, these being: – BP, Unilever and Diageo. In addition, the Fund exited four existing positions – TI Fluid Systems, DS Smith, B&M European value and Synthomer.

We sold companies which we felt were more cyclical, had little visibility and could disappoint from an earnings perspective and bought businesses which had pricing power and were dollar earners. Diageo and Unilever are both consumer staples businesses which should prove more defensive during turbulent times in the market. As the Sterling continues to weaken this will provide a tailwind to all three businesses. BP is generating meaningful free cash with the oil price at current levels and see no reason to believe this will not continue for the foreseeable future.

### Investment outlook

The macro-economic backdrop is clearly highly uncertain, and all eyes remain on the Ukraine. Despite those uncertainties, many companies are reporting strong results which is very much at odds with the share prices we are witnessing in many sectors.

Private equity firms continue to sit on huge war chests and we have seen them deploy funds to acquire a number of UK companies. Although the cost of financing is increasing, those companies and PE firms residing in the U.S. will be buoyed by the strength of the dollar and it would be surprising if we didn't witness further M&A.

**Craig Yeaman**  
**Fund Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	238.59	168.90	184.17
Return before operating charges*	(47.14)	71.20	(13.84)
Operating charges	(1.68)	(1.51)	(1.43)
Return after operating charges*	(48.82)	69.69	(15.27)
Distributions on accumulation shares	(5.58)	(4.10)	(3.19)
Retained distributions on accumulation shares	5.58	4.10	3.19
<b>Closing net asset value per share</b>	<b>189.77</b>	<b>238.59</b>	<b>168.90</b>
* after direct transaction costs of:	0.30	0.22	0.21
<b>Performance</b>			
Return after charges	(20.46)%	41.26%	(8.29)%
<b>Other information</b>			
Closing net asset value (£'000)	1,356	2,034	4,034
Closing number of shares	714,797	852,424	2,388,251
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.14%	0.11%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	244.50	239.00	214.60
Lowest share price	184.10	162.60	121.30

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	140.83	98.98	107.14
Return before operating charges*	(27.95)	41.90	(8.12)
Operating charges	(0.05)	(0.05)	(0.04)
Return after operating charges*	(28.00)	41.85	(8.16)
Distributions on accumulation shares	(4.25)	(3.30)	(2.64)
Retained distributions on accumulation shares	4.25	3.30	2.64
<b>Closing net asset value per share</b>	<b>112.83</b>	<b>140.83</b>	<b>98.98</b>
* after direct transaction costs of:	0.18	0.14	0.12
<b>Performance</b>			
Return after charges	(19.88)%	42.28%	(7.62)%
<b>Other information</b>			
Closing net asset value (£'000)	755,548	947,621	695,749
Closing number of shares	669,644,718	672,903,372	702,929,123
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.14%	0.11%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	144.70	141.00	125.10
Lowest share price	109.30	95.41	70.82

### Class S Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	124.34	87.42	94.65
Return before operating charges*	(24.67)	36.99	(7.16)
Operating charges	(0.08)	(0.07)	(0.07)
Return after operating charges*	(24.75)	36.92	(7.23)
Distributions on accumulation shares	(3.72)	(2.89)	(2.30)
Retained distributions on accumulation shares	3.72	2.89	2.30
<b>Closing net asset value per share</b>	<b>99.59</b>	<b>124.34</b>	<b>87.42</b>
* after direct transaction costs of:	0.16	0.12	0.11
<b>Performance</b>			
Return after charges	(19.91)%	42.23%	(7.64)%
<b>Other information</b>			
Closing net asset value (£'000)	5	6	4
Closing number of shares	5,000	5,000	5,000
Operating charges	0.07%	0.07%	0.07%
Direct transaction costs	0.14%	0.11%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	127.70	124.50	110.60
Lowest share price	96.48	84.26	62.56

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 97.97% (31/08/21 – 98.15%)</b>			
<b>Oil &amp; Gas – 12.42% (31/08/21 – 2.68%)</b>			
Oil & Gas Producers – 12.42%			
	9,100,000 BP	40,176	5.31
	2,351,000 Shell	53,814	7.11
<b>Total Oil &amp; Gas</b>		<b>93,990</b>	<b>12.42</b>
<b>Basic Materials – 9.22% (31/08/21 – 11.59%)</b>			
Mining – 9.22%			
	8,860,000 Glencore	41,934	5.54
	584,000 Rio Tinto	27,863	3.68
<b>Total Basic Materials</b>		<b>69,797</b>	<b>9.22</b>
<b>Industrials – 28.40% (31/08/21 – 29.38%)</b>			
Aerospace & Defence – 2.41%			
	5,826,766 Chemring	18,238	2.41
Construction & Materials – 2.69%			
	3,206,890 Marshalls	10,705	1.41
	2,135,010 MJ Gleeson	9,714	1.28
Industrial Engineering – 9.55%			
	1,600,000 Hill & Smith	16,672	2.20
	19,100,000 Melrose Industries	26,071	3.45
	124,704 Spirax-Sarco Engineering	13,138	1.74
	1,122,000 Weir	16,348	2.16
Support Services – 13.75%			
	1,012,500 Ashtead Group	43,031	5.69
	439,500 DCC	21,812	2.88
	610,000 Experian	15,994	2.11
	1,845,000 Grafton	13,330	1.76
	3,700,000 IntegraFin	9,931	1.31
<b>Total Industrials</b>		<b>214,984</b>	<b>28.40</b>
<b>Consumer Goods – 12.00% (31/08/21 – 11.66%)</b>			
Beverages – 1.99%			
	400,000 Diageo	15,056	1.99
Household Goods – 4.42%			
	705,000 Bellway	14,403	1.90
	522,224 Berkeley	19,087	2.52
Personal Goods – 2.08%			
	400,000 Unilever	15,702	2.08
Tobacco – 3.51%			
	1,402,000 Imperial Brands	26,582	3.51
<b>Total Consumer Goods</b>		<b>90,830</b>	<b>12.00</b>
<b>Healthcare – 4.89% (31/08/21 – 2.67%)</b>			
Pharmaceuticals & Biotechnology – 4.89%			
	348,000 AstraZeneca	37,041	4.89
<b>Total Healthcare</b>		<b>37,041</b>	<b>4.89</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Consumer Services – 11.04% (31/08/21 – 11.91%)</b>			
Food & Drug Retailers – 2.09%			
	6,352,368 Tesco	15,792	2.09
General Retailers – 7.22%			
	1,613,008 Dunelm	11,097	1.47
	14,920,505 JD Sports Fashion	16,853	2.23
	3,400,000 Watches of Switzerland Group	26,656	3.52
Media – 1.73%			
	842,000 Future	13,102	1.73
<b>Total Consumer Services</b>		<b>83,500</b>	<b>11.04</b>
<b>Financials – 16.65% (31/08/21 – 25.09%)</b>			
Banks – 2.21%			
	38,172,000 Lloyds Banking Group	16,750	2.21
Life Insurance – 5.25%			
	2,479,170 Prudential	22,397	2.96
	1,566,000 St James's Place Capital	17,336	2.29
Financial Services – 9.19%			
	2,101,811 Intermediate Capital Group	28,711	3.79
	1,514,490 Mattioli Woods	9,996	1.32
	5,618,198 OSB Group	30,872	4.08
<b>Total Financials</b>		<b>126,062</b>	<b>16.65</b>
<b>Technology – 3.35% (31/08/21 – 3.17%)</b>			
Software & Computer Services – 3.35%			
	1,026,000 Computacenter	25,322	3.35
<b>Total Technology</b>		<b>25,322</b>	<b>3.35</b>
<b>Total value of investments</b>		<b>741,526</b>	<b>97.97</b>
<b>Net other assets</b>		<b>15,383</b>	<b>2.03</b>
<b>Total net assets</b>		<b>756,909</b>	<b>100.00</b>

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
BP	35,868
Future	24,610
IntegraFin	21,520
Dunelm	21,268
Weir	19,671
Unilever	16,026
Diageo	15,561
Glencore	8,194
Royal Dutch Shell 'B'	7,594
AstraZeneca	5,524
<b>Subtotal</b>	<b>175,836</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>205,377</b>

### Significant Sales

	Proceeds £'000
Smith (DS)	17,967
Fever-Tree	16,485
Standard Life Aberdeen	14,588
Hargreaves Lansdown	14,572
WH Smith	13,774
Victrex	13,729
B&M European Value Retail	13,525
Synthomer	12,767
TI Fluid Systems	12,348
Ashtead Group	9,030
<b>Subtotal</b>	<b>138,785</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>179,816</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(216,156)	269,118
Revenue	3	29,112	23,624
Expenses	4	(360)	(355)
Net revenue before taxation		28,752	23,269
Taxation	5	(210)	(440)
Net revenue after taxation		28,542	22,829
Total (deficit)/return before distributions		(187,614)	291,947
Distributions	6	(28,542)	(22,829)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(216,156)</b>	<b>269,118</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		741,526	932,131
<b>Current assets:</b>			
Debtors	7	5,663	8,991
Cash and bank balances	8	9,757	8,573
<b>Total assets</b>		<b>756,946</b>	<b>949,695</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	37	34
<b>Total liabilities</b>		<b>37</b>	<b>34</b>
<b>Net assets attributable to shareholders</b>		<b>756,909</b>	<b>949,661</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>949,661</b>	<b>699,787</b>
Amounts receivable on creation of shares	7,391	4,858
Amounts payable on cancellation of shares	(12,506)	(46,401)
	(5,115)	(41,543)
Dilution adjustment charged	–	37
Change in net assets attributable to shareholders from investment activities	(216,156)	269,118
Retained distribution on accumulation shares	28,519	22,262
<b>Closing net assets attributable to shareholders</b>	<b>756,909</b>	<b>949,661</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(216,167)	269,118
Currency gains	11	–
<b>Net capital (losses)/gains</b>	<b>(216,156)</b>	<b>269,118</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	26,090	19,671
Overseas dividends	2,927	3,935
Bank interest	75	–
Stock lending income	20	18
<b>Total revenue</b>	<b>29,112</b>	<b>23,624</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	360	355
<b>Total expenses</b>	<b>360</b>	<b>355</b>

\* Audit fee £13,340 (31/08/21: £11,078) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	210	440
<b>Current tax charge for the year</b>	<b>210</b>	<b>440</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	28,752	23,269
Corporation tax at 20% (31/08/21: 20%)	5,750	4,654

Effects of:

Revenue not subject to taxation	(5,804)	(4,721)
Current year expenses not utilised	54	67
Irrecoverable overseas tax	210	440
<b>Current tax charge for the year</b>	<b>210</b>	<b>440</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/ (losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £14,832,000 (31/08/21: £14,778,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Final	28,519	22,262
	28,519	22,262
Add: Amounts deducted on cancellation of shares	105	596
Deduct: Amounts received on the creation of shares	(82)	(29)
<b>Net distributions for the year</b>	<b>28,542</b>	<b>22,829</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	28,542	22,829
<b>Net distributions for the year</b>	<b>28,542</b>	<b>22,829</b>

Details of the distribution per share are set out on page 37.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Sales awaiting settlement	821	3,552
Accrued revenue	4,842	5,439
<b>Total debtors</b>	<b>5,663</b>	<b>8,991</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	9,757	8,573
<b>Total cash and bank balances</b>	<b>9,757</b>	<b>8,573</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	9	–
Accrued expenses	28	34
<b>Total other creditors</b>	<b>37</b>	<b>34</b>

### 10. Reconciliation of number of shares

	Class M Accumulation	Class R Accumulation
Opening shares at 01/09/21	852,424	672,903,372
Shares issued	113,324	5,494,707
Shares cancelled	(250,951)	(8,753,361)
<b>Closing shares at 31/08/22</b>	<b>714,797</b>	<b>669,644,718</b>

	Class S Accumulation
Opening shares at 01/09/21	5,000
Shares issued	–
Shares cancelled	–
<b>Closing shares at 31/08/22</b>	<b>5,000</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £37,000 (31/08/21: £33,000).

At the year end, 31 August 2022, 99.89% (31/08/21: 99.87%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £5,037 (Gross: £25,185) (31/08/21: £4,406 (Gross: £22,032\*)) payable to HSBC Bank plc.

\* The prior year value of £17,626 was incorrect and this has been restated.

The value of stock on loan at the balance sheet date was £13,458,000 (31/08/21: £28,644,176).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	10,214	22,023
Bonds	4,174	8,245

The aggregate value of collateral held at the balance sheet date was £14,388,000 (31/08/21: £30,268,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Morgan Stanley & Co International and Natixis.

### 14. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 31. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

As most of the assets of the Royal London UK Opportunities Fund are sterling denominated, exposure to foreign currency exchange risk is considered insignificant. The value of the Fund's assets/(liabilities) may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	755,260	949,255
US dollar	1,649	406
<b>Total</b>	<b>756,909</b>	<b>949,661</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £165,000 (31/08/21: £41,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £165,000 (31/08/21: £41,000). 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 Fund would have increased by £74,153,000 (31/08/21: £93,213,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £74,153,000 (31/08/21: £93,213,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £9,757,000 (31/08/21: £8,573,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.29% of the current Net Asset Value and 0.90% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	204,298	108	0.05	931	0.46	40	0.02	205,377
<b>Total</b>	<b>204,298</b>	<b>108</b>		<b>931</b>		<b>40</b>		<b>205,377</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	176,434	114	0.06	–	–	–	–	176,320
Corporate actions	3,496	–	–	–	–	–	–	3,496
<b>Total</b>	<b>179,930</b>	<b>114</b>		<b>–</b>		<b>–</b>		<b>179,816</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.03%
Taxes	0.11%
Other expenses	0.00%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	167,886	80	0.05	680	0.41	94	0.06	168,740
<b>Total</b>	<b>167,886</b>	<b>80</b>		<b>680</b>		<b>94</b>		<b>168,740</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	179,574	88	0.05	–	–	–	–	179,486
Corporate actions	3,849	–	–	–	–	–	–	3,849
<b>Total</b>	<b>183,423</b>	<b>88</b>		<b>–</b>		<b>–</b>		<b>183,335</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.08%
Other expenses	0.01%

At the balance sheet date the portfolio dealing spread was 0.09% (31/08/21: 0.14%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	741,526	–	–	741,526
<b>Total</b>	<b>741,526</b>	<b>–</b>	<b>–</b>	<b>741,526</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	932,131	–	–	932,131
<b>Total</b>	<b>932,131</b>	<b>–</b>	<b>–</b>	<b>932,131</b>

### 17. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £812,996,031. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 7.22%.

There have been no significant redemptions during this period.

## Distribution Table

For the year ended 31 August 2022

### Distribution in pence per share

#### Final

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class M Accumulation</b>				
Group 1	5.5801	–	5.5801	4.0999
Group 2	3.9887	1.5914	5.5801	4.0999
<b>Class R Accumulation</b>				
Group 1	4.2529	–	4.2529	3.3032
Group 2	2.3520	1.9009	4.2529	3.3032
<b>Class S Accumulation</b>				
Group 1	3.7237	–	3.7237	2.8860
Group 2	3.7237	0.0000	3.7237	2.8860

# Royal London Japan Equity Tilt Fund

## Manager's Investment Report

### Fund performance

#### 12 months to 31 August 2022

	1 year return %	3 year return %	5 year return %
Royal London Japan Equity Tilt Fund, Class P Accumulation (Total return)	-4.14	11.93	-
Royal London Japan Equity Tilt Fund, Class R Accumulation (Total return)	-4.01	12.32	-
Royal London Japan Equity Tilt Fund, Class S Accumulation (Total return)	-3.99	12.40	-
Royal London Japan Equity Tilt Fund, Class Z Accumulation (Total return)	-4.07	11.82	20.85
FTSE® Japan Index (Capital return)	-4.07	7.97	12.30

Class R Accumulation launched on 27 September 2018, Class S Accumulation launched on 23 April 2019 and Class P Accumulation launched on 21 May 2019.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com). Comparative Table. The tracking error shown in the performance overview below is calculated using the unofficial end of day Fund price to align with the official end of day benchmark price.

### Performance overview

Investors should note that the Fund price is taken at noon each day, whilst the index performance is recorded at the close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons. The Fund has previously compared against the price index, which doesn't include income, but from August 2021 onwards now includes the taxed income which is a closer comparison to the Fund which will incur tax on dividends.

The tracking error between the Royal London Japan Equity Tilt Fund and the FTSE® Japan Net Total Return Index was 0.28% over the past 12 months. This is within the anticipated tracking error range of 0.20% to 0.30%. The Fund will invest at least 70% of its assets in shares of companies that belong to the Index. The Fund's manager, however, will typically invest around 80% of the Fund's asset in companies that belong to the Index.

### Market and portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG and climate 'tilted' funds. The objective of our passive funds was to simply track an index provided by a third party. We used an optimiser to help construct the portfolio, but the factors we used were mostly based on the market capitalisation of the companies in the index as we tried to replicate the capital return of the benchmark.

Our updated investment process continues to deliver a risk and return profile similar to the index, but it now incorporates ESG and climate-related investment criteria and introduced the ability to 'tilt' the funds towards or against these factors. The Fund's performance target is to deliver the performance, after the deduction of charges, of the FTSE® Japan Net Total Return Index over rolling 3-year periods. The Fund will seek to achieve carbon intensity of at least 30% lower than that of the Index whilst also considering a company's ability and willingness to transition and contribute to a lower carbon economy.

**Michael Sprot**  
Fund Manager  
Royal London Asset Management  
31 August 2022

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class P Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	123.46	105.95	105.76
Return before operating charges*	(4.87)	17.72	0.37
Operating charges	(0.21)	(0.21)	(0.18)
Return after operating charges*	(5.08)	17.51	0.19
Distributions on accumulation shares	(2.29)	(2.06)	(2.12)
Retained distributions on accumulation shares	2.29	2.06	2.12
<b>Closing net asset value per share</b>	<b>118.38</b>	<b>123.46</b>	<b>105.95</b>
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(4.11)%	16.53%	0.18%
<b>Other information</b>			
Closing net asset value (£'000)	6	6	5
Closing number of shares	5,000	5,000	5,000
Operating charges	0.17%	0.17%	0.17%
Direct transaction costs	0.00	0.00%	0.00%
<b>Prices<sup>^</sup></b>			
Highest share price	132.50	127.00	112.00
Lowest share price	107.80	105.70	84.85

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	114.99	98.57	98.27
Return before operating charges*	(4.52)	16.48	0.35
Operating charges	(0.06)	(0.06)	(0.05)
Return after operating charges*	(4.58)	16.42	0.30
Distributions on accumulation shares	(2.28)	(2.06)	(2.10)
Retained distributions on accumulation shares	2.28	2.06	2.10
<b>Closing net asset value per share</b>	<b>110.41</b>	<b>114.99</b>	<b>98.57</b>
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(3.98)%	16.66%	0.31%
<b>Other information</b>			
Closing net asset value (£'000)	1,177,239	1,272,704	1,092,517
Closing number of shares	1,066,228,758	1,106,747,402	1,108,410,115
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	0.00	0.00%	0.00%
<b>Prices<sup>^</sup></b>			
Highest share price	123.40	118.20	104.20
Lowest share price	100.50	98.35	78.89

### Class S Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	122.88	105.33	105.01
Return before operating charges*	(4.83)	17.61	0.37
Operating charges	(0.06)	(0.06)	(0.05)
Return after operating charges*	(4.89)	17.55	0.32
Distributions on accumulation shares	(2.44)	(2.20)	(2.24)
Retained distributions on accumulation shares	2.44	2.20	2.24
<b>Closing net asset value per share</b>	<b>117.99</b>	<b>122.88</b>	<b>105.33</b>
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	(3.98)%	16.66%	0.30%
<b>Other information</b>			
Closing net asset value (£'000)	701	661	566
Closing number of shares	594,138	537,484	537,484
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	0.00	0.00%	0.00%
<b>Prices<sup>^</sup></b>			
Highest share price	131.90	126.30	111.40
Lowest share price	107.40	105.10	84.30

### Class Z Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	300.19	257.80	257.54
Return before operating charges*	(11.82)	43.10	0.90
Operating charges	(0.41)	(0.71)	(0.64)
Return after operating charges*	(12.23)	42.39	0.26
Distributions on accumulation shares	(5.69)	(4.83)	(4.98)
Retained distributions on accumulation shares	5.69	4.83	4.98
<b>Closing net asset value per share</b>	<b>287.96</b>	<b>300.19</b>	<b>257.80</b>
* after direct transaction costs of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges	(4.07)%	16.44%	0.10%
<b>Other information</b>			
Closing net asset value (£'000)	5,539	5,294	4,118
Closing number of shares	1,923,529	1,763,712	1,597,521
Operating charges <sup>#</sup>	0.14%	0.14%	0.25%
Direct transaction costs	0.00	0.00%	0.00%
<b>Prices<sup>^</sup></b>			
Highest share price	322.10	308.90	272.70
Lowest share price	262.20	257.20	206.50

<sup>#</sup> The FMF was reduced on 9 August 2021 to 0.14%.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.



## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 100.99% (31/08/21 – 98.85%)</b>			
<b>Oil &amp; Gas – 0.79% (31/08/21 – 0.44%)</b>			
Oil & Gas Producers – 0.79%			
	41,100 Cosmo Energy	1,054	0.09
	1,150,920 ENEOS Holdings	3,735	0.32
	88,700 Idemitsu Kosan	2,004	0.17
	249,800 Inpex	2,478	0.21
<b>Total Oil &amp; Gas</b>		<b>9,271</b>	<b>0.79</b>
<b>Basic Materials – 5.46% (31/08/21 – 5.58%)</b>			
Chemicals – 4.14%			
	69,300 Air Water	751	0.06
	540,900 Asahi Kasei	3,427	0.29
	133,700 DIC	2,075	0.18
	68,700 JSR	1,331	0.11
	22,100 Kaneka	512	0.04
	44,600 Kansai Paint	594	0.05
	51,100 Lintec	737	0.06
	378,500 Mitsubishi Chemical	1,719	0.14
	78,600 Mitsubishi Gas Chemical	1,014	0.09
	38,200 Mitsui Chemicals	745	0.06
	159,900 Nagase & Company	1,986	0.17
	205,600 Nippon Kayaku	1,549	0.13
	399,200 Nippon Paint	2,685	0.23
	57,200 Nissan Chemical Industries	2,500	0.21
	65,000 Nitto Denko	3,466	0.29
	33,900 NOF	1,114	0.09
	144,800 Shin-Etsu Chemical	14,623	1.24
	45,000 Showa Denko KK	601	0.05
	24,200 Sumitomo Bakelite	662	0.06
	585,200 Sumitomo Chemical	1,992	0.17
	177,000 Teijin	1,617	0.14
	605,700 Toray Industries	2,998	0.25
	47,300 Zeon	393	0.03
Forestry & Paper – 0.09%			
	300,000 Oji	1,032	0.09
Industrial Metals – 1.23%			
	55,500 Daido Steel	1,347	0.11
	42,600 Dowa Mining	1,389	0.12
	160,600 Hitachi Metals	2,083	0.18
	72,700 Maruichi Steel Tube	1,340	0.11
	35,700 Mitsui Mining & Smelting	730	0.06
	130,100 Nippon Steel	1,780	0.15
	102,900 Sumitomo Metal Mining	2,806	0.24
	103,100 Toyota Tsusho	3,132	0.26
<b>Total Basic Materials</b>		<b>64,730</b>	<b>5.46</b>
<b>Industrials – 26.23% (31/08/21 – 26.56%)</b>			
Construction & Materials – 1.37%			
	19,000 Aica Kogyo	363	0.03
	42,000 Comsys	674	0.06
	36,500 EXEO Group	484	0.04
	145,600 Haseko	1,443	0.12
	101,100 Infroneer Holdings	624	0.05
	188,400 Kajima	1,712	0.14
	76,200 Kandenko	396	0.03
	39,300 Kinden	358	0.03
	101,100 Lixil Group	1,528	0.13
	289,100 Obayashi	1,730	0.15
	108,700 Penta-Ocean Construction	495	0.04
	92,400 Sanwa Holding	793	0.07
	231,100 Shimizu	1,095	0.09
	16,600 Sho-Bond Holdings	619	0.05
	74,900 Taisei	1,950	0.17
	83,300 Toda	354	0.03
	55,800 Toto	1,671	0.14

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Electronic &amp; Electrical Equipment – 8.76%</b>			
	122,100 Alps Electric	947	0.08
	24,900 Amano	399	0.03
	58,400 Azbil	1,443	0.12
	53,000 Fuji Electric	1,991	0.17
	39,700 Furukawa Electric	603	0.05
	48,400 Hamamatsu Photonics	1,779	0.15
	12,800 Hirose Electric	1,572	0.13
	358,300 Hitachi	15,513	1.31
	22,300 Horiba	882	0.08
	135,900 Hoya	12,002	1.01
	34,500 Ibiden	956	0.08
	23,900 Japan Aviation Electronic	346	0.03
	11,900 JEOL	417	0.04
	74,300 Keyence	24,298	2.05
	119,000 Kyocera	5,737	0.49
	3,500 Mabuchi Motor	86	0.01
	156,600 Minebea	2,345	0.20
	217,200 Murata Manufacturing	10,162	0.86
	50,600 NGK Insulators	626	0.05
	181,100 Nidec	10,463	0.88
	72,100 Omron	3,298	0.28
	42,800 Taiyo Yuden	1,153	0.10
	139,800 TDK	4,251	0.36
	15,500 Toshiba TEC Corporation	399	0.03
	55,400 Ushio	585	0.05
	95,000 Yokogawa Electric	1,439	0.12
<b>General Industrials – 0.74%</b>			
	64,600 IHI	1,494	0.13
	89,000 Sojitz	1,295	0.11
	165,800 Toshiba	5,298	0.45
	57,200 Toyo Seikan	588	0.05
<b>Industrial Engineering – 7.64%</b>			
	198,400 Amada	1,348	0.11
	41,100 Daifuku	2,084	0.18
	100,500 Daikin Industries	15,252	1.29
	10,800 Disco	2,283	0.19
	67,700 DMG Mori	765	0.06
	38,800 Ebara	1,277	0.11
	76,600 Fanuc	10,699	0.90
	171,100 Hino Motors	676	0.06
	44,400 Hitachi Construction Machinery	792	0.08
	40,400 Hoshizaki Electric	1,037	0.09
	244,500 Isuzu Motors	2,622	0.22
	17,400 Japan Steel Works	323	0.03
	93,700 JGC	1,094	0.09
	76,000 Kawasaki Heavy Industries	1,278	0.11
	377,300 Komatsu	6,842	0.58
	444,600 Kubota	5,988	0.51
	50,800 Kurita Water Industries	1,716	0.14
	14,900 Kyudenko	260	0.02
	111,900 Misumi	2,393	0.20
	785,400 Mitsubishi Electric	6,897	0.58
	126,800 Mitsubishi Heavy Industries	4,221	0.36
	23,300 Miura	430	0.04
	49,000 Nabtesco	1,007	0.09
	170,300 NSK	798	0.07
	26,100 Okuma	856	0.07
	31,200 OSG	373	0.03
	103,900 Shimadzu	2,628	0.22
	22,400 SMC	9,245	0.78
	49,800 Sumitomo Heavy Industries	907	0.08
	42,700 THK	753	0.06
	18,100 Ulvac	613	0.05
	100,100 Yaskawa Electric	2,839	0.24
<b>Industrial Transportation – 1.38%</b>			
	18,400 Hitachi Transport System	1,002	0.08
	19,000 Japan Airport Terminal	681	0.06
	37,900 Kamigumi	640	0.05
	16,200 Kawasaki Kisen Kaisha	891	0.08
	65,500 Kyushu Railway	1,190	0.10
	31,300 Mitsubishi Logistics	701	0.06

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Industrials – 26.23% (31/08/21 – 26.56%) – continued</b>			
Industrial Transportation – 1.38% – continued			
71,100	Mitsui OSK Lines	1,609	0.14
29,900	Nippon Express	1,424	0.12
47,500	Nippon Yusen KK	3,145	0.27
19,600	Sankyu	521	0.04
55,100	Seino	379	0.03
168,000	SG Holdings	2,411	0.20
128,500	Yamato	1,734	0.15
Support Services – 6.34%			
13,600	Askul	155	0.01
21,900	Benefit One	283	0.02
15,000	GMO Payment Gateway	1,041	0.09
116,000	Hirogin Holdings	441	0.04
516,100	Itochu	12,293	1.04
593,500	Marubeni	5,339	0.45
459,200	Mitsubishi	12,959	1.09
600,400	Mitsui & Company	12,153	1.03
76,800	Monotaro	1,199	0.10
70,000	Persol Holdings	1,223	0.10
555,400	Recruit	15,422	1.30
76,200	Secom	4,193	0.35
18,700	SMS CO	371	0.03
26,000	Sohgo Securities Services	581	0.05
429,100	Sumitomo	5,221	0.44
41,100	TechnoPro	804	0.07
113,700	Toppa Printing	1,544	0.13
<b>Total Industrials</b>		<b>310,502</b>	<b>26.23</b>
<b>Consumer Goods – 23.08% (31/08/21 – 22.61%)</b>			
Automobiles & Parts – 10.51%			
67,900	Aisin Seiki	1,745	0.15
217,500	Bridgestone	7,217	0.61
176,200	Denso	8,349	0.71
14,500	GS Yuasa	228	0.02
673,500	Honda Motor	15,503	1.31
108,500	JTEKT	662	0.06
49,100	Koito Manufacturing	1,455	0.12
280,600	Mazda Motor	2,140	0.18
325,500	Mitsubishi Motors	1,126	0.09
72,200	NGK Spark Plug	1,281	0.11
91,300	NHK Spring	535	0.05
38,900	Nifco	761	0.06
882,800	Nissan Motor	3,006	0.25
43,500	NOK	335	0.03
21,800	Stanley Electric	350	0.03
240,400	Subaru Corporation	3,775	0.32
286,700	Sumitomo Electric Industries	2,847	0.24
17,600	Sumitomo Rubber Industries	131	0.01
178,600	Suzuki Motor	5,393	0.46
28,900	Toyo Tire & Rubber	303	0.03
2,300	Toyoda Gosei	35	–
32,200	Toyota Boshoku	406	0.03
55,700	Toyota Industries	2,697	0.23
4,723,300	Toyota Motor	61,477	5.19
39,000	TS Tech	377	0.03
128,600	Yamaha Motor	2,308	0.19
Beverages – 1.18%			
178,800	Asahi Breweries	5,178	0.44
90,500	Coca-Cola West Japan	801	0.07
22,000	Ito En	837	0.07
29,700	Kagome	565	0.04
294,400	Kirin	4,183	0.35
23,600	Sapporo Breweries	447	0.04
49,000	Suntory Beverage & Food	1,546	0.13
65,100	Takara Shuzo	427	0.04
Food Producers – 1.92%			
155,700	Ajinomoto	3,719	0.31
7,000	Ariake Japan	206	0.02
28,100	Calbee	480	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
50,900	Ezaki Glico	1,142	0.10
29,200	House Foods	535	0.05
124,900	Itoham Yonekyu	522	0.04
42,700	Kewpie	605	0.05
73,800	Kikkoman	3,912	0.33
4,300	Kotobuki Spirits	214	0.02
52,500	Meiji	2,155	0.18
15,200	Morinaga	374	0.03
15,300	Morinaga Milk Industry	404	0.03
44,000	NH Foods	1,088	0.09
40,200	Nichirei	621	0.05
100,500	Nisshin Seifun	978	0.08
26,100	Nissin Food Products	1,608	0.14
33,500	Toyo Suisan Kaisha	1,186	0.10
50,400	Yakult Honsha	2,568	0.22
47,200	Yamazaki Baking	479	0.04
Household Goods – 1.24%			
255,200	Daiwa House Industry	4,955	0.42
20,400	Fujitsu General	374	0.03
59,300	IIDA Group	780	0.07
31,300	Kokuyo	349	0.03
94,500	Makita	1,933	0.16
8,000	Rinnai	531	0.04
129,500	Sekisui Chemical	1,526	0.13
237,700	Sekisui House	3,493	0.29
53,200	Sumitomo Forestry	781	0.07
Leisure Goods – 5.96%			
74,200	Bandai Namco Entertainment	4,818	0.41
81,600	Casio Computer	668	0.06
21,600	Daiichi Kosho	544	0.05
37,500	Konami	1,644	0.14
130,800	Nikon	1,288	0.11
40,300	Nintendo	14,236	1.20
849,600	Panasonic	5,952	0.50
72,800	Sega Sammy	932	0.08
95,800	Sharp	594	0.05
30,900	Shimano	4,749	0.40
478,900	Sony	32,985	2.79
58,800	Yamaha	1,987	0.17
Personal Goods – 1.80%			
9,800	ABC-Mart	340	0.03
65,500	Asics	1,040	0.09
16,600	Descente	352	0.03
25,100	Fanci	440	0.04
15,200	Goldwin	783	0.07
173,300	Kao	6,504	0.55
9,700	Kose	796	0.07
93,400	Lion	943	0.08
2,900	Noevir Holdings	104	0.01
15,000	Paltac	373	0.03
35,500	Pigeon	458	0.04
28,100	Pola Orbis	269	0.02
145,800	Shiseido	4,785	0.40
136,000	Uni-Charm	4,089	0.34
Tobacco – 0.47%			
378,800	Japan Tobacco	5,537	0.47
<b>Total Consumer Goods</b>		<b>273,154</b>	<b>23.08</b>
<b>Healthcare – 8.32% (31/08/21 – 7.88%)</b>			
Healthcare Equipment & Services – 1.95%			
11,300	AS One	449	0.04
72,100	Asahi Intecc	1,120	0.09
23,000	Mani	250	0.02
4,800	Menicon	100	0.01
28,300	Nihon Kohden	559	0.05
45,500	Nipro	320	0.03
471,100	Olympus Optical	8,768	0.74
29,600	Ship Healthcare Holdings	480	0.04
73,300	Symex	3,902	0.33
255,100	Terumo	7,118	0.60

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Healthcare – 8.32% (31/08/21 – 7.88%) – continued</b>			
Pharmaceuticals & Biotechnology – 6.37%			
81,800	Alfresa	844	0.07
718,400	Astellas Pharmaceuticals	8,812	0.74
251,900	Chugai Pharmaceuticals	5,627	0.48
728,500	Daiichi Sankyo	18,914	1.60
102,400	Eisai	3,616	0.31
27,600	H.U. Group Holdings	483	0.04
29,800	Hisamitsu Pharmaceutical	624	0.05
15,000	JCR Pharmaceuticals	202	0.02
11,500	Kaken Pharmaceutical	276	0.02
22,800	Kobayashi Pharmaceutical	1,119	0.09
81,400	Kyowa Hakko Kirin	1,577	0.13
71,900	Medipal	849	0.07
20,000	Nippon Shinyaku	947	0.08
165,500	Ono Pharmaceutical	3,403	0.29
160,600	Otsuka	4,540	0.38
35,900	Peptidream	373	0.03
35,100	Rohto Pharmaceutical	914	0.08
140,300	Santen Pharmaceutical	873	0.07
14,900	Sawai Group Holdings	380	0.03
105,700	Shionogi	4,456	0.38
68,400	Sumitomo Dainippon Pharmaceuticals	440	0.04
28,900	Suzuken	596	0.05
15,900	Taisho Pharmaceuticals	511	0.04
18,500	Takara Bio	224	0.02
602,900	Takeda Pharmaceutical	14,386	1.22
24,300	Tsumura & Co	480	0.04
<b>Total Healthcare</b>		<b>98,532</b>	<b>8.32</b>
<b>Consumer Services – 9.02% (31/08/21 – 9.06%)</b>			
Food & Drug Retailers – 0.56%			
12,900	AIN Holdings	636	0.05
6,600	Cosmos Pharmaceutical	600	0.05
51,100	Kobe Bussan	1,128	0.10
17,300	Lawson	494	0.04
45,600	MatsukiyoCocokara & Co.	1,563	0.13
13,500	Sugi	496	0.04
1,900	Sundrug	40	–
13,900	Tsuruha	668	0.06
36,600	Welcia	662	0.06
8,200	Yaoko	328	0.03
General Retailers – 3.67%			
271,100	Aeon	4,568	0.39
26,400	Benesse	358	0.03
58,000	Bic Camera	410	0.03
45,300	Dena	536	0.05
20,300	Fast Retailing	10,313	0.87
176,000	Isetan Mitsukoshi	1,202	0.10
15,000	Izumi	279	0.02
95,800	J. Front Retailing	656	0.06
54,800	K's Holdings	436	0.04
50,800	Kakaku.com	815	0.07
6,200	Kusuri No Aoki Holdings	236	0.02
89,000	Marui	1,382	0.12
27,900	Nitori	2,313	0.20
134,500	Pan Pacific	2,085	0.18
55,100	Park24	681	0.06
327,300	Rakuten	1,372	0.12
91,400	Ryohin Keikaku	736	0.06
295,400	Seven & I	10,131	0.86
8,300	Shimamura	649	0.05
44,600	Sushiro Global Holdings	610	0.05
57,100	Takashimaya	545	0.05
62,600	USS	955	0.08
354,700	Yamada Holdings	1,058	0.09
43,100	ZOZO	831	0.07

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Media – 1.03%</b>			
104,200	Dai Nippon Printing	1,897	0.16
87,300	Dentsu	2,438	0.21
15,000	Fuji Media	103	0.01
91,300	Hakuhodo DY	707	0.06
32,000	Kadokawa Dwango Corporation	601	0.05
8,000	Nippon Television	59	–
3,600	Shochiku Film	273	0.02
162,800	So-Net M3	4,562	0.39
14,900	TBS Holdings	149	0.01
42,400	Toho	1,393	0.12
<b>Travel &amp; Leisure – 3.76%</b>			
70,000	Central Japan Railway	7,121	0.60
131,400	East Japan Railway	5,887	0.50
82,000	Hankyu	2,125	0.18
18,100	Heiwa	238	0.02
37,500	Keihan Electric Railway	822	0.07
59,900	Keikyu	531	0.04
48,400	Keio	1,590	0.13
51,500	Keisei Electric Railway	1,240	0.10
69,200	Kintetsu	2,023	0.17
79,600	Nagoya Railroad	1,063	0.09
40,900	Nankai Electric Railway	704	0.06
27,000	Nishi-Nippon Railroad	483	0.04
116,900	Odakyu Electric Railway	1,384	0.12
71,700	Oriental Land	9,252	0.78
29,800	Resort Trust	414	0.03
25,900	Sankyo	654	0.06
78,000	Seibu	684	0.06
80,300	Skylark	762	0.06
24,000	Sotetsu	357	0.03
77,000	Tobu Railway	1,568	0.13
200,200	Tokyu	2,054	0.17
78,300	West Japan Railway	2,635	0.22
51,100	Zensho	1,155	0.10
<b>Total Consumer Services</b>		<b>106,700</b>	<b>9.02</b>
<b>Telecommunications – 4.54% (31/08/21 – 4.42%)</b>			
Fixed Line Telecommunications – 0.91%			
459,900	Nippon Telegraph & Telephone	10,743	0.91
Mobile Telecommunications – 3.63%			
8,700	Hikari Tsushin	949	0.08
640,400	KDDI	16,964	1.43
421,400	Softbank	14,528	1.23
1,109,600	Softbank Corporation	10,494	0.89
<b>Total Telecommunications</b>		<b>53,678</b>	<b>4.54</b>
<b>Utilities – 1.28% (31/08/21 – 1.17%)</b>			
Electricity – 0.37%			
309,800	Kansai Electric Power	2,581	0.22
40,000	Kyushu Electric Power	207	0.02
45,500	Renova	858	0.07
216,600	Tokyo Electric Power	728	0.06
Gas, Water & Multiutilities – 0.91%			
19,400	Iwatani	683	0.06
309,000	Osaka Gas	4,481	0.38
34,000	Toho Gas	659	0.05
308,100	Tokyo Gas	4,981	0.42
<b>Total Utilities</b>		<b>15,178</b>	<b>1.28</b>

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Financials – 14.08% (31/08/21 – 12.85%)</b>			
Banks – 5.17%			
48,000	Aozora Bank	800	0.07
27,800	Bank of Kyoto	934	0.08
234,600	Chiba Bank	1,091	0.09
36,900	Chugoku Bank	213	0.02
433,200	Concordia Financial	1,187	0.10
77,400	Fukuoka Financial	1,193	0.10
115,600	Hachijuni Bank	341	0.03
93,700	Iyo Bank	376	0.03
169,700	Japan Post Bank	1,067	0.09
80,300	Kyushu Financial	190	0.02
365,600	Mebuki Financial Group	603	0.05
4,819,330	Mitsubishi UFJ Financial	21,541	1.82
999,100	Mizuho Financial	9,861	0.83
907,000	Resona	2,879	0.24
249,900	Seven Bank	407	0.04
38,700	Shinsei Bank	470	0.04
146,700	Shizuoka Bank	732	0.06
510,600	Sumitomo Mitsui Financial	13,266	1.12
133,300	Sumitomo Mitsui Trust	3,575	0.30
101,700	Yamaguchi Financial	480	0.04
Equity Investment Instruments – 0.16%			
2,752	Japan Retail Fund	1,878	0.16
Financial Services – 1.91%			
62,100	Aeon Financial Service	552	0.05
26,100	Century Tokyo Leasing	808	0.07
103,000	Credit Saison	1,117	0.09
585,200	Daiwa Securities	2,208	0.19
5,600	Fuyo General Lease	285	0.02
182,900	Japan Exchange	2,362	0.20
41,800	Matsui Securities	206	0.02
249,700	Mitsubishi HC Capital	1,045	0.09
22,800	Money Forward	495	0.04
71,600	Nihon M&A Center	776	0.07
1,174,200	Nomura	3,658	0.31
359,900	Orient	272	0.02
469,300	Orix	6,679	0.56
92,100	SBI Holdings	1,567	0.13
18,900	Zenkoku Hoshu	540	0.05
Life Insurance – 1.19%			
393,200	Dai-ichi Mutual Life Insurance	5,852	0.50
894,400	Japan Post	5,321	0.45
71,200	Japan Post Insurance	941	0.08
203,900	T&D	1,921	0.16
Non-Life Insurance – 1.73%			
181,266	MS & AD Insurance	4,674	0.40
113,400	Sompo Japan Nipponkoa	4,198	0.35
243,100	Tokio Marine	11,633	0.98
Real Estate Investment Services – 2.11%			
27,700	Daito Trust Construction	2,358	0.20
212,100	Hulic	1,391	0.12
10,000	Katitas	209	0.02
404,800	Mitsubishi Estate	4,708	0.40
371,900	Mitsui Fudosan	6,506	0.55
75,500	Nomura Real Estate	1,601	0.13
30,900	Open House	1,046	0.09
43,300	Relo Group	604	0.05
1,553	Sekisui House REIT	812	0.07
153,700	Sumitomo Realty & Development	3,258	0.27
85,300	Tokyo Tatemono	1,107	0.09
300,700	Tokyu Fudosan	1,398	0.12

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Real Estate Investment Trusts – 1.81%			
331	Activia Properties	884	0.08
498	Advance Residence Investment	1,135	0.10
381	Aeon REIT	371	0.03
600	Daiwa House Residential Investment Corporation	1,194	0.10
25	Daiwa Office Investment Corporation	109	0.01
1,621	GLP J REIT	1,701	0.14
757	Industrial & Infrastructure Fund Investment Corporation	860	0.07
1,179	Japan Hotel REIT Investment Corporation	503	0.04
36	Japan Logistics	74	0.01
308	Japan Prime Realty Investment Corporation	786	0.07
514	Japan Real Estate Investment Corporation	2,052	0.17
107	Kenedix Realty Investment Corporation	477	0.04
704	Lasalle Logiport REIT	751	0.06
217	Mitsui Fudosan Logistics	732	0.06
616	Mori Hills REIT Investment Corporation	597	0.05
182	Nippon Accommodations Fund	768	0.07
506	Nippon Building Fund REIT	2,174	0.18
934	Nippon Prologis REIT	2,024	0.17
1,792	Nomura Real Estate Master	1,881	0.16
1,169	Orix JREIT	1,384	0.12
1,033	United Urban Investment Corporation	948	0.08
<b>Total Financials</b>		<b>166,597</b>	<b>14.08</b>
<b>Technology – 8.19% (31/08/21 – 8.28%)</b>			
Software & Computer Services – 2.78%			
5,300	BayCurrent Consulting	1,362	0.11
22,000	Biprogy	421	0.03
71,300	Capcom	1,682	0.14
147,600	CyberAgent	1,251	0.11
21,200	GMO Internet	341	0.03
12,800	Gunggho Online Entertainment	183	0.01
1,900	Information Services International	54	–
17,300	Internet Initiative Japan	543	0.05
86,700	IT Holdings	2,139	0.18
35,800	Itochu Techno-Solutions	783	0.07
300	JustSystems	7	–
30,600	Net One Systems	584	0.05
162,000	Nexon	2,795	0.24
139,000	Nomura Research Institute	3,262	0.28
271,100	NTT Data	3,311	0.28
25,700	Obic	3,301	0.28
6,000	Obic Business Consultants	188	0.02
12,100	Oracle Japan	625	0.05
39,700	Otsuka	1,112	0.09
26,200	Rakus	273	0.02
37,400	Sansan	307	0.03
46,500	SCSK	657	0.06
4,200	SHIFT	527	0.04
11,900	Shinnittetsu Sumikin Solutions	280	0.02
30,100	Square Enix	1,133	0.10
30,200	Tecmo Koei Holdings	878	0.07
43,600	Trend Micro	2,327	0.20
1,007,400	Z Holdings	2,591	0.22
Technology Hardware & Equipment – 5.41%			
75,600	Advantest	3,735	0.32
51,200	Anritsu	522	0.04
102,800	Brother Industries	1,705	0.14
393,400	Canon	8,117	0.69
18,000	Canon Marketing Japan	353	0.03
138,800	Fujifilm	6,118	0.52
72,400	Fujitsu	7,424	0.63
267,900	Konica Minolta	801	0.07
29,700	Lasertec	3,572	0.30

**Portfolio Statement** (continued)

As at 31 August 2022

<b>Holding</b>	<b>Investment</b>	<b>Bid-market value (£'000)</b>	<b>Total net assets (%)</b>
<b>Technology – 8.19% (31/08/21 – 8.28%) – continued</b>			
Technology Hardware & Equipment – 5.41% – continued			
8,000	Mitsui High-Tec	431	0.04
101,300	NEC	3,197	0.27
21,700	NEC Networks & System Integration Corporation	234	0.02
384,100	Renesas Electronics	3,150	0.27
288,700	Ricoh	1,963	0.17
20,800	Rohm	1,355	0.11
15,100	Screen	878	0.07
132,000	Seiko Epson	1,796	0.15
21,900	Shinko Electric Industries	533	0.04
87,700	Sumco	1,038	0.09
58,000	Tokyo Electron	15,857	1.34
28,400	Tokyo Ohka Kogyo	1,210	0.10
<b>Total Technology</b>		<b>96,906</b>	<b>8.19</b>
<b>Futures – 0.01% (31/08/21 – 0.00%)</b>			
114	OSE Topix Index Future September 2022	76	0.01
<b>Total Futures</b>		<b>76</b>	<b>0.01</b>
<b>Total value of investments</b>		<b>1,195,324</b>	<b>101.00</b>
<b>Net other liabilities</b>		<b>(11,839)</b>	<b>(1.00)</b>
<b>Total net assets</b>		<b>1,183,485</b>	<b>100.00</b>

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Japan Post	2,291
Mitsui OSK Lines	1,625
Recruit	1,555
Inpex	1,522
Keyence	1,471
Maruichi Steel Tube	1,282
Rakus	1,090
Olympus Optical	1,039
Nomura Research Institute	905
Kobe Bussan	898
<b>Subtotal</b>	<b>13,678</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>53,413</b>

### Significant Sales

	Proceeds £'000
Softbank	3,180
NSK	2,066
Tokyo Electric Power	1,239
ANA	902
Shin-Etsu Chemical	895
Asahi Glass	853
Ajinomoto	817
Nippon Yusen KK	808
Pan Pacific	797
Japan Airlines	783
<b>Subtotal</b>	<b>12,340</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>45,831</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(79,877)	158,532
Revenue	3	29,318	26,201
Expenses	4	(628)	(641)
Interest payable and similar charges		(10)	(14)
Net revenue before taxation		28,680	25,546
Taxation	5	(2,908)	(2,589)
Net revenue after taxation		25,772	22,957
Total (deficit)/return before distributions		(54,105)	181,489
Distributions	6	(25,772)	(22,956)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(79,877)</b>	<b>158,533</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>1,278,665</b>	<b>1,097,206</b>
Amounts receivable on creation of shares	78,032	44,425
Amounts payable on cancellation of shares	(118,676)	(44,659)
	(40,644)	(234)
Dilution adjustment charged	303	134
Change in net assets attributable to shareholders from investment activities	(79,877)	158,533
Retained distribution on accumulation shares	25,038	23,026
<b>Closing net assets attributable to shareholders</b>	<b>1,183,485</b>	<b>1,278,665</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		1,195,324	1,264,000
<b>Current assets:</b>			
Debtors	7	1,776	1,675
Cash and bank balances	8	12,475	15,559
Total assets		1,209,575	1,281,234
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	26,090	2,569
Total liabilities		26,090	2,569
<b>Net assets attributable to shareholders</b>		<b>1,183,485</b>	<b>1,278,665</b>



## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(76,327)	155,591
Derivative securities	(1,985)	5,890
Currency losses	(1,565)	(2,949)
<b>Net capital (losses)/gains</b>	<b>(79,877)</b>	<b>158,532</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
Overseas dividends	29,103	25,992
Bank interest	5	–
Stock lending income	210	209
<b>Total revenue</b>	<b>29,318</b>	<b>26,201</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	628	641
<b>Total expenses</b>	<b>628</b>	<b>641</b>

\* Audit fee £16,632 (31/08/21: £13,789) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	2,908	2,589
<b>Current tax charge for the year</b>	<b>2,908</b>	<b>2,589</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	28,680	25,546
Corporation tax at 20% (31/08/21: 20%)	5,736	5,109
Effects of:		
Revenue not subject to taxation	(5,647)	(5,078)
Excess management expenses utilised	(72)	(19)
Irrecoverable overseas tax	2,908	2,589
Tax relief on overseas tax suffered	(17)	(12)
<b>Current tax charge for the year</b>	<b>2,908</b>	<b>2,589</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £4,833,000 (31/08/21: £4,905,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	11,731	10,836
Final	13,307	12,190
	25,038	23,026
Add: Amounts deducted on cancellation of shares	1,129	231
Deduct: Amounts received on the creation of shares	(395)	(301)
<b>Net distributions for the year</b>	<b>25,772</b>	<b>22,956</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	25,772	22,957
Movement in income carried forward	–	(1)
<b>Net distributions for the year</b>	<b>25,772</b>	<b>22,956</b>

Details of the distribution per share are set out on page 52.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	20	3
Sales awaiting settlement	9	5
Foreign exchange sales awaiting settlement	33	4
Accrued revenue	1,714	1,663
<b>Total debtors</b>	<b>1,776</b>	<b>1,675</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	11,785	14,473
Amounts held at futures clearing houses and brokers	690	1,086
<b>Total cash and bank balances</b>	<b>12,475</b>	<b>15,559</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	26,038	2,515
Accrued expenses	52	54
<b>Total other creditors</b>	<b>26,090</b>	<b>2,569</b>

### 10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/21	5,000	1,106,747,402
Shares issued	–	67,708,453
Shares cancelled	–	(108,227,097)
<b>Closing shares at 31/08/22</b>	<b>5,000</b>	<b>1,066,228,758</b>

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/21	537,484	1,763,712
Shares issued	56,654	793,262
Shares cancelled	–	(633,445)
<b>Closing shares at 31/08/22</b>	<b>594,138</b>	<b>1,923,529</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £26,070,000 (31/08/21: £2,458,000).

At the year end, 31 August 2022, 98.74% (31/08/21: 97.36%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £53,000 (Gross: £263,000) (31/08/21: £52,000 (Gross: £261,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £103,477,000 (31/08/21: £145,374,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	54,640	98,047
Bonds	55,570	74,871

The aggregate value of collateral held at the balance sheet date was £110,210,000 (31/08/21: £172,918,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Barclays Capital Securities, BNP Paribas Arbitrage, Credit Suisse AG Singapore Branch, Goldman Sachs International, HSBC Bank, JP Morgan Securities, Merrill Lynch, Natixis and The Hong Kong & Shanghai Banking Corporation.

### 14. Financial Derivatives

Motives and circumstances are used to determine whether returns on derivative contracts should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital and the circumstances support this, the returns are included within net capital gains/losses in the Statement of Total Return. Where they are undertaken for generating or protecting revenue and the circumstances support this, the returns are treated as revenue and are included within the net revenue in the Statement of Total Return. The basis of apportionment is typically made by reference to the yield on the underlying security, index or other appropriate source.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures which are not classed as OTC derivatives and hence, no counterparty exposure has been disclosed.

Details of the individual contracts are shown on the portfolio statement on pages 40 to 44.

### 15. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 46. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets/(liabilities) may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	(25,230)	628
Japanese yen	1,208,715	1,278,037
<b>Total</b>	<b>1,183,485</b>	<b>1,278,665</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £120,871,000 (31/08/21: £127,804,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £120,871,000 (31/08/21: £127,804,000). 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 Fund would have increased by £119,532,000 (31/08/21: £126,400,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £119,532,000 (31/08/21: £126,400,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £11,785,000 (31/08/21: £14,473,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.00% of the current Net Asset Value and 1.13% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	53,413	-	-	-	-	-	-	53,413
<b>Total</b>	<b>53,413</b>	<b>-</b>		<b>-</b>		<b>-</b>		<b>53,413</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	45,713	1	-	-	-	-	-	45,712
Corporate actions	119	-	-	-	-	-	-	119
<b>Total</b>	<b>45,832</b>	<b>1</b>		<b>-</b>		<b>-</b>		<b>45,831</b>

The Fund had paid £8,000 as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	116,411	8	0.01	-	-	-	-	116,419
<b>Total</b>	<b>116,411</b>	<b>8</b>		<b>-</b>		<b>-</b>		<b>116,419</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	61,549	7	0.01	-	-	-	-	61,542
Corporate actions	11,985	-	-	-	-	-	-	11,985
<b>Total</b>	<b>73,534</b>	<b>7</b>		<b>-</b>		<b>-</b>		<b>73,527</b>

The Fund had paid £7,000 as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.23% (31/08/21: 0.21%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 17. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	1,195,248	–	–	1,195,248
Derivatives	76	–	–	76
<b>Total</b>	<b>1,195,324</b>	<b>–</b>	<b>–</b>	<b>1,195,324</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	1,263,993	–	–	1,263,993
Derivatives	7	–	–	7
<b>Total</b>	<b>1,264,000</b>	<b>–</b>	<b>–</b>	<b>1,264,000</b>

### 18. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £1,151,908,917. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was (4.74)%.

There have been no significant redemptions during this period.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class P Accumulation</b>				
Group 1	1.0368	–	1.0368	0.9608
Group 2	1.0368	0.0000	1.0368	0.9608
<b>Class R Accumulation</b>				
Group 1	1.0373	–	1.0373	0.9637
Group 2	0.3493	0.6880	1.0373	0.9637
<b>Class S Accumulation</b>				
Group 1	1.1084	–	1.1084	1.0298
Group 2	1.1084	0.0000	1.1084	1.0298
<b>Class Z Accumulation</b>				
Group 1	2.5727	–	2.5727	2.2377
Group 2	0.6728	1.8999	2.5727	2.2377

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class P Accumulation</b>				
Group 1	1.2560	–	1.2560	1.1012
Group 2	1.2560	0.0000	1.2560	1.1012
<b>Class R Accumulation</b>				
Group 1	1.2417	–	1.2417	1.0967
Group 2	0.7429	0.4988	1.2417	1.0967
<b>Class S Accumulation</b>				
Group 1	1.3270	–	1.3270	1.1719
Group 2	0.0394	1.2876	1.3270	1.1719
<b>Class Z Accumulation</b>				
Group 1	3.1123	–	3.1123	2.5948
Group 2	0.8231	2.2892	3.1123	2.5948

# Royal London UK Core Equity Tilt Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Core Equity Tilt Fund, Class P Accumulation	1.80	10.89	–
Royal London UK Core Equity Tilt Fund, Class R Accumulation	1.92	11.03	–
Royal London UK Core Equity Tilt Fund, Class Z Accumulation	1.80	10.73	17.28
Royal London UK Core Equity Tilt Fund, Class Z Income	1.82	10.78	17.38
FTSE® 350 Index	1.55	11.45	17.39

Class R Accumulation launched on 8 November 2018 and Class P Accumulation launched on 14 May 2019.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com). The tracking error shown in the performance overview below is calculated using the unofficial end of day Fund price to align with the official end of day benchmark price.

### Performance overview

Investors should note that the Fund price is taken at noon each day, while the index performance is recorded at the close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons.

The tracking error between the UK Core Equity Tilt Fund and the Fund's benchmark the FTSE® 350 Index was 0.18% during the 12 months under review. The Fund will invest at least 70% of its assets in shares of companies that belong to the Index. The Fund's manager, however, will typically invest around 90% of the Fund's asset in companies that belong to the Index.

### Market and portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG and climate 'tilted' funds. The objective of our passive funds was to simply track an index provided by a third party. We used an optimiser to help construct the portfolio, but the factors we used were mostly based on the market capitalisation of the companies in the index as we tried to replicate the total return of the benchmark.

Our updated investment process continues to deliver a risk and return profile similar to the index, but it now incorporates ESG and climate-related investment criteria and introduced the ability to 'tilt' the funds towards or against these factors. The Fund's performance target is to deliver the performance, after the deduction of charges, of the FTSE® 350 Total Return GBP Index over rolling 3-year periods. The Fund will seek to achieve carbon intensity of at least 10% lower than that of the Index whilst also considering a company's ability and willingness to transition and contribute to a lower carbon economy.

### Nils Jungbacke

Fund Manager

Royal London Asset Management

31 August 2022

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class P Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	111.16	88.24	101.53
Return before operating charges*	2.03	22.99	(13.22)
Operating charges	(0.07)	(0.07)	(0.07)
Return after operating charges*	1.96	22.92	(13.29)
Distributions on accumulation shares	(3.83)	(3.27)	(2.90)
Retained distributions on accumulation shares	3.83	3.27	2.90
<b>Closing net asset value per share</b>	<b>113.12</b>	<b>111.16</b>	<b>88.24</b>
* after direct transaction costs of:	0.03	0.04	0.04
<b>Performance</b>			
Return after charges	1.76%	25.97%	(13.09)%
<b>Other information</b>			
Closing net asset value (£'000)	6	5	4
Closing number of shares	5,000	5,000	5,000
Operating charges**	0.11%	0.07%	0.07%
Direct transaction costs	0.02%	0.04%	0.04%
<b>Prices<sup>^</sup></b>			
Highest share price	118.50	111.90	110.40
Lowest share price	105.80	83.12	71.30

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	114.80	91.09	104.77
Return before operating charges*	2.11	23.74	(13.65)
Operating charges	(0.04)	(0.03)	(0.03)
Return after operating charges*	2.07	23.71	(13.68)
Distributions on accumulation shares	(3.99)	(3.42)	(3.04)
Retained distributions on accumulation shares	3.99	3.42	3.04
<b>Closing net asset value per share</b>	<b>116.87</b>	<b>114.80</b>	<b>91.09</b>
* after direct transaction costs of:	0.03	0.04	0.04
<b>Performance</b>			
Return after charges	1.80%	26.03%	(13.06)%
<b>Other information</b>			
Closing net asset value (£'000)	6,588,112	6,747,898	5,631,273
Closing number of shares	5,637,184,818	5,877,859,446	6,181,913,923
Operating charges**	0.07%	0.03%	0.03%
Direct transaction costs	0.02%	0.04%	0.04%
<b>Prices<sup>^</sup></b>			
Highest share price	122.40	115.60	114.00
Lowest share price	109.30	85.82	73.59

### Class Z Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	194.99	154.87	178.30
Return before operating charges*	3.55	40.35	(23.21)
Operating charges	(0.20)	(0.23)	(0.22)
Return after operating charges*	3.35	40.12	(23.43)
Distributions on accumulation shares	(6.64)	(5.64)	(4.97)
Retained distributions on accumulation shares	6.64	5.64	4.97
<b>Closing net asset value per share</b>	<b>198.34</b>	<b>194.99</b>	<b>154.87</b>
* after direct transaction costs of:	0.05	0.07	0.06
<b>Performance</b>			
Return after charges	1.72%	25.91%	(13.14)%
<b>Other information</b>			
Closing net asset value (£'000)	18,259	42,496	31,947
Closing number of shares	9,205,944	21,794,123	20,628,337
Operating charges***	0.14%	0.10%	0.13%
Direct transaction costs	0.02%	0.04%	0.04%
<b>Prices<sup>^</sup></b>			
Highest share price	207.80	196.30	193.90
Lowest share price	185.60	145.90	125.20

### Class Z Income

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	124.91	102.25	121.44
Return before operating charges*	2.28	26.50	(15.65)
Operating charges	(0.13)	(0.14)	(0.15)
Return after operating charges*	2.15	26.36	(15.80)
Distributions on income shares	(4.22)	(3.70)	(3.39)
<b>Closing net asset value per share</b>	<b>122.84</b>	<b>124.91</b>	<b>102.25</b>
* after direct transaction costs of:	0.03	0.04	0.04
<b>Performance</b>			
Return after charges	1.72%	25.78%	(13.01)%
<b>Other information</b>			
Closing net asset value (£'000)	4,760	25,433	74,287
Closing number of shares	3,873,960	20,361,863	72,648,853
Operating charges***	0.14%	0.10%	0.13%
Direct transaction costs	0.02%	0.04%	0.04%
<b>Prices<sup>^</sup></b>			
Highest share price	132.70	128.30	132.10
Lowest share price	117.70	96.32	83.82

# The FMF was reduced on 9 August 2021 to 0.10%.

\*\* 0.04% of the operating charge relates to estimated weighted charges in underlying collective investment undertakings. This is a new regulatory disclosure for 2022, no restatements have been made for previous years.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.



## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 96.73% (31/08/21 – 98.00%)</b>			
<b>Oil &amp; Gas – 11.34% (31/08/21 – 7.25%)</b>			
Alternative Energy – 0.04%			
	709,947	Volution	2,474 0.04
Oil & Gas Producers – 11.23%			
	54,437,476	BP	240,341 3.63
	3,241,055	Capricorn Energy	7,519 0.11
	217,749	Diversified Gas & Oil	288 –
	29,441	Energean Oil & Gas	381 0.01
	2,025,729	Harbour Energy	9,659 0.15
	21,089,892	Shell	482,748 7.30
	3,620,383	Tullow Oil	1,759 0.03
Oil Equipment & Services – 0.07%			
	3,347,842	John Wood	4,330 0.07
	212,766	Petrofac	254 –
<b>Total Oil &amp; Gas</b>		<b>749,753</b>	<b>11.34</b>
<b>Basic Materials – 7.50% (31/08/21 – 9.38%)</b>			
Chemicals – 0.71%			
	355,445	Croda International	23,907 0.36
	1,335,614	Elementis	1,483 0.02
	757,786	Johnson Matthey	15,269 0.23
	926,763	Synthomer	1,822 0.03
	253,570	Victrex	4,437 0.07
Forestry & Paper – 0.15%			
	680,009	Mondi	9,969 0.15
Industrial Metals – 0.00%			
	108,231	Ferrexpo	161 –
Mining – 6.64%			
	3,256,419	Anglo American	90,610 1.37
	1,071,446	Antofagasta	11,797 0.18
	2,234,155	Centamin	2,027 0.03
	693,407	Endeavour Mining	11,670 0.18
	524,982	Fresnillo	3,614 0.05
	37,226,302	Glencore	176,192 2.67
	2,990,996	Rio Tinto	142,700 2.16
<b>Total Basic Materials</b>		<b>495,658</b>	<b>7.50</b>
<b>Industrials – 10.24% (31/08/21 – 13.33%)</b>			
Construction & Materials – 1.33%			
	2,837,758	Balfour Beatty	8,939 0.14
	1,752,076	CRH	55,637 0.84
	806,919	Geniut Group	2,901 0.04
	1,584,513	lbstock	3,004 0.05
	721,504	Marshalls	2,408 0.04
	177,830	Morgan Sindall	3,062 0.05
	478,105	Redrow	2,417 0.04
	25,292	RHI Magnesita	456 0.01
	789,480	Travis Perkins	6,703 0.10
	637,951	Tyman	1,464 0.02
Aerospace & Defence – 1.83%			
	9,798,577	BAE Systems	76,057 1.15
	735,815	Chemring	2,303 0.03
	2,080,888	Meggitt	16,610 0.25
	1,869,044	QinetiQ	6,512 0.10
	25,627,028	Rolls-Royce	19,733 0.30
General Industrials – 0.79%			
	3,862,275	Coats Group	2,310 0.03
	2,686,452	Smith (DS)	7,189 0.11
	1,367,097	Smiths Group	20,377 0.31
	697,980	Smurfit Kappa	20,200 0.31
	567,646	Vesuvius	1,972 0.03

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Electronic & Electrical Equipment – 0.79%			
	1,128,344	Halma	23,402 0.35
	764,412	Morgan Advanced Materials	2,026 0.03
	183,548	Oxford Instruments	3,671 0.06
	115,856	Renishaw	4,280 0.07
	3,235,188	Rotork	7,984 0.12
	351,164	Spectris	9,790 0.15
	48,534	XP Power	947 0.01
Industrial Engineering – 0.98%			
	739,477	Bodycote	4,071 0.06
	308,260	Hill & Smith	3,212 0.05
	982,642	IMI	11,261 0.17
	11,346,522	Melrose Industries	15,488 0.23
	187,374	Spirax-Sarco Engineering	19,740 0.30
	774,275	Weir	11,281 0.17
Industrial Transportation – 0.13%			
	87,434	Clarkson	2,636 0.04
	2,258,814	Royal Mail	6,223 0.09
Support Services – 4.39%			
	1,182,682	Ashtead Group	50,264 0.76
	1,333,696	Babcock International	4,385 0.07
	399,005	Biffa	1,602 0.02
	955,861	Bunzl	27,338 0.41
	500,813	CMC Markets	1,149 0.02
	320,216	DCC	15,892 0.24
	368,309	Diploma	9,252 0.14
	30,469	discoverIE Group	241 –
	357,753	Essentra	711 0.01
	2,630,660	Experian	68,976 1.04
	611,596	Grafton	4,419 0.07
	6,747,623	Hays	7,908 0.12
	716,572	Homeserve	8,499 0.13
	1,511,042	Howdens Joinery	8,631 0.13
	704,235	IntegraFin	1,890 0.03
	2,012,202	International Workplace	3,235 0.05
	535,474	Intertek	21,194 0.32
	3,833,473	Mitie Group	2,783 0.04
	1,191,485	PageGroup	5,171 0.08
	960,989	Redde Northgate	3,291 0.05
	4,728,217	Rentokil Initial	24,634 0.37
	1,396,926	RS Group	15,157 0.23
	2,238,931	Serco Group	3,920 0.06
<b>Total Industrials</b>		<b>676,808</b>	<b>10.24</b>
<b>Consumer Goods – 16.39% (31/08/21 – 16.12%)</b>			
Automobiles & Parts – 0.04%			
	328,020	Aston Martin Lagonda Global	1,462 0.02
	752,080	TI Fluid Systems	1,100 0.02
Beverages – 4.09%			
	864,512	Britvic	6,760 0.10
	1,983,538	C&C Group	3,410 0.05
	429,215	Coca-Cola HBC	8,456 0.13
	6,691,903	Diageo	251,883 3.81
Food Producers – 0.51%			
	888,202	Associated British Foods	13,545 0.20
	171,606	Cranswick	5,289 0.08
	2,179,320	Greencore Group	1,854 0.03
	205,520	Hilton Food	1,989 0.03
	2,327,716	Premier Foods	2,495 0.04
	3,266,634	SSP Group	6,915 0.10
	233,937	Tate and Lyle	1,787 0.03
Household Goods – 2.77%			
	2,897,889	Barratt Developments	12,371 0.19
	353,351	Bellway	7,219 0.11
	313,939	Berkeley	11,474 0.17
	1,303,697	Countryside Partnerships	3,152 0.05
	625,428	Crest Nicholson	1,466 0.02
	889,431	Persimmon	13,124 0.20

## Portfolio Statement (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Consumer Goods – 16.39% (31/08/21 – 16.12%) – continued</b>			
Household Goods – 2.77% – continued			
1,774,896	Reckitt Benckiser	117,995	1.78
10,426,879	Taylor Wimpey	11,287	0.17
696,736	Vistry Group	5,361	0.08
Leisure Goods – 0.09%			
81,908	Games Workshop	5,803	0.09
Personal Goods – 4.83%			
1,119,879	Burberry	19,575	0.30
1,432,758	Dr. Martens	3,387	0.05
450,768	PZ Cussons	874	0.01
7,520,677	Unilever	295,224	4.47
Tobacco – 4.06%			
6,445,489	British American Tobacco	222,466	3.37
2,420,026	Imperial Brands	45,884	0.69
<b>Total Consumer Goods</b>		<b>1,083,607</b>	<b>16.39</b>
<b>Healthcare – 11.02% (31/08/21 – 9.89%)</b>			
Healthcare Equipment & Services – 1.24%			
5,253,286	ConvaTec	11,431	0.17
13,660,797	Haleon	35,361	0.54
1,062,392	Mediclinic International	5,323	0.08
332,156	NMC Health**	–	–
2,767,563	Smith & Nephew	28,091	0.42
985,675	Spire Healthcare	2,287	0.03
Pharmaceuticals & Biotechnology – 9.78%			
4,411,138	AstraZeneca	469,522	7.10
301,617	Dechra Pharmaceuticals	10,484	0.16
179,083	Genus	4,502	0.07
10,928,637	GSK	150,728	2.28
415,897	Hikma Pharmaceuticals	5,459	0.08
1,956,728	Indivior	5,659	0.09
<b>Total Healthcare</b>		<b>728,847</b>	<b>11.02</b>
<b>Consumer Services – 9.67% (31/08/21 – 11.39%)</b>			
Food & Drug Retailers – 1.17%			
245,114	Greggs	4,522	0.07
1,236,289	Ocado	8,958	0.13
5,009,959	Sainsbury (J)	10,190	0.15
21,746,892	Tesco	54,063	0.82
General Retailers – 1.40%			
1,857,404	B&M European Value Retail	6,869	0.10
3,651,225	Currys	2,324	0.03
344,115	Dunelm	2,367	0.04
455,757	Frasers Group	3,669	0.06
1,240,045	Inchcape	9,424	0.14
8,065,870	JD Sports Fashion	9,110	0.14
5,843,664	Kingfisher	13,557	0.20
5,595,273	Marks & Spencer	6,818	0.10
353,900	Next	20,569	0.31
1,363,753	Pets at Home	4,320	0.07
665,222	Watches of Switzerland Group	5,215	0.08
580,959	WH Smith	8,302	0.13
Media – 3.29%			
80,717	4imprint	3,067	0.05
1,227,836	Ascential	2,490	0.04
405,384	Euromoney Institutional Investor	5,878	0.09
340,500	Future	5,298	0.08
4,485,372	Informa	24,526	0.37
13,956,705	ITV	8,974	0.14
2,037,933	Moneysupermarket.com	4,019	0.06
2,396,567	Pearson	20,678	0.31
5,208,327	RELX	117,812	1.78
3,303,860	WPP	24,587	0.37

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Travel & Leisure – 3.81%			
1,216,383	888 Holdings	1,500	0.02
97,121	Carnival	707	0.01
5,556,328	Compass Group	103,292	1.56
1,326,401	Domino's Pizza	3,130	0.05
1,858,794	Entain	23,653	0.36
2,270,004	Firstgroup	2,599	0.04
583,892	Flutter Entertainment	62,856	0.95
409,475	Intercontinental Hotels	19,208	0.29
869,355	International Consolidated Airlines (IAG)	941	0.01
762,930	Mitchells & Butlers	1,179	0.02
1,452,529	National Express	2,546	0.04
2,945,675	TUI	3,902	0.06
318,120	Wetherspoon (JD)	1,533	0.02
676,986	Whitbread	16,952	0.26
358,678	Wizz Air Holdings	7,669	0.12
<b>Total Consumer Services</b>		<b>639,273</b>	<b>9.67</b>
<b>Telecommunications – 2.02% (31/08/21 – 2.13%)</b>			
Fixed Line Telecommunications – 0.64%			
2,780,292	Airtel Africa	3,676	0.05
21,495,812	BT Group	32,394	0.49
1,899,840	Helios Towers	2,358	0.04
194,725	Telecom Plus	3,797	0.06
Mobile Telecommunications – 1.38%			
78,641,802	Vodafone	90,973	1.38
<b>Total Telecommunications</b>		<b>133,198</b>	<b>2.02</b>
<b>Utilities – 3.41% (31/08/21 – 2.99%)</b>			
Electricity – 0.86%			
223,553	ContourGlobal	576	0.01
916,313	Drax	5,828	0.09
3,040,688	SSE	50,217	0.76
Gas, Water & Multiutilities – 2.55%			
18,599,500	Centrica	14,087	0.21
10,376,139	National Grid	111,803	1.69
672,975	Pennon Group	6,282	0.09
633,437	Severn Trent	17,635	0.27
1,826,396	United Utilities	19,296	0.29
<b>Total Utilities</b>		<b>225,724</b>	<b>3.41</b>
<b>Financials – 23.12% (31/08/21 – 23.61%)</b>			
Banks – 8.45%			
48,105,472	Barclays	79,124	1.20
57,932,205	HSBC	306,345	4.63
203,191,723	Lloyds Banking Group	89,161	1.35
13,834,602	Natwest Group	34,095	0.51
7,230,343	Standard Chartered	43,237	0.65
100,095	TBC Bank	1,774	0.03
3,400,045	Virgin Money UK	5,085	0.08
Non-Life Insurance – 0.67%			
594,255	Admiral	12,604	0.19
1,601,582	Beazley	9,329	0.14
4,357,338	Direct Line Insurance	8,972	0.14
1,074,945	Hiscox	9,649	0.15
715,109	Lancashire	3,528	0.05
Life Insurance – 2.96%			
8,657,166	Aviva	36,239	0.55
4,210,925	Just Group	3,032	0.05
17,700,468	Legal & General	44,676	0.68
1,937,044	Phoenix Group	11,669	0.18
8,014,029	Prudential	72,399	1.09
1,522,627	St James's Place Capital	16,855	0.25
7,316,169	Standard Life Aberdeen	10,736	0.16

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Financials – 23.12% (31/08/21 – 23.61%) – continued</b>							
Equity Investment Instruments – 3.78%							
1,690,133	3i Infrastructure	5,755	0.09	3,321,628	Capital & Counties Properties	3,986	0.06
270,148	Aberforth Smaller Companies Trust	3,182	0.05	415,320	CLS	777	0.01
156,467	Abrdn Private Equity Opportunities Trust	671	0.01	327,966	Derwent London	7,989	0.12
1,765,571	AVI Global Trust	3,295	0.05	683,334	Great Portland Estates	3,403	0.05
279,392	Baillie Gifford Japan Investment Trust	2,149	0.03	13,197,746	Hammerson	2,881	0.04
2,246,646	Bilfinger Berger Global	3,662	0.05	1,868,296	Land Securities	12,155	0.18
130,130	BlackRock Smaller Companies Investment Trust	1,749	0.03	2,967,675	LondonMetric Property	6,446	0.10
19,050	BlackRock Throgmorton Investment Trust	108	–	1,780,652	LXI	2,618	0.04
674,659	BlackRock World Mining Investment Trust	4,223	0.06	3,345,263	Primary Health Properties	4,570	0.07
101,443	Caledonia Investments	3,611	0.05	609,223	Safestore	6,720	0.10
42,448	Capital Gearing Trust	2,186	0.03	3,796,003	Segro	35,796	0.54
1,295,515	City of London Investment Trust 'A'	5,169	0.08	993,058	Shafesbury	4,093	0.06
503,497	Edinburgh Investment Trust	2,940	0.04	6,349,617	Supermarket Income REIT	7,651	0.12
1,102,444	Edinburgh Worldwide Investment Trust	2,048	0.03	5,170,841	Tritax Big Box	8,609	0.13
297,397	European Opportunities Trust	2,082	0.03	471,405	Tritax EuroBox	389	0.01
1,556,874	F&C Investment Trust	13,560	0.21	1,842,347	UK Commercial Property Trust	1,303	0.02
1,185,587	Fidelity China Special Situations Investment Trust	2,917	0.04	943,156	Unite Group	9,913	0.15
297,389	Fidelity Emerging Markets	1,846	0.03	66,584	Urban Logistics REIT	113	–
1,287,008	Fidelity European Values	3,655	0.06	371,210	Workspace	1,934	0.03
657,404	Fidelity Special Values	1,713	0.03	Real Estate Investment Services – 0.93%			
661,140	Finsbury Growth & Income Trust	5,501	0.08	1,485,492	BB Healthcare Trust	2,534	0.04
2,949,520	GCP Infrastructure Investments	3,191	0.05	13,399	BH Macro	620	0.01
6,121,029	Greencoat UK Wind	10,075	0.15	2,059,513	Grainger	5,519	0.08
262,540	HarbourVest Global Private Equity	5,750	0.09	1,361,601	HG Capital Trust	5,092	0.08
210,354	Henderson Smaller Companies Investment Trust	1,698	0.03	5,434,086	HICL Infrastructure	9,368	0.14
177,571	Herald Investment Trust	2,973	0.05	3,137,303	Hipgnosis Songs Fund	3,526	0.05
219,081	ICG Enterprise Trust	2,353	0.04	459,515	Pershing Square Holdings	12,820	0.19
851,524	Impax Environmental Markets	3,789	0.06	6,253,035	Renewables Infrastructure	9,067	0.14
615,063	JPMorgan American Investment Trust	4,595	0.07	431,163	Savills	4,087	0.06
3,427,706	JPMorgan Emerging Markets Investment Trust	3,716	0.06	2,724,137	Sirius Real Estate	2,215	0.03
478,154	JPMorgan European Discovery Trust	1,824	0.03	1,505,671	Target Healthcare	1,662	0.03
454,183	JPMorgan Japanese Investment Trust	2,137	0.03	2,395,181	Witan Investments	5,245	0.08
1,446,665	Jupiter Fund Management	1,406	0.02	Financial Services – 4.15%			
350,431	Law Debenture	2,576	0.04	2,729,367	3i Group	33,162	0.50
713,483	Monks Investment Trust	7,342	0.11	837,281	AJ Bell	2,460	0.04
359,823	Murray Income Trust	2,929	0.04	1,275,124	Allianz Technology Trust	2,952	0.04
390,158	Murray International Investment Trust	4,893	0.07	995,280	Apax Global Alpha	1,766	0.03
53,573	NB Private Equity Partners	852	0.01	1,575,974	Ashmore	3,202	0.05
1,589,226	Pantheon International	4,291	0.06	3,995,199	Bankers Investment Trust	4,139	0.06
778,400	Personal Assets Trust	3,822	0.06	910,740	Brewin Dolphin	4,663	0.07
403,212	Polar Capital Technology Trust	8,125	0.12	449,501	Bridgepoint	1,126	0.02
376,392	RIT Capital Partners	8,601	0.13	1,472,292	Chrysalis Investments	1,059	0.02
503,750	Schroder Asia Pacific Fund	2,645	0.04	462,916	Close Brothers	4,726	0.07
899,427	Schroder Oriental Income Fund	2,361	0.04	508,989	Finabl <sup>†</sup> †	–	–
488,650	Scottish American Investment Trust	2,358	0.04	1,101,232	Hargreaves Lansdown	8,999	0.14
4,186,554	Scottish Mortgage Investment Trust	33,727	0.51	1,034,739	IG Group	8,464	0.13
120,570	SDCL Energy Efficiency Income Trust	142	–	901,213	Intermediate Capital Group	12,311	0.19
5,034,197	Sequoia Economic Infrastructure Income Fund	4,531	0.07	5,353,464	International Public Partnership	8,790	0.13
458,078	Smithson Investment Trust	5,873	0.09	2,353,446	Investec	9,771	0.15
755,870	Temple Bar Investment Trust	1,640	0.02	3,403,112	IP	2,380	0.04
3,750,760	Templeton Emerging Markets Investment Trust	5,716	0.09	362,641	JTC	2,774	0.04
942,825	The Alliance Trust	9,155	0.14	152,143	Liontrust Asset Management	1,392	0.02
1,863,426	The Global Smaller Companies	2,635	0.04	1,013,165	London Stock Exchange	82,087	1.24
2,318,277	The Mercantile Investment Trust	4,256	0.06	7,439,845	M&G	14,563	0.22
1,007,033	TR Property Investment Trust	3,625	0.05	4,764,582	Man Group	11,626	0.18
576,196	Vietnam Enterprise Investments	4,022	0.06	527,333	Molten Ventures	1,970	0.03
516,231	VinaCapital Vietnam Opportunity Fund	2,607	0.04	1,490,386	Network International Holdings	3,586	0.05
182,389	Worldwide Healthcare Trust	5,928	0.09	1,275,016	Ninety One	2,518	0.04
Real Estate Investment Trusts – 2.18%				1,150,091	OSB Group	6,320	0.09
6,900,695	Assura	4,496	0.07	755,822	Paragon Banking Group	4,059	0.06
643,740	Balanced Commercial Property Trust	685	0.01	833,817	Petershill Partners	1,876	0.03
523,253	Big Yellow	6,949	0.11	294,343	Plus500	4,995	0.07
2,506,283	British Land	10,792	0.16	109,835	Provident Financial	189	–
				4,837,583	Quilter	5,072	0.08
				179,034	Rathbones Group	3,223	0.05
				805,247	Ruffer	2,424	0.04
				316,899	Schroders	8,512	0.13
				1,406,509	Syncona	2,771	0.04
				2,640,163	TP ICAP	4,047	0.06
				<b>Total Financials</b>		<b>1,528,687</b>	<b>23.12</b>

## Portfolio Statement (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Technology – 2.02% (31/08/21 – 1.91%)</b>			
Software & Computer Services – 1.94%			
126,834	Auction Technology	1,043	0.02
3,101,273	Auto Trader	20,214	0.31
1,639,142	Avast	11,582	0.17
410,608	Aveva Group	11,497	0.17
116,373	Baltic Classifieds Group	168	–
631,665	Bytes Technology Group	2,633	0.04
237,159	Computacenter	5,853	0.09
867,134	Darktrace	4,433	0.07
268,526	FDM	2,043	0.03
179,121	Kainos	2,438	0.04
1,142,177	Micro Focus	5,914	0.09
442,642	Moonpig Group	867	0.01
917,296	NCC	1,798	0.03
1,333,883	Playtech	5,976	0.09
2,720,435	Rightmove	16,529	0.25
3,381,564	Sage	24,178	0.36
401,899	Softcat	5,205	0.08
1,771,213	Trainline	6,120	0.09
Technology Hardware & Equipment – 0.08%			
1,942,046	Spirent Communications	5,007	0.08
<b>Total Technology</b>		<b>133,498</b>	<b>2.02</b>
<b>Futures – 0.02% (31/08/21 – 0.01%)</b>			
3,060	ICF FTSE® 100 Index Future September 2022	1,527	0.02
<b>Total Futures</b>		<b>1,527</b>	<b>0.02</b>
<b>Total value of investments</b>		<b>6,396,580</b>	<b>96.75</b>
<b>Net other assets</b>		<b>214,555</b>	<b>3.25</b>
<b>Total net assets</b>		<b>6,611,135</b>	<b>100.00</b>

\* Value less than £1,000

~ Level 3 asset

# Suspended

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Glencore	16,382
Endeavour Mining	12,870
Flutter Entertainment	12,803
WPP	10,081
Rio Tinto	9,867
Diageo	8,852
Unilever	8,786
Supermarket Income REIT	8,196
Harbour Energy	7,314
Compass Group	6,806
<b>Subtotal</b>	<b>101,957</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>349,588</b>

### Significant Sales

	Proceeds £'000
BHP Group	135,362
Ferguson Newco	59,092
Just Eat Takeaway	31,382
Morrison (Wm) Supermarkets	21,767
Rio Tinto	14,273
Shell	13,569
Aviva	11,584
Glencore	11,532
WPP	9,251
Ultra Electronics	8,014
<b>Subtotal</b>	<b>315,826</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>513,424</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(112,315)	1,262,751
Revenue	3	241,358	215,932
Expenses	4	(2,094)	(1,989)
Interest payable and similar charges		(49)	(169)
Net revenue before taxation		239,215	213,774
Taxation	5	(1,187)	(2,060)
Net revenue after taxation		238,028	211,714
Total return before distributions		125,713	1,474,465
Distributions	6	(232,267)	(209,617)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(106,554)</b>	<b>1,264,848</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		6,396,580	6,680,050
<b>Current assets:</b>			
Debtors	7	55,061	58,124
Cash and bank balances	8	160,125	78,413
Total assets		6,611,766	6,816,587
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	519	228
Distribution payable		112	527
Total liabilities		631	755
<b>Net assets attributable to shareholders</b>		<b>6,611,135</b>	<b>6,815,832</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>6,815,832</b>	<b>5,737,511</b>
Amounts receivable on creation of shares	224,997	33,187
Amounts payable on cancellation of shares	(553,036)	(424,956)
	(328,039)	(391,769)
Dilution adjustment charged	1,559	199
Change in net assets attributable to shareholders from investment activities	(106,554)	1,264,848
Retained distribution on accumulation shares	228,337	205,042
Unclaimed distributions	–	1
<b>Closing net assets attributable to shareholders</b>	<b>6,611,135</b>	<b>6,815,832</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(125,358)	1,215,557
Derivative securities	13,015	47,154
Currency gains	28	40
<b>Net capital (losses)/gains</b>	<b>(112,315)</b>	<b>1,262,751</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	218,209	191,795
Overseas dividends	12,775	18,322
Interest on debt securities	84	56
Property investment income (PID)	3,053	2,510
Bank interest	777	–
Stock lending income	696	1,154
Stock dividends	5,764	2,095
<b>Total revenue</b>	<b>241,358</b>	<b>215,932</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	2,094	1,989
<b>Total expenses</b>	<b>2,094</b>	<b>1,989</b>

\* Audit fee £16,632 (31/08/21: £13,789) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	420	1,042
Reclaimable tax written off	787	1,026
Windfall overseas tax recoveries	(20)	(8)
<b>Current tax charge for the year</b>	<b>1,187</b>	<b>2,060</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	239,215	213,774
Corporation tax at 20% (31/08/21: 20%)	47,843	42,755
Effects of:		
Revenue not subject to taxation	(47,350)	(42,442)
Utilisation of excess management expenses	(493)	(313)
Irrecoverable overseas tax	420	1,042
Reclaimable tax written off	787	1,026
Windfall overseas tax recoveries	(20)	(8)
<b>Current tax charge for the year</b>	<b>1,187</b>	<b>2,060</b>

Authorised Open Ended Investment Companies are exempt from tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £1,513,000 (31/08/21: £2,006,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	74,305	64,169
Final	154,032	140,873
	228,337	205,042
<b>Income shares</b>		
Interim	177	274
Final	112	527
	289	801
<b>Net distributions for the year</b>	<b>228,626</b>	<b>205,843</b>
Add: Amounts deducted on cancellation of shares	4,532	4,016
Deduct: Amounts received on the creation of shares	(891)	(242)
<b>Net distributions for the year</b>	<b>232,267</b>	<b>209,617</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	238,028	211,714
Movement in income carried forward	3	(2)
Stock dividend charged to capital	(5,764)	(2,095)
<b>Net distributions for the year</b>	<b>232,267</b>	<b>209,617</b>

Details of the distribution per share are set out on page 66.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	149	18
Sales awaiting settlement	–	2,039
Accrued revenue	54,336	55,058
Overseas withholding tax recoverable	576	1,009
<b>Total debtors</b>	<b>55,061</b>	<b>58,124</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	149,445	65,823
Amounts held at futures clearing houses and brokers	10,680	12,590
<b>Total cash and bank balances</b>	<b>160,125</b>	<b>78,413</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	345	51
Accrued expenses	174	177
<b>Total other creditors</b>	<b>519</b>	<b>228</b>

### 10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/21	5,000	5,877,859,446
Shares issued	–	188,818,523
Shares cancelled	–	(429,493,151)
<b>Closing shares at 31/08/22</b>	<b>5,000</b>	<b>5,637,184,818</b>

	Class Z Accumulation	Class Z Income
Opening shares at 01/09/21	21,794,123	20,361,863
Shares issued	1,605,790	1,411,017
Shares cancelled	(14,193,969)	(17,898,920)
<b>Closing shares at 31/08/22</b>	<b>9,205,944</b>	<b>3,873,960</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £370,000 (31/08/21: £210,000).

At the year end, 31 August 2022, 99.55% (31/08/21: 99.25%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £174,000 (Gross: £870,000) (31/08/21: £289,000 (Gross: £1,443,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £337,275,000 (31/08/21: £334,132,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	189,239	260,970
Bonds	171,789	94,242

The aggregate value of collateral held at the balance sheet date was £361,028,000 (31/08/21: £355,212,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Banco Santander, Bank of Nova Scotia, Barclays Capital Securities, BNP Paribas Arbitrage, Citigroup Global Markets, HSBC Bank, JP Morgan Securities, Merrill Lynch International, Morgan Stanley & Co International, Natixis, Skandinaviska Enskilda Banken, Societe Generale and UBS.

### 14. Financial Derivatives

Motives and circumstances are used to determine whether returns on derivative contracts should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital and the circumstances support this, the returns are included within net capital gains/losses in the Statement of Total Return. Where they are undertaken for generating or protecting revenue and the circumstances support this, the returns are treated as revenue and are included within the net revenue in the Statement of Total Return. The basis of apportionment is typically made by reference to the yield on the underlying security, index or other appropriate source.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures which are not classed as OTC derivatives and hence, no counterparty exposure has been disclosed.

Eligible collateral types are approved by the ACD and may consist of cash and government bonds only as eligible collateral with respect to derivative transactions.

At 31 August 2022 there was no collateral held in respect of the above derivatives (31/08/21: same).

Details of the individual contracts are shown on the portfolio statement on pages 55 to 58.

### 15. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 60. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	6,592,584	6,797,435
Canadian dollar	227	–
Euro	458	1,206
US dollar	17,866	17,191
<b>Total</b>	<b>6,611,135</b>	<b>6,815,832</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £1,855,000 (31/08/21: £1,840,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £1,855,000 (31/08/21: £1,840,000). 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 Fund would have increased by £639,658,000 (31/08/21: £668,005,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £639,658,000 (31/08/21: £668,005,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £149,445,000 (31/08/21: £65,823,000) which earn interest by reference to SONIA or international equivalent. This equates to 2.26% of the current Net Asset Value and 0.97% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	344,699	6	–	564	0.16	966	0.28	346,235
Corporate actions	3,353	–	–	–	–	–	–	3,353
<b>Total</b>	<b>348,052</b>	<b>6</b>		<b>564</b>		<b>966</b>		<b>349,588</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	439,004	3	–	–	–	–	–	439,001
Corporate actions	74,423	–	–	–	–	–	–	74,423
<b>Total</b>	<b>513,427</b>	<b>3</b>		<b>–</b>		<b>–</b>		<b>513,424</b>

The Fund had paid £34,000 as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.01%
Other expenses	0.01%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	513,746	9	–	1,920	0.37	584	0.11	516,259
Corporate actions	19,535	–	–	–	–	–	–	19,535
<b>Total</b>	<b>533,281</b>	<b>9</b>		<b>1,920</b>		<b>584</b>		<b>535,794</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	371,856	15	–	–	–	1	–	371,840
Corporate actions	74,768	–	–	–	–	–	–	74,768
<b>Total</b>	<b>446,624</b>	<b>15</b>		<b>–</b>		<b>1</b>		<b>446,608</b>

The Fund had paid £39,000 as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.03%
Other expenses	0.01%

At the balance sheet date the portfolio dealing spread was 0.06% (31/08/21: 0.06%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 17. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	6,089,166	–	–	6,089,166
Pooled investment vehicles	305,887	–	–	305,887
Derivatives	1,527	–	–	1,527
<b>Total</b>	<b>6,396,580</b>	<b>–</b>	<b>–</b>	<b>6,396,580</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	6,335,284	–	–	6,335,284
Pooled investment vehicles	344,405	–	–	344,405
Derivatives	361	–	–	361
<b>Total</b>	<b>6,680,050</b>	<b>–</b>	<b>–</b>	<b>6,680,050</b>

### 18. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £6,916,846,551. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 4.68%.

There have been no significant redemptions during this period

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class P Accumulation</b>				
Group 1	1.2086	–	1.2086	0.9836
Group 2	1.2086	0.0000	1.2086	0.9836
<b>Class R Accumulation</b>				
Group 1	1.2688	–	1.2688	1.0382
Group 2	0.9783	0.2905	1.2688	1.0382
<b>Class Z Accumulation</b>				
Group 1	2.0854	–	2.0854	1.6829
Group 2	1.1509	0.9345	2.0854	1.6829
<b>Class Z Income</b>				
Group 1	1.3354	–	1.3354	1.1106
Group 2	0.7127	0.6227	1.3354	1.1106

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class P Accumulation</b>				
Group 1	2.6180	–	2.6180	2.2856
Group 2	2.6180	0.0000	2.6180	2.2856
<b>Class R Accumulation</b>				
Group 1	2.7250	–	2.7250	2.3820
Group 2	2.0490	0.6760	2.7250	2.3820
<b>Class Z Accumulation</b>				
Group 1	4.5544	–	4.5544	3.9562
Group 2	2.5271	2.0273	4.5544	3.9562
<b>Class Z Income</b>				
Group 1	2.8873	–	2.8873	2.5865
Group 2	1.0011	1.8862	2.8873	2.5865

# Royal London UK All Share Tracker Fund

## Manager's Investment Report

Upon approval from the FCA 6 May 2022, the Fund merged into the Royal London UK Broad Equity Tilt Fund 22 July 2022 via a scheme of arrangement.

## Comparative Tables

### Class P Accumulation

Change in net assets per share	31/08/22** (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	109.68	86.55	99.24
Return before operating charges*	1.36	23.23	(12.60)
Operating charges	(0.10)	(0.10)	(0.09)
Return after operating charges*	1.26	23.13	(12.69)
Distributions on accumulation shares	(2.55)	(3.10)	(2.69)
Retained distributions on accumulation shares	2.55	3.10	2.69
Cancellation price	(110.94)	–	–
<b>Closing net asset value per share</b>	<b>–</b>	<b>109.68</b>	<b>86.55</b>
* after direct transaction costs of:	0.01	0.13	0.03
<b>Performance</b>			
Return after charges	1.15%	26.72%	(12.79)%
<b>Other information</b>			
Closing net asset value (£'000)	–	6	8
Closing number of shares	–	5,767	8,461
Operating charges	–	0.10%	0.10%
Direct transaction costs	0.01%	0.14%	0.04%
<b>Prices<sup>A</sup></b>			
Highest share price	116.50	110.40	108.70
Lowest share price	104.00	81.98	69.28

\*\* Class P Accumulation closed on 22 July 2022 following a merger into the Royal London UK Broad Equity Tilt Fund.

### Class R Accumulation

Change in net assets per share	31/08/22** (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	115.00	90.70	103.95
Return before operating charges*	(0.02)	24.35	(13.20)
Operating charges	(0.01)	(0.05)	(0.05)
Return after operating charges*	(0.03)	24.30	(13.25)
Distributions on accumulation shares	(0.73)	(3.31)	(2.85)
Retained distributions on accumulation shares	0.73	3.31	2.85
Cancellation price	(114.97)	–	–
<b>Closing net asset value per share</b>	<b>–</b>	<b>115.00</b>	<b>90.70</b>
* after direct transaction costs of:	0.01	0.14	0.04
<b>Performance</b>			
Return after charges	(0.03)%	26.79%	(12.75)%
<b>Other information</b>			
Closing net asset value (£'000)	–	611,764	402,081
Closing number of shares	–	531,980,440	443,292,649
Operating charges	–	0.05%	0.05%
Direct transaction costs	0.01%	0.14%	0.04%
<b>Prices<sup>A</sup></b>			
Highest share price	118.80	115.80	113.90
Lowest share price	111.00	85.93	72.58

\*\* Class R Accumulation closed on 3 December 2021.



## Comparative Tables (continued)

### Class S Accumulation

Change in net assets per share	31/08/22** (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	108.65	85.69	98.21
Return before operating charges*	1.35	23.01	(12.47)
Operating charges	(0.05)	(0.05)	(0.05)
Return after operating charges*	1.30	22.96	(12.52)
Distributions on accumulation shares	(2.58)	(3.12)	(2.71)
Retained distributions on accumulation shares	2.58	3.12	2.71
Cancellation price	(109.95)	–	–
<b>Closing net asset value per share</b>	<b>–</b>	<b>108.65</b>	<b>85.69</b>
* after direct transaction costs of:	0.01	0.13	0.03
<b>Performance</b>			
Return after charges	1.20%	26.79%	(12.75)%
<b>Other information</b>			
Closing net asset value (£'000)	–	78,149	63,197
Closing number of shares	–	71,926,648	73,749,078
Operating charges	–	0.05%	0.05%
Direct transaction costs	0.01%	0.14%	0.04%
<b>Prices<sup>^</sup></b>			
Highest share price	115.50	109.40	107.60
Lowest share price	103.10	81.18	68.57

\*\* Class S Accumulation closed on 22 July 2022 following a merger into the Royal London UK Broad Equity Tilt Fund.

### Class Z Accumulation

Change in net assets per share	31/08/22** (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	228.90	180.72	207.31
Return before operating charges*	2.85	48.49	(26.29)
Operating charges	(0.31)	(0.31)	(0.30)
Return after operating charges*	2.54	48.18	(26.59)
Distributions on accumulation shares	(5.23)	(6.38)	(5.49)
Retained distributions on accumulation shares	5.23	6.38	5.49
Cancellation price	(231.44)	–	–
<b>Closing net asset value per share</b>	<b>–</b>	<b>228.90</b>	<b>180.72</b>
* after direct transaction costs of:	0.02	0.28	0.07
<b>Performance</b>			
Return after charges	1.11%	26.66%	(12.83)%
<b>Other information</b>			
Closing net asset value (£'000)	–	52,372	40,770
Closing number of shares	–	22,879,672	22,560,227
Operating charges	–	0.15%	0.15%
Direct transaction costs	0.01%	0.14%	0.04%
<b>Prices<sup>^</sup></b>			
Highest share price	243.20	230.40	227.10
Lowest share price	217.10	171.20	144.70

\*\* Class Z Accumulation closed on 22 July 2022 following a merger into the Royal London UK Broad Equity Tilt Fund.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## **Portfolio Statement**

As at 31 August 2022

The Fund closed on 22 July 2022 following a merger into the Royal London UK Broad Equity Tilt Fund. Hence, there are no securities held as at 31 August 2022. All securities were sold.

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Glencore	1,112
Endeavour Mining	969
Prudential	528
Darktrace	505
Molten Ventures	495
Bridgepoint Group	397
easyJet	311
Rolls-Royce	297
Harbour Energy	246
Wizz Air Holdings	232
<b>Subtotal</b>	<b>5,092</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>12,311</b>

### Significant Sales

	Proceeds £'000
Royal Dutch Shell	38,612
AstraZeneca	38,001
Unilever	29,159
HSBC	26,281
Diageo	25,487
GSK	21,880
BP	20,249
British American Tobacco	17,699
Rio Tinto	14,808
Glencore	14,240
<b>Subtotal</b>	<b>246,416</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>721,933</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022* £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(3,289)	120,934
Revenue	3	6,490	20,319
Expenses	4	(168)	(353)
Interest payable and similar charges		(8)	(25)
Net revenue before taxation		6,314	19,941
Taxation	5	(135)	(180)
Net revenue after taxation		6,179	19,761
Total return before distributions		2,890	140,695
Distributions	6	(5,742)	(19,546)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(2,852)</b>	<b>121,149</b>

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

For the year ended 31 August 2022

	31 Aug 2022* £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>742,291</b>	<b>506,056</b>
Amounts receivable on creation of shares	14,685	151,574
Amounts payable on cancellation of shares	(84,005)	(57,787)
Amounts payable on in-specie transfer of shares	(675,762)	–
	(745,082)	93,787
Dilution adjustment charged	256	827
Change in net assets attributable to shareholders from investment activities	(2,852)	121,149
Retained distribution on accumulation shares	5,387	20,472
<b>Closing net assets attributable to shareholders</b>	<b>–</b>	<b>742,291</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022* £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		–	713,487
<b>Current assets:</b>			
Debtors	7	5	6,011
Cash and bank balances	8	4	22,829
Total assets		9	742,327
<b>Liabilities</b>			
<b>Creditors:</b>			
Bank overdraft		9	–
Other creditors	9	–	36
Total liabilities		9	36
<b>Net assets attributable to shareholders</b>		<b>–</b>	<b>742,291</b>

\* The Fund closed on 22 July 2022 following a merger into the Royal London UK Broad Equity Tilt Fund.

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(3,879)	114,688
Derivative securities	589	6,240
Currency gains	1	6
<b>Net capital (losses)/gains</b>	<b>(3,289)</b>	<b>120,934</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	5,231	17,964
Overseas dividends	627	1,744
Interest on debt securities	3	5
Property investment income (PID)	156	284
Bank interest	11	–
Stock lending income	25	106
Stock dividends	437	216
<b>Total revenue</b>	<b>6,490</b>	<b>20,319</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	168	353
<b>Total expenses</b>	<b>168</b>	<b>353</b>

\* Audit fee £13,283 (31/08/21: £13,789) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	29	97
Reclaimable tax written off	108	83
Windfall overseas tax recoveries	(2)	–
<b>Current tax charge for the year</b>	<b>135</b>	<b>180</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	6,314	19,941
Corporation tax at 20% (31/08/21: 20%)	1,263	3,988
Effects of:		
Revenue not subject to taxation	(1,258)	(3,985)
Excess management expenses utilised	(5)	(3)
Irrecoverable overseas tax	29	97
Reclaimable tax written off	108	83
Windfall overseas tax recoveries	(2)	–
<b>Current tax charge for the year</b>	<b>135</b>	<b>180</b>

Authorised Open Ended Investment Companies are exempt from tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

The Fund closed on 22 July 2022 following a merger into the Royal London UK Broad Equity Tilt Fund. Accordingly, a potential deferred tax asset of £580,000 (31/08/21: £585,000) in relation to surplus management expenses has not been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	5,387	5,642
Final	–	14,830
	5,387	20,472
Add: Amounts deducted on cancellation of shares	472	404
Deduct: Amounts received on the creation of shares	(117)	(1,330)
<b>Net distributions for the year</b>	<b>5,742</b>	<b>19,546</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	6,179	19,761
Movement in income carried forward	–	1
Stock dividend charged to capital	(437)	(216)
<b>Net distributions for the year</b>	<b>5,742</b>	<b>19,546</b>

Details of the distribution per share are set out on page 78.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	–	10
Sales awaiting settlement	–	208
Accrued revenue	5	5,713
Overseas withholding tax recoverable	–	80
Amount due from host fund	–	–
<b>Total debtors</b>	<b>5</b>	<b>6,011</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	4	20,054
Amounts held at futures clearing houses and brokers	–	2,775
<b>Total cash and bank balances</b>	<b>4</b>	<b>22,829</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Accrued expenses	–	36
<b>Total other creditors</b>	<b>–</b>	<b>36</b>

### 10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/21	5,767	531,980,440
Shares issued	–	5,432,142
Shares cancelled	(5,767)	(537,412,582)
<b>Closing shares at 31/08/22</b>	<b>–</b>	<b>–</b>

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/21	71,926,648	22,879,672
Shares issued	–	3,667,540
Shares cancelled	(71,926,648)	(26,547,212)
<b>Closing shares at 31/08/22</b>	<b>–</b>	<b>–</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £nil (31/08/21: £26,000).

At the year end, 31 August 2022, nil (31/08/21: 43.87%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £6,000 (Gross: £31,000) (31/08/21: £26,000 (Gross: £132,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £nil (31/08/21: £29,120,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	–	12,740
Bonds	–	18,074

The aggregate value of collateral held at the balance sheet date was £nil (31/08/21: £30,814,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

There were no counterparties at the year end.

### 14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

There were no derivatives held at the year end. The types of derivatives held at the previous year end were index futures which are not classed as OTC derivatives and hence, no counterparty exposure were disclosed.

### 15. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 72. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A small proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	(4)	740,325
Euro	3	119
Georgian lari	–	4
US dollar	1	1,843
<b>Total</b>	<b>–</b>	<b>742,291</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £nil (31/08/21: £197,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £nil (31/08/21: £197,000). 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 Fund would have increased by £nil (31/08/21: £71,349,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £nil (31/08/21: £71,349,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £4,000 (31/08/21: £20,054,000) which earn interest by reference to SONIA or international equivalent. This equates to nil of the current Net Asset Value and 2.70% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	11,561	–	–	22	0.19	26	0.22	11,609
Corporate actions	702	–	–	–	–	–	–	702
<b>Total</b>	<b>12,263</b>	<b>–</b>		<b>22</b>		<b>26</b>		<b>12,311</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	72,074	3	–	–	–	1	–	72,070
In specie transactions	645,524	–	–	–	–	–	–	645,524
Corporate actions	4,339	–	–	–	–	–	–	4,339
<b>Total</b>	<b>721,937</b>	<b>3</b>		<b>–</b>		<b>1</b>		<b>721,933</b>

The Fund had paid £3,572 as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.01%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	169,996	9	0.01	501	0.29	311	0.18	170,817
Corporate actions	2,039	–	–	–	–	–	–	2,039
<b>Total</b>	<b>172,035</b>	<b>9</b>		<b>501</b>		<b>311</b>		<b>172,856</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	13,194	1	0.01	–	–	–	–	13,193
Corporate actions	7,635	–	–	–	–	–	–	7,635
<b>Total</b>	<b>20,829</b>	<b>1</b>		<b>–</b>		<b>–</b>		<b>20,828</b>

The Fund had paid £9,445 as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.08%
Other expenses	0.05%

At the balance sheet date the portfolio dealing spread was nil (31/08/21: 0.09%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 17. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

The Fund closed on 22 July 2022 following a merger into the Royal London UK Broad Equity Tilt Fund. Hence, there are no securities as on 31 August 2022.

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	713,350	–	3	713,353
Derivatives	134	–	–	134
<b>Total</b>	<b>713,484</b>	<b>–</b>	<b>3</b>	<b>713,487</b>

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class P Accumulation</b>				
Group 1	0.9856	–	0.9856	0.9380
Group 2	0.9856	0.0000	0.9856	0.9380
<b>Class R Accumulation*</b>				
Group 1	0.7267	–	0.7267	1.0056
Group 2	0.3995	0.3272	0.7267	1.0056
<b>Class S Accumulation</b>				
Group 1	1.0050	–	1.0050	0.9501
Group 2	1.0050	0.0000	1.0050	0.9501
<b>Class Z Accumulation</b>				
Group 1	2.0027	–	2.0027	1.9077
Group 2	0.6390	1.3637	2.0027	1.9077

\* Class R Accumulation terminated on 3 December 2021 and the distribution for this period was paid on 31 December 2021.

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 22 July 2022

	Net income	Equalisation	Distribution paid 31/08/22	Distribution paid 31/10/21
<b>Class P Accumulation**</b>				
Group 1	1.5665	–	1.5665	2.1645
Group 2	1.5665	0.0000	1.5665	2.1645
<b>Class R Accumulation*</b>				
Group 1	n/a	–	n/a	2.3014
Group 2	n/a	n/a	n/a	2.3014
<b>Class S Accumulation**</b>				
Group 1	1.5765	–	1.5765	2.1742
Group 2	1.5765	0.0000	1.5765	2.1742
<b>Class Z Accumulation**</b>				
Group 1	3.2278	–	3.2278	4.4707
Group 2	2.0650	1.1628	3.2278	4.4707

\* Class R Accumulation terminated on 3 December 2021.

\*\* Class P Accumulation, S Accumulation and Z Accumulation closed on 22 July 2022 and the distribution for this period was paid on 31 August 2022.

# Royal London US Equity Tilt Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year return %	3 year return %	5 year return %
Royal London US Equity Tilt Fund, Class P Accumulation (Total return)	3.44	48.23	–
Royal London US Equity Tilt Fund, Class R Accumulation (Total return)	3.54	48.64	–
Royal London US Equity Tilt Fund, Class S Accumulation (Total return)	3.55	48.56	–
Royal London US Equity Tilt Fund, Class Z Accumulation (Total return)	3.42	47.82	91.00
FTSE® USA GBP Net Total Return Index from 9 August 2021 / FTSE® USA GBP Index (capital return) to 8 August 2021	2.47	42.62	78.41

Class R Accumulation launched on 27 September 2018, Class S Accumulation launched on 23 April 2019, and Class P/Accumulation launched on 21 May 2019. Class X Accumulation launched 15 February 2022 therefore, no performance has been disclosed for this shareclass.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com). The tracking error shown in the performance overview below is calculated using the unofficial end of day Fund price to align with the official end of day benchmark price.

### Performance overview

Investors should note that the Fund price is taken at noon each day using swing prices where applicable, while the index performance is recorded at the close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons. The unit prices for the Fund are also calculated using different exchange rates than the benchmark. Additionally, performance differences will arise due to the impact of income and the charges associated with the Fund, together with exchange rate risk on some dividends, trading costs, optimisation and the use of index futures to manage cashflows.

The tracking error between the Royal London US Equity Tilt Fund and the FTSE® World USA Net Return Index was 0.06% during the 12 months under review. The Fund will invest at least 70% of its assets in shares of companies that belong to the Index. The Fund's manager, however, will typically invest around 90% of the Fund's asset in companies that belong to the Index.

### Market and portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG and climate 'tilted' funds. The objective of our passive funds was to simply track an index provided by a third party. We used an optimiser to help construct the portfolio, but the factors we used were mostly based on the market capitalisation of the companies in the index as we tried to replicate the capital return of the benchmark.

Our updated investment process continues to deliver a risk and return profile similar to the index, but it now incorporates ESG and climate-related investment criteria, and introduced the ability to 'tilt' the funds towards or against these factors. The Fund's performance target is to deliver the performance, after the deduction of charges, of the FTSE® US Total Return Index (the "Index") over rolling 3-year periods. The Fund will seek to achieve carbon intensity of at least 30% lower than that of the Index whilst also considering a company's ability and willingness to transition and contribute to a lower carbon economy.

**Jojo Chen**  
Fund Manager  
Royal London Asset Management  
31 August 2022

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class P Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	153.75	120.60	107.60
Return before operating charges*	4.22	33.30	13.13
Operating charges	(0.19)	(0.15)	(0.13)
Return after operating charges*	4.03	33.15	13.00
Distributions on accumulation shares	(1.76)	(1.49)	(1.62)
Retained distributions on accumulation shares	1.76	1.49	1.62
<b>Closing net asset value per share</b>	<b>157.78</b>	<b>153.75</b>	<b>120.60</b>
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	2.62%	27.49%	12.08%
<b>Other information</b>			
Closing net asset value (£'000)	6	5	6
Closing number of shares	3,569	3,569	5,000
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices<sup>^</sup></b>			
Highest share price	166.60	154.20	121.70
Lowest share price	139.00	116.60	87.82

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	157.76	123.70	110.21
Return before operating charges*	4.33	34.12	13.53
Operating charges	(0.06)	(0.06)	(0.04)
Return after operating charges*	4.27	34.06	13.49
Distributions on accumulation shares	(1.94)	(1.63)	(1.75)
Retained distributions on accumulation shares	1.94	1.63	1.75
<b>Closing net asset value per share</b>	<b>162.03</b>	<b>157.76</b>	<b>123.70</b>
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	2.71%	27.53%	12.24%
<b>Other information</b>			
Closing net asset value (£'000)	7,831,852	7,724,458	6,667,314
Closing number of shares	4,833,718,611	4,896,387,727	5,391,757,412
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices<sup>^</sup></b>			
Highest share price	171.00	158.20	124.80
Lowest share price	142.70	119.50	90.00

### Class S Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	154.40	121.00	107.89
Return before operating charges*	4.24	33.47	13.16
Operating charges	(0.08)	(0.07)	(0.05)
Return after operating charges*	4.16	33.40	13.11
Distributions on accumulation shares	(1.88)	(1.59)	(1.70)
Retained distributions on accumulation shares	1.88	1.59	1.70
<b>Closing net asset value per share</b>	<b>158.56</b>	<b>154.40</b>	<b>121.00</b>
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	2.69%	27.60%	12.15%
<b>Other information</b>			
Closing net asset value (£'000)	6,669	6,087	4,772
Closing number of shares	4,205,887	3,942,435	3,942,435
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices<sup>^</sup></b>			
Highest share price	167.40	154.80	122.20
Lowest share price	139.70	117.00	88.10

### Class X Accumulation

Change in net assets per share	31/08/22** (p)
Opening net asset value per share	100.00
Return before operating charges*	3.04
Operating charges	(0.02)
Return after operating charges*	3.02
Distributions on accumulation shares	(0.73)
Retained distributions on accumulation shares	0.73
<b>Closing net asset value per share</b>	<b>103.02</b>
* after direct transaction costs of:	0.00
<b>Performance</b>	
Return after charges	3.02%
<b>Other information</b>	
Closing net asset value (£'000)	3
Closing number of shares	2,500
Operating charges	0.07%
Direct transaction costs	0.00%
<b>Prices<sup>^</sup></b>	
Highest share price	108.70
Lowest share price	90.76

\*\* Class X accumulation launched on 15 February 2022.

## Comparative Tables (continued)

### Class Z Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	568.77	446.70	399.02
Return before operating charges*	15.60	123.27	48.68
Operating charges	(0.80)	(1.20)	(1.00)
Return after operating charges*	14.80	122.07	47.68
Distributions on accumulation shares	(6.41)	(4.90)	(5.46)
Retained distributions on accumulation shares	6.41	4.90	5.46
<b>Closing net asset value per share</b>	<b>583.57</b>	<b>568.77</b>	<b>446.70</b>
* after direct transaction costs of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges	2.60%	27.33%	11.95%
<b>Other information</b>			
Closing net asset value (£'000)	23,290	15,661	10,626
Closing number of shares	3,991,048	2,753,398	2,378,622
Operating charges <sup>#</sup>	0.14%	0.14%	0.25%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices<sup>^</sup></b>			
Highest share price	616.30	570.30	450.90
Lowest share price	514.20	431.70	325.40

<sup>#</sup> The FMF was reduced on 9 August 2021 to 0.14%.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 99.31% (31/08/21 – 99.53%)</b>			
<b>UNITED STATES – 95.92% (31/08/21 – 95.68%)</b>			
<b>Corporate Preference – 0.01% (31/08/21 – 0.00%)</b>			
	135,332 AMC Entertainment Holdings 0% preference perpetual	569	0.01
<b>Total Corporate Preference</b>		<b>569</b>	<b>0.01</b>
<b>Oil &amp; Gas – 4.56% (31/08/21 – 2.39%)</b>			
Alternative Energy – 0.21%			
	36,677 Enphase Energy	9,028	0.12
	144,756 Plug Power	3,486	0.04
	15,939 SolarEdge Technologies	3,777	0.05
Oil & Gas Producers – 3.87%			
	50,577 Cheniere Energy	6,955	0.09
	501,225 Chevron	68,089	0.86
	1,304 Cobalt International Energy*	–	–
	330,868 Conoco Phillips	31,125	0.40
	232,556 Coterra Energy	6,174	0.08
	187,657 Devon Energy	11,387	0.14
	57,834 Diamondback Energy	6,624	0.08
	163,607 EOG Resources	17,052	0.22
	1,089,519 Exxon Mobil	89,504	1.14
	64,882 Hess	6,735	0.09
	140,962 Marathon Petroleum Corporation	12,204	0.15
	205,694 Occidental Petroleum	12,553	0.16
	33,294 Occidental Petroleum Warrants 3/8/2027	1,400	0.02
	120,360 Phillips 66	9,254	0.12
	62,874 Pioneer Natural Resources	13,682	0.17
	114,844 Valero Energy	11,552	0.15
Oil Equipment & Services – 0.48%			
	319,881 Baker Hughes Company	6,939	0.09
	234,336 Halliburton	6,068	0.08
	2,979 Kinder Morgan	47	–
	102,709 ONEOK	5,404	0.07
	474,355 Schlumberger	15,552	0.20
	122,399 Williams Companies	3,579	0.04
<b>Total Oil &amp; Gas</b>		<b>358,170</b>	<b>4.56</b>
<b>Basic Materials – 1.30% (31/08/21 – 1.29%)</b>			
Chemicals – 0.87%			
	2,600 Air Products & Chemicals	564	0.01
	34,278 Albemarle	7,893	0.10
	21,232 Avery Dennison	3,350	0.04
	64,420 Celanese 'A'	6,139	0.08
	190,131 Dow	8,332	0.10
	129,391 Dupont De Nemours	6,187	0.08
	47,311 Eastman Chemicals	3,700	0.05
	64,722 Ecolab	9,113	0.12
	32,845 FMC	3,051	0.04
	113,197 International Flavors & Fragrances	10,750	0.14
	61,459 PPG Industries	6,707	0.08
	32,909 Westlake Chemical	2,789	0.03
Forestry & Paper – 0.07%			
	154,094 International Paper	5,510	0.07
Industrial Metals – 0.26%			
	191,981 Freeport – McMoRan	4,882	0.06
	69,341 Nucor	7,922	0.10
	114,405 Steel Dynamics	7,933	0.10
Mining – 0.10%			
	207,307 Newmont Mining	7,367	0.10
<b>Total Basic Materials</b>		<b>102,189</b>	<b>1.30</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Industrials – 8.87% (31/08/21 – 8.84%)</b>			
Aerospace & Defence – 1.20%			
	94,334 Arconic	2,872	0.04
	139,480 Boeing	19,209	0.24
	74,318 General Dynamics	14,623	0.19
	11,692 Heico	1,530	0.02
	20,527 Heico 'A'	2,163	0.03
	6,285 Huntington Ingalls Industries	1,244	0.01
	60,038 Lockheed Martin	21,678	0.27
	36,626 Northrop Grumman	15,047	0.19
	16,484 Teledyne Technologies	5,221	0.07
	55,752 Textron	2,989	0.04
	15,857 TransDigm	8,177	0.10
Construction & Materials – 0.46%			
	221,111 Carrier Global	7,432	0.10
	35,313 Fortune Brands Home & Security	1,864	0.02
	16,557 Generac Holdings	3,139	0.04
	18,019 Jacobs Solutions	1,929	0.02
	5,096 Martin Marietta Materials	1,522	0.02
	67,865 Masco	2,967	0.04
	63,110 Sherwin-Williams	12,592	0.16
	33,591 Vulcan Materials	4,806	0.06
Electronic & Electrical Equipment – 1.12%			
	77,676 Agilent Technologies	8,561	0.11
	59,995 Ametek	6,194	0.08
	146,829 Amphenol Corporation 'A'	9,278	0.12
	23,341 Arrow Electronics	2,102	0.03
	154,108 Emerson Electric	10,824	0.14
	285,742 General Electric	18,037	0.23
	48,084 Keysight Technologies	6,772	0.09
	5,656 Mettler Toledo International	5,900	0.08
	30,730 Perkinelmer	3,568	0.04
	27,299 Roper Technologies	9,449	0.12
	65,157 Trimble Navigation	3,541	0.04
	13,826 Zebra Technologies 'A'	3,584	0.04
General Industrials – 1.25%			
	148,142 3M Company	15,831	0.20
	74,918 Ball Corporation	3,594	0.05
	164,832 Danaher	38,232	0.49
	85,013 Fortive	4,628	0.06
	156,582 Honeywell International	25,475	0.32
	8,859 Packaging Corporation of America	1,043	0.01
	35,138 Parker-Hannifin	7,994	0.10
	34,086 Westrock Company	1,188	0.02
Industrial Engineering – 1.36%			
	147,509 Caterpillar	23,413	0.30
	36,760 Cummins	6,804	0.09
	72,635 Deere & Co	22,788	0.29
	42,426 Dover	4,555	0.06
	19,820 IDEX	3,425	0.04
	82,356 Illinois Tool Works	13,787	0.17
	104,795 Ingersoll Rand	4,265	0.05
	114,762 Otis Worldwide	7,119	0.09
	101,367 Paccar	7,622	0.10
	30,208 Rockwell Automation	6,151	0.08
	47,788 Wabtec Corporation	3,599	0.05
	43,723 Xylem Incorporated	3,420	0.04
Industrial Transportation – 1.51%			
	32,720 CH Robinson Worldwide	3,209	0.04
	528,858 CSX	14,380	0.18
	47,833 Expeditors International	4,230	0.05
	61,717 FedEx	11,179	0.14
	28,690 GXO Logistics	1,094	0.01
	19,902 Hunt (JB) Transport Services	2,976	0.04
	127,795 Lucid Group	1,681	0.02
	58,155 Norfolk Southern	12,151	0.16
	22,621 Old Dominion Freight Line	5,273	0.07
	157,700 Union Pacific	30,426	0.39
	186,759 United Parcel Services 'B'	31,219	0.40
	19,510 XPO Logistics	879	0.01



**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Industrials – 8.87% (31/08/21 – 8.84%) – continued</b>			
Support Services – 1.97%			
60,271	Aramark Corporation	1,849	0.02
108,997	Automatic Data Processing	22,891	0.29
27,668	Broadridge Financial Solutions	4,071	0.05
22,288	Cintas	7,790	0.10
102,485	CoStar Group	6,134	0.08
150,132	Fastenal	6,494	0.08
80,535	Fidelity National Financial Ventures	2,705	0.04
159,211	Fidelity National Information	12,500	0.16
164,250	Fiserv	14,282	0.18
20,665	FleetCor Technologies	3,773	0.05
72,874	Global Payments	7,780	0.10
11,885	Grainger	5,666	0.07
83,816	Paychex	8,882	0.11
82,538	Republic Services	10,124	0.13
29,384	Robert Half International	1,944	0.03
49,604	TransUnion	3,149	0.04
18,635	United Rentals	4,676	0.06
40,511	Verisk Analytics	6,513	0.08
161,655	Waste Management	23,486	0.30
<b>Total Industrials</b>		<b>697,153</b>	<b>8.87</b>

**Consumer Goods – 8.66% (31/08/21 – 7.73%)**

Automobiles & Parts – 2.54%			
25,653	Autoliv	1,715	0.02
62,318	BorgWarner	2,018	0.03
1,018,956	Ford Motor	13,346	0.17
361,420	General Motors	11,862	0.15
66,751	Gentex	1,565	0.02
36,239	Genuine Parts	4,860	0.06
18,273	Lear Corporation	2,177	0.03
86,055	LKQ	3,935	0.05
43,558	Rivian Automotive	1,223	0.01
663,846	Tesla Motors	157,141	2.00
Beverages – 1.64%			
52,236	Brown-Forman 'B'	3,262	0.04
1,011,299	Coca-Cola	53,624	0.68
41,604	Constellation Brands	8,802	0.11
46,589	Molson Coors Brewing 'B'	2,068	0.03
98,273	Monster Beverage Corporation	7,502	0.10
361,376	PepsiCo	53,498	0.68
Food Producers – 1.10%			
144,908	Archer Daniels Midland	10,945	0.14
59,296	Campbell Soup	2,564	0.03
126,475	ConAgra Foods	3,736	0.05
170,262	General Mills	11,236	0.14
45,056	Hershey	8,699	0.11
70,555	Hormel Foods	3,049	0.04
28,516	JM Smucker	3,430	0.04
67,164	Kellogg	4,197	0.05
182,304	Kraft Heinz	5,860	0.08
45,728	Lamb Weston Holdings	3,125	0.04
72,423	McCormick	5,232	0.07
358,942	Mondelez International 'A'	19,076	0.24
81,079	Tyson Foods 'A'	5,253	0.07
Household Goods – 1.42%			
62,629	Church & Dwight	4,505	0.06
37,637	Clorox	4,669	0.06
83,132	DR Horton	5,082	0.06
66,332	Lennar	4,415	0.06
3,908	Lennar 'B'	207	–
13,643	Mohawk Industries	1,293	0.02
98,430	Newell Brands	1,508	0.02
784	NVR	2,790	0.04
623,885	Procter & Gamble	73,975	0.94
61,649	PulteGroup	2,154	0.03
31,229	Roku	1,824	0.02
13,724	Snap-on	2,568	0.03
51,289	Stanley Black & Decker	3,883	0.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Consumer Goods – 8.66% (31/08/21 – 7.73%) – continued</b>			
Household Goods – 1.42% – continued			
22,309	Wayfair 'A'	1,010	0.01
14,338	Whirlpool	1,928	0.02
Leisure Goods – 0.42%			
202,521	Activision	13,663	0.17
75,177	Electronic Arts	8,194	0.11
34,258	Hasbro	2,320	0.03
83,224	Peloton Interactive	727	0.01
10,491	Pool.com	3,058	0.04
46,240	Take Two Interactive	4,870	0.06
Personal Goods – 0.98%			
234,148	Colgate-Palmolive	15,736	0.20
57,586	Estee Lauder 'A'	12,600	0.16
78,074	Kimberly-Clark	8,554	0.11
29,131	Lululemon Athletica	7,509	0.10
319,859	Nike 'B'	29,259	0.37
90,001	VF	3,206	0.04
Tobacco – 0.56%			
384,748	Altria	14,919	0.19
359,157	Philip Morris International	29,480	0.37
<b>Total Consumer Goods</b>		<b>680,906</b>	<b>8.66</b>

**Healthcare – 12.18% (31/08/21 – 11.35%)**

Healthcare Equipment & Services – 5.13%			
11,825	Abiomed	2,632	0.03
19,914	Align Technology	4,167	0.05
161,140	Avantor	3,448	0.04
127,001	Baxter International	6,273	0.08
76,812	Becton Dickinson	16,663	0.21
4,202	Bio-Rad Laboratories	1,751	0.02
370,594	Boston Scientific	12,838	0.16
147,999	Centene	11,412	0.15
86,608	Cigna Corporation	21,097	0.27
15,226	DaVita	1,116	0.01
59,598	Dentsply Sirona	1,678	0.02
102,153	DexCom	7,217	0.09
160,901	Edwards Lifesciences	12,458	0.16
62,925	Elevance Health	26,234	0.33
14,940	Embecka	410	0.01
66,599	HCA Healthcare	11,325	0.15
35,754	Henry Schein	2,256	0.03
70,424	Hologic	4,088	0.05
57,980	Horizon Therapeutics	2,950	0.04
34,703	Humana	14,371	0.18
21,746	IDEXX Laboratories	6,496	0.08
20,568	Insulet	4,512	0.06
92,278	Intuitive Surgical	16,315	0.21
26,347	Laboratory Corporation of America	5,097	0.07
11,824	Masimo	1,492	0.02
29,731	Quest Diagnostics	3,202	0.04
37,135	ResMed	7,019	0.09
90,801	Stryker	16,017	0.20
37,800	Teladoc Health	1,009	0.01
12,161	Teleflex	2,364	0.03
12,594	The Cooper Companies	3,115	0.04
101,818	Thermo Fisher Scientific	47,733	0.61
244,173	UnitedHealth	108,978	1.39
28,395	Universal Health Services 'B'	2,387	0.03
15,618	Waters	4,008	0.05
17,412	West Pharmaceutical Services	4,440	0.06
54,324	Zimmer Biomet	4,963	0.06
5,424	Zimvie	71	–
Pharmaceuticals & Biotechnology – 7.05%			
447,626	Abbott Laboratories	39,488	0.50
460,184	Abbvie	53,173	0.68
31,207	Alnylam Pharmaceuticals	5,539	0.07
146,958	Amgen	30,320	0.39
38,070	Biogen IDEC	6,390	0.08

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Healthcare – 12.18% (31/08/21 – 11.35%) – continued</b>			
Pharmaceuticals & Biotechnology – 7.05% – continued			
47,067	BioMarin Pharmaceutical	3,608	0.05
8,965	Bio-Techne Corporation	2,556	0.03
573,873	Bristol Myers Squibb	33,241	0.42
42,651	Catalent	3,226	0.04
12,544	Charles River Laboratories	2,213	0.03
189,003	Corteva	9,978	0.13
148,311	Elanco Animal Health	1,926	0.02
219,957	Eli Lilly	56,951	0.72
45,583	Exact Sciences Corporation	1,392	0.02
326,976	Gilead Sciences	17,832	0.23
39,297	Illumina	6,809	0.09
47,589	Incyte Genomics	2,880	0.04
52,909	IQVIA Holding	9,662	0.12
686,297	Johnson & Johnson	95,159	1.21
675,710	Merck & Co	49,592	0.63
86,649	Moderna	9,849	0.13
71,422	Organon	1,752	0.02
1,453,170	Pfizer	56,461	0.72
26,366	Regeneron Pharmaceuticals	13,161	0.17
36,011	Seagen	4,775	0.06
66,265	Vertex Pharmaceuticals	16,045	0.20
336,731	Viatis	2,761	0.03
126,956	Zoetis	17,082	0.22
<b>Total Healthcare</b>		<b>957,423</b>	<b>12.18</b>
<b>Consumer Services – 12.49% (31/08/21 – 14.11%)</b>			
Food & Drug Retailers – 1.03%			
38,645	AmerisourceBergen	4,868	0.06
73,764	Cardinal Health	4,482	0.06
344,514	CVS Health	29,057	0.37
218,542	Keurig Dr Pepper	7,158	0.09
199,259	Kroger	8,208	0.10
39,926	McKesson HBOC	12,593	0.16
132,508	Sysco	9,365	0.12
183,231	Walgreens Boots Alliance	5,519	0.07
General Retailers – 7.81%			
19,239	Advance Auto Parts	2,788	0.04
2,302,032	Amazon.com	250,758	3.19
5,170	Autozone	9,405	0.12
65,422	Bath & Body Works	2,098	0.03
52,418	Best Buy	3,182	0.04
17,168	Burlington Stores	2,069	0.03
41,826	Carmax	3,179	0.04
34,972	Carvana	990	0.01
51,971	Copart	5,344	0.07
115,152	Costco Wholesale	51,660	0.66
59,680	Dollar General	12,174	0.15
58,727	Dollar Tree	6,847	0.09
158,882	eBay	6,023	0.08
269,727	Home Depot	66,841	0.85
179,452	Lowe's	29,933	0.38
12,057	MercadoLibre	8,854	0.11
113,665	Netflix	21,834	0.28
18,452	O'Reilly Automotive	11,055	0.14
302,212	PayPal	24,263	0.31
69,737	Rollins	2,023	0.03
90,033	Ross Stores	6,674	0.08
127,617	Target	17,580	0.22
314,304	TJX Companies	16,839	0.21
29,528	Tractor Supply Company	4,698	0.06
13,402	Ulta Beauty	4,833	0.06
368,388	Wal-Mart Stores	41,993	0.53
Media – 1.65%			
135,332	Amc Entertainment Holdings	1,056	0.01
32,941	Charter Communications 'A'	11,671	0.15
1,193,125	Comcast 'A'	37,119	0.47
594,652	Discovery	6,761	0.09
61,397	Dish Network 'A'	914	0.01
79,978	DraftKings	1,104	0.02
10,367	FactSet Research Systems	3,862	0.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
80,902	Fox Corporation 'A'	2,375	0.03
37,818	Fox Corporation 'B'	1,028	0.01
100,442	Interpublic Group of Companies	2,385	0.03
8,549	Liberty Broadband 'A'	740	0.01
39,462	Liberty Broadband 'C'	3,448	0.04
26,705	Liberty SiriusXM	953	0.01
39,402	Liberty SiriusXM 'C'	1,401	0.02
89,849	News Corporation (New) 'A'	1,306	0.02
19,619	News Corporation (New) 'B'	291	0.01
53,058	Omnicom	3,051	0.04
160,487	Paramount Global	3,225	0.04
205,059	Sirius XM Holdings	1,075	0.01
474,588	Walt Disney	45,713	0.58
Travel & Leisure – 2.00%			
50,984	Caesars Entertainment	1,889	0.02
7,288	Chipotle Mexican Grill	9,996	0.13
36,921	Darden Restaurants	3,925	0.05
9,338	Domino's Pizza	2,983	0.04
39,550	Expedia	3,488	0.04
61,878	Hilton Worldwide	6,774	0.09
88,885	Las Vegas Sands	2,874	0.04
47,122	Live Nation	3,658	0.05
67,078	Marriott International*	–	–
66,103	Marriott International New 'A'	8,733	0.11
198,607	McDonald's	43,058	0.55
92,796	MGM Resorts International	2,602	0.03
397,086	Raytheon Technologies	30,628	0.39
299,015	Starbucks	21,599	0.27
9,564	Vail Resorts	1,847	0.02
29,120	Wynn Resorts	1,516	0.02
75,313	Yum! Brands	7,199	0.09
104,984	Yum! China	4,520	0.06
<b>Total Consumer Services</b>		<b>981,954</b>	<b>12.49</b>
<b>Telecommunications – 1.29% (31/08/21 – 1.44%)</b>			
Fixed Line Telecommunications – 1.04%			
1,859,322	AT & T	28,027	0.36
56,591	L3Harris Technologies	11,103	0.14
286,181	Lumen Technologies	2,447	0.03
1,126,421	Verizon Communications	40,474	0.51
Mobile Telecommunications – 0.25%			
154,282	T-Mobile	19,084	0.24
1,348	Ubiquiti	359	0.01
<b>Total Telecommunications</b>		<b>101,494</b>	<b>1.29</b>
<b>Utilities – 2.86% (31/08/21 – 2.27%)</b>			
Electricity – 2.25%			
234,351	Avangrid	9,949	0.13
282,132	Consolidation Edison	23,698	0.30
277,083	Constellation Energy	19,422	0.25
18,443	Dominion Energy	1,296	0.02
10,777	DTE Energy	1,207	0.01
98,062	Edison International	5,712	0.07
304,369	Eversource Energy	23,458	0.30
559,510	Exelon	21,114	0.27
141,559	FirstEnergy	4,811	0.06
512,508	NextEra Energy	37,460	0.48
330,946	PG&E	3,510	0.04
129,874	Public Service Enterprise	7,182	0.09
277,020	Southern	18,351	0.23
Gas, Water & Multiutilities – 0.61%			
176,606	American Water Works	22,531	0.29
35,986	Atmos Energy	3,506	0.04
164,328	Centerpoint Energy	4,461	0.05
31,163	Duke Energy	2,863	0.04
121,028	Nisource	3,068	0.04
82,094	Sempra Energy	11,634	0.15
<b>Total Utilities</b>		<b>225,233</b>	<b>2.86</b>

## Portfolio Statement (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)	
<b>Financials – 15.24% (31/08/21 – 15.28%)</b>								
<b>Banks – 3.60%</b>								
1,837,537	Bank of America	53,076	0.68	326,680	Berkshire Hathaway 'B'	78,826	1.00	
196,215	Bank of New York Mellon	7,003	0.09	60,415	Brown & Brown	3,274	0.04	
514,632	Citigroup	21,579	0.28	34,207	Cincinnati Financial	2,850	0.04	
140,000	Citizens Financial	4,411	0.06	2,139	CNA Financial	71	–	
26,537	Comerica	1,831	0.02	63,517	Gallagher (Arthur J)	9,916	0.13	
5,684	Commerce Bancshares	336	0.01	87,333	Hartford Financial Services	4,825	0.06	
184,300	Fifth Third Bancorp	5,406	0.07	53,327	Loews	2,535	0.03	
91,527	First Horizon National*	–	–	3,528	Markel	3,634	0.05	
43,539	First Republic Bank	5,680	0.07	137,310	Marsh & McLennan	19,039	0.24	
341,606	Huntingdon Bancshares	3,922	0.05	153,661	Progressive	16,197	0.21	
766,630	JP Morgan Chase	74,924	0.95	62,503	Travelers	8,681	0.11	
265,013	KeyCorp	4,027	0.05	46,306	W.R. Berkley	2,578	0.03	
46,796	M&T Bank	7,308	0.09	<b>Real Estate Investment Services – 0.29%</b>				
111,722	PNC Financial Services	15,166	0.19	86,036	CBRE	5,838	0.07	
264,775	Regions Financial	4,929	0.06	112,768	Crown Castle International	16,548	0.21	
12,868	Signature Bank	1,927	0.03	17,190	Zillow Group	493	0.01	
14,374	SVB Financial Group	5,019	0.06	<b>Real Estate Investment Trusts – 2.69%</b>				
335,677	Truist Financial	13,507	0.17	315,440	AGNC Investment Corporation	3,240	0.04	
342,125	US Bancorp	13,407	0.17	41,607	Alexandria Real Estate Equities	5,485	0.07	
1,012,897	Wells Fargo	38,032	0.48	117,969	American Tower	25,764	0.33	
38,746	Zions Bancorporation	1,832	0.02	577,640	Annaly Mortgage Management	3,197	0.04	
<b>Financial Services – 5.48%</b>				37,033	AvalonBay Communities	6,395	0.08	
45,356	Affirm Holdings	913	0.01	53,620	Boston Properties	3,660	0.05	
103,727	Ally Financial	2,956	0.04	40,421	Digital Realty Trust	4,295	0.06	
166,629	American Express	21,765	0.28	104,932	Duke Realty	5,307	0.07	
28,633	Ameriprise Financial	6,595	0.08	20,399	Equinix	11,521	0.15	
36,846	BlackRock	21,095	0.27	50,749	Equity Lifestyle Properties	3,057	0.04	
182,845	Blackstone Group 'A'	14,758	0.19	96,492	Equity Residential	6,068	0.08	
115,675	Capital One Financial	10,523	0.13	17,669	Essex Property Trust	4,023	0.05	
34,576	Carlyle Group	966	0.01	38,539	Extra Space Storage	6,577	0.08	
31,982	Cboe Global Markets	3,242	0.04	20,923	Federal Realty Investment Trust	1,821	0.02	
95,323	Chicago Mercantile Exchange	16,025	0.20	148,646	Healthpeak Properties	3,352	0.04	
76,852	Discover Financial Services	6,635	0.08	207,770	Host Marriott	3,168	0.04	
29,929	Equifax	4,855	0.06	147,883	Invitation Homes	4,611	0.06	
97,551	Equitable Holdings	2,496	0.03	74,770	Iron Mountain	3,380	0.04	
69,964	Franklin Resources	1,568	0.02	156,293	Kimco Realty	2,831	0.04	
86,654	Goldman Sachs	24,771	0.32	27,733	Mid-America Apartment Communities	3,948	0.05	
148,478	Intercontinental Exchange	12,866	0.16	196,247	Prologis	20,998	0.27	
135,931	KKR & Company	5,905	0.08	41,420	Public Storage	11,782	0.15	
9,685	MarketAxess Holdings	2,068	0.03	158,051	Realty Income	9,276	0.12	
224,716	Mastercard	62,639	0.80	54,383	Regency Centers	2,843	0.04	
42,389	Moody's	10,361	0.13	28,429	SBA Communications	7,944	0.10	
351,358	Morgan Stanley	25,730	0.33	90,716	Simon Property	7,946	0.10	
18,534	MSCI	7,156	0.09	31,711	Sun Communities	4,189	0.05	
75,915	NASDAQ OMX	3,883	0.05	82,577	UDR	3,184	0.04	
53,270	Northern Trust	4,351	0.06	103,685	Ventas	4,262	0.05	
40,392	Raymond James Financial	3,622	0.05	248,616	VICI Properties	7,047	0.09	
91,584	S&P Global	27,729	0.35	61,743	Vornado Realty Trust	1,391	0.02	
397,882	Schwab	24,264	0.31	132,642	Welltower	8,738	0.11	
27,164	SEI Investments	1,276	0.02	189,043	Weyerhaeuser	5,551	0.07	
136,846	Square 'A'	8,098	0.10	58,346	WP Carey	4,214	0.05	
98,983	State Street	5,809	0.07	<b>Total Financials</b>			<b>1,198,093</b>	<b>15.24</b>
158,026	Synchrony Financial	4,446	0.06	<b>Technology – 28.44% (31/08/21 – 30.96%)</b>				
58,101	T Rowe Price	5,989	0.08	<b>Software &amp; Computer Services – 15.95%</b>				
429,760	Visa 'A'	73,391	0.93	122,723	Adobe	39,386	0.50	
150,038	Western Union	1,910	0.02	41,333	Akamai Techs	3,206	0.04	
<b>Life Insurance – 0.53%</b>				1,574,640	Alphabet 'A'	146,408	1.86	
166,613	Aflac	8,508	0.11	1,445,080	Alphabet 'C'	135,492	1.72	
23,304	Assurant	3,173	0.04	20,531	Ansyst	4,379	0.06	
26,039	Globe Life	2,175	0.03	49,051	AppLovin Corporation	1,038	0.01	
37,503	Lincoln National	1,484	0.02	57,179	Autodesk	9,913	0.13	
194,228	Metlife	10,736	0.13	26,026	Bill.com Holdings	3,620	0.05	
77,571	Principal Financial	4,983	0.06	10,589	Booking Holdings	17,070	0.22	
104,243	Prudential Financial	8,580	0.11	71,157	Cadence Design Systems	10,622	0.14	
42,250	Voya Financial	2,233	0.03	34,822	CDW Corporation	5,106	0.06	
<b>Non-Life Insurance – 2.65%</b>				33,186	Ceridian HCM Holding	1,699	0.02	
222,355	AIG	9,883	0.12	32,220	Citrix Systems	2,846	0.04	
3,068	Alleghany	2,218	0.03	66,474	Cloudflare	3,572	0.05	
83,179	Allstate	8,613	0.11	135,747	Cognizant Technology Solutions	7,368	0.09	
74,712	Arch Capital	2,935	0.04	19,197	Coupa Software	963	0.01	
89	Berkshire Hathaway 'A'	32,224	0.41	142,196	Coupang	2,065	0.03	
				57,888	CrowdStrike Holdings 'A'	9,079	0.12	

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Technology – 28.44% (31/08/21 – 30.96%) – continued</b>			
Software & Computer Services – 15.95% – continued			
65,245	Datadog	5,884	0.07
50,753	DocuSign	2,539	0.03
61,358	DoorDash	3,157	0.04
12,084	EPAM Systems	4,424	0.06
31,548	Etsy	2,862	0.04
6,574	Fair Isaac	2,538	0.03
171,040	Fortinet	7,156	0.09
20,633	Gartner 'A'	5,059	0.06
42,208	GoDaddy	2,750	0.04
420,971	Hewlett Packard Enterprise	4,917	0.06
11,836	HubSpot	3,430	0.04
22,767	IAC	1,257	0.02
237,466	IBM	26,216	0.33
68,744	Intuit	25,505	0.32
27,117	Jack Henry & Associates	4,476	0.06
29,978	Leidos	2,449	0.03
85,627	Lyft	1,083	0.01
86,392	Match Group	4,197	0.05
598,563	Meta Platforms	83,802	1.07
1,970,685	Microsoft	442,777	5.63
17,621	MongoDB	4,891	0.06
142,995	NortonLifeLock	2,775	0.04
34,817	Okta	2,738	0.03
426,809	Oracle	27,217	0.35
443,154	Palantir Technologies	2,940	0.04
27,140	Palo Alto Networks	12,977	0.17
13,061	Paycom	3,940	0.05
169,470	Pinterest	3,354	0.04
27,419	PTC	2,707	0.03
21,036	RingCentral 'A'	778	0.01
245,143	Salesforce.com	32,891	0.42
51,203	ServiceNow	19,121	0.24
52,092	Snowflake	8,096	0.10
41,295	Splunk	3,193	0.04
67,093	SS&C Technologies	3,213	0.04
38,152	Synopsys	11,341	0.14
128,256	The Trade Desk 'A'	6,910	0.09
49,379	Twilio	2,951	0.04
202,042	Twitter	6,730	0.09
10,356	Tyler Technologies	3,307	0.04
486,439	Uber Technologies	12,023	0.15
68,032	UiPath	961	0.01
40,664	Unity Software	1,492	0.02
35,726	Veeva Systems 'A'	6,120	0.08
30,893	VeriSign	4,838	0.06
46,469	VMware	4,634	0.06
21,273	Wix.com	1,157	0.01
49,923	Workday 'A'	7,059	0.09
35,964	Zendesk	2,378	0.03
44,211	Zillow Group	1,271	0.02
65,459	Zoom Video Communications 'A'	4,520	0.06
57,385	ZoomInfo Technologies	2,235	0.03
21,955	Zscaler	3,003	0.04
Technology Hardware & Equipment – 12.49%			
426,087	Advanced Micro Devices	31,067	0.40
135,457	Analog Devices	17,635	0.23
3,991,692	Apple	539,167	6.86
226,541	Applied Materials	18,313	0.23
62,671	Arista Networks	6,459	0.08
106,356	Broadcom	45,612	0.58
1,119,404	Cisco Systems	42,993	0.55
90,870	Corning	2,681	0.03
69,742	Dell Technologies	2,294	0.03
17,637	F5 Networks	2,381	0.03
300,974	HP	7,418	0.09
1,064,948	Intel	29,195	0.37

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
83,368	Juniper Networks	2,035	0.03
38,402	KLA Tencor	11,356	0.14
36,480	Lam Research	13,718	0.17
217,058	Marvell Technology	8,732	0.11
120,420	Microchip Technology	6,752	0.09
282,469	Micron Technology	13,720	0.18
10,964	Monolithic Power Systems	4,269	0.05
42,945	Motorola Solutions	8,984	0.11
60,005	NetApp	3,719	0.05
625,438	Nvidia	81,125	1.03
75,042	ON Semiconductor	4,434	0.06
21,341	Qorvo	1,644	0.02
292,503	Qualcomm	33,245	0.42
39,391	Skyworks Solutions	3,335	0.04
39,495	Teradyne	2,871	0.04
236,879	Texas Instruments	33,628	0.43
81,207	Western Digital	2,949	0.04
<b>Total Technology</b>		<b>2,235,802</b>	<b>28.44</b>
<b>Futures – 0.02% (31/08/21 – 0.02%)</b>			
315	CME S&P 500 EMINI March 2022	1,745	0.02
<b>Total Futures</b>		<b>1,745</b>	<b>0.02</b>
<b>Total United States</b>		<b>7,540,731</b>	<b>95.92</b>
<b>BERMUDA – 0.13% (31/08/21 – 0.20%)</b>			
<b>Consumer Goods – 0.05% (31/08/21 – 0.03%)</b>			
48,032	Bunge	4,094	0.05
<b>Financials – 0.08% (31/08/21 – 0.17%)</b>			
21,667	Credicorp	2,405	0.03
10,287	Everest	2,378	0.03
12,264	RenaissanceRe Holdings	1,426	0.02
<b>Total Bermuda</b>		<b>10,303</b>	<b>0.13</b>
<b>CANADA – 0.00% (31/08/21 – 0.00%)</b>			
<b>Consumer Services – 0.00% (31/08/21 – 0.00%)</b>			
4,103	Sears Canada*	–	–
<b>Total Canada</b>		<b>–</b>	<b>–</b>
<b>CAYMAN ISLANDS – 0.01% (31/08/21 – 0.06%)</b>			
<b>Technology – 0.01% (31/08/21 – 0.06%)</b>			
79,671	Farfetch 'A'	687	0.01
<b>Total Cayman Islands</b>		<b>687</b>	<b>0.01</b>
<b>CHANNEL ISLANDS – 0.15% (31/08/21 – 0.18%)</b>			
<b>Consumer Goods – 0.07% (31/08/21 – 0.10%)</b>			
73,367	Aptiv	5,890	0.07
<b>Healthcare – 0.03% (31/08/21 – 0.03%)</b>			
32,042	Novocure	2,257	0.03
<b>Technology – 0.05% (31/08/21 – 0.05%)</b>			
33,024	Amdocs	2,425	0.03
118,473	Clarivate	1,187	0.02
<b>Total Channel Islands</b>		<b>11,759</b>	<b>0.15</b>

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>IRELAND – 2.07% (31/08/21 – 2.21%)</b>			
<b>Basic Materials – 0.36% (31/08/21 – 0.41%)</b>			
117,202	Linde	28,490	0.36
<b>Industrials – 0.83% (31/08/21 – 0.88%)</b>			
165,406	Accenture	41,005	0.52
19,467	Allegion	1,591	0.02
108,168	Eaton	12,702	0.16
50,727	Pentair	1,940	0.02
62,513	Trane Technologies	8,277	0.11
<b>Healthcare – 0.47% (31/08/21 – 0.52%)</b>			
19,631	ICON	3,540	0.04
15,637	Jazz Pharmaceuticals	2,086	0.03
362,236	Medtronic	27,367	0.35
22,227	Steris	3,846	0.05
<b>Consumer Services – 0.11% (31/08/21 – 0.13%)</b>			
184,963	Johnson Controls Automation	8,606	0.11
<b>Financials – 0.26% (31/08/21 – 0.23%)</b>			
58,329	Aon	13,999	0.18
35,400	Willis Towers Watson	6,289	0.08
<b>Technology – 0.04% (31/08/21 – 0.04%)</b>			
49,373	Seagate Technology Holding	2,840	0.04
<b>Total Ireland</b>		<b>162,578</b>	<b>2.07</b>
<b>ISRAEL – 0.05% (31/08/21 – 0.04%)</b>			
<b>Technology – 0.05% (31/08/21 – 0.04%)</b>			
39,550	Check Point Software Technologies	4,087	0.05
<b>Total Israel</b>		<b>4,087</b>	<b>0.05</b>
<b>LIBERIA – 0.01% (31/08/21 – 0.04%)</b>			
<b>Consumer Services – 0.01% (31/08/21 – 0.04%)</b>			
33,147	Royal Caribbean Cruises	1,163	0.01
<b>Total Liberia</b>		<b>1,163</b>	<b>0.01</b>
<b>LUXEMBOURG – 0.04% (31/08/21 – 0.08%)</b>			
<b>Technology – 0.04% (31/08/21 – 0.08%)</b>			
34,525	Spotify Technology	3,209	0.04
<b>Total Luxembourg</b>		<b>3,209</b>	<b>0.04</b>
<b>NETHERLANDS – 0.27% (31/08/21 – 0.34%)</b>			
<b>Basic Materials – 0.06% (31/08/21 – 0.06%)</b>			
67,020	LyondellBasell	4,780	0.06
<b>Technology – 0.21% (31/08/21 – 0.28%)</b>			
118,120	NXP Semiconductors	16,698	0.21
81,325	Yandex*	–	–
<b>Total Netherlands</b>		<b>21,478</b>	<b>0.27</b>
<b>PANAMA – 0.01% (31/08/21 – 0.04%)</b>			
<b>Consumer Services – 0.01% (31/08/21 – 0.04%)</b>			
123,612	Carnival	1,005	0.01
<b>Total Panama</b>		<b>1,005</b>	<b>0.01</b>
<b>SINGAPORE – 0.03% (31/08/21 – 0.02%)</b>			
<b>Industrials – 0.03% (31/08/21 – 0.02%)</b>			
147,769	Flex	2,260	0.03
<b>Total Singapore</b>		<b>2,260</b>	<b>0.03</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>SWITZERLAND – 0.38% (31/08/21 – 0.39%)</b>			
<b>Industrials – 0.12% (31/08/21 – 0.12%)</b>			
83,957	TE Connectivity	9,106	0.12
<b>Financials – 0.22% (31/08/21 – 0.21%)</b>			
109,417	Chubb	17,778	0.22
<b>Technology – 0.04% (31/08/21 – 0.06%)</b>			
38,465	Garmin	2,925	0.04
<b>Total Switzerland</b>		<b>29,809</b>	<b>0.38</b>
<b>UNITED KINGDOM – 0.26% (31/08/21 – 0.27%)</b>			
<b>Industrials – 0.02% (31/08/21 – 0.02%)</b>			
40,595	Sensata Technologies	1,405	0.02
<b>Consumer Goods – 0.03% (31/08/21 – 0.03%)</b>			
59,375	Coca-Cola European Partners	2,507	0.03
<b>Consumer Services – 0.07% (31/08/21 – 0.07%)</b>			
71,135	Liberty Global	1,233	0.01
115,995	Liberty Global 'C'	2,124	0.03
93,283	Nielsen Holdings	2,233	0.03
<b>Technology – 0.10% (31/08/21 – 0.12%)</b>			
35,542	Atlassian	7,560	0.10
<b>Healthcare – 0.04% (31/08/21 – 0.03%)</b>			
89,470	Royalty Pharma	3,215	0.04
<b>Total United Kingdom</b>		<b>20,277</b>	<b>0.26</b>
<b>Total value of investments</b>		<b>7,809,346</b>	<b>99.33</b>
<b>Net other assets</b>		<b>52,474</b>	<b>0.67</b>
<b>Total net assets</b>		<b>7,861,820</b>	<b>100.00</b>

\* Unlisted, nil value

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Blackstone Group 'A'	17,739
Apple	16,058
Tesla Motors	15,519
Microsoft	15,396
Southern	14,397
Amazon.com	13,070
Snowflake	12,105
Palantir Technologies	8,948
Constellation Energy	8,874
Avangrid	8,656
<b>Subtotal</b>	<b>130,762</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>505,150</b>

### Significant Sales

	Proceeds £'000
Apple	29,099
Microsoft	18,729
Dominion Energy	11,901
Amazon.com	11,862
Meta Platforms	9,172
Alphabet 'A'	8,741
Duke Energy	7,623
Alphabet 'C'	7,282
Air Products & Chemicals	7,240
Freeport – McMoRan	6,364
<b>Subtotal</b>	<b>118,013</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>523,942</b>



## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital gains	2	121,191	1,658,033
Revenue	3	112,841	101,519
Expenses	4	(3,104)	(2,909)
Interest payable and similar charges		(1)	–
Net revenue before taxation		109,736	98,610
Taxation	5	(16,013)	(14,289)
Net revenue after taxation		93,723	84,321
Total return before distributions		214,914	1,742,354
Distributions	6	(93,892)	(84,389)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>121,022</b>	<b>1,657,965</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		7,809,346	7,711,289
<b>Current assets:</b>			
Debtors	7	12,205	9,979
Cash and bank balances	8	51,949	28,237
Total assets		7,873,500	7,749,505
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	11,680	3,294
Total liabilities		11,680	3,294
<b>Net assets attributable to shareholders</b>		<b>7,861,820</b>	<b>7,746,211</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>7,746,211</b>	<b>6,682,718</b>
Amounts receivable on creation of shares	256,480	60,214
Amounts payable on cancellation of shares	(356,649)	(735,925)
	(100,169)	(675,711)
Dilution adjustment charged	729	1,059
Change in net assets attributable to shareholders from investment activities	121,022	1,657,965
Retained distribution on accumulation shares	94,027	80,180
<b>Closing net assets attributable to shareholders</b>	<b>7,861,820</b>	<b>7,746,211</b>



## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital gains during the year comprise:</b>		
Non-derivative securities	119,164	1,649,827
Derivative securities	(2,578)	10,712
Currency gains/(losses)	4,605	(2,506)
<b>Net capital gains</b>	<b>121,191</b>	<b>1,658,033</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	706	307
Overseas dividends	111,211	100,510
Bank interest	218	–
Interest received on amounts held with brokers	5	–
Stock lending income	701	702
<b>Total revenue</b>	<b>112,841</b>	<b>101,519</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	3,104	2,909
<b>Total expenses</b>	<b>3,104</b>	<b>2,909</b>

\* Audit fee £16,632 (31/08/21: £13,789) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	16,008	14,286
Reclaimable tax written off	5	3
<b>Current tax charge for the year</b>	<b>16,013</b>	<b>14,289</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	109,736	98,610
Corporation tax at 20% (31/08/21: 20%)	21,947	19,722
Effects of:		
Revenue not subject to taxation	(21,283)	(19,288)
Current year expenses not utilised	(510)	(303)
Irrecoverable overseas tax	16,008	14,216
Reclaimable tax written off	5	3
Irrecoverable overseas tax on capital special dividends	–	70
Tax relief on overseas tax suffered	(154)	(131)
<b>Current tax charge for the year</b>	<b>16,013</b>	<b>14,289</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £4,943,000 (31/08/21: £5,453,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Final	94,027	80,180
	94,027	80,180
Add: Amounts deducted on cancellation of shares	1,315	4,586
Deduct: Amounts received on the creation of shares	(1,450)	(377)
<b>Net distributions for the year</b>	<b>93,892</b>	<b>84,389</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	93,723	84,321
Movement in income carried forward	(1)	(2)
Irrecoverable tax on special dividends	170	70
<b>Net distributions for the year</b>	<b>93,892</b>	<b>84,389</b>

Details of the distribution per share are set out on page 96.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	872	41
Foreign exchange sales awaiting settlement	19	1,500
Accrued revenue	10,718	7,940
Overseas withholding tax recoverable	596	498
<b>Total debtors</b>	<b>12,205</b>	<b>9,979</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	50,741	26,869
Amounts held at futures clearing houses and brokers	1,208	1,368
<b>Total cash and bank balances</b>	<b>51,949</b>	<b>28,237</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	11,404	1,540
Foreign exchange purchases awaiting settlement	–	1,494
Accrued expenses	276	260
<b>Total other creditors</b>	<b>11,680</b>	<b>3,294</b>

### 10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/21	3,569	4,896,387,727
Shares issued	–	153,785,609
Shares cancelled	–	(216,454,725)
<b>Closing shares at 31/08/22</b>	<b>3,569</b>	<b>4,833,718,611</b>

	Class S Accumulation	Class X Accumulation
Opening shares at 01/09/21	3,942,435	–
Shares issued	263,452	2,500
Shares cancelled	–	–
<b>Closing shares at 31/08/22</b>	<b>4,205,887</b>	<b>2,500</b>

	Class Z Accumulation
Opening shares at 01/09/21	2,753,398
Shares issued	1,785,338
Shares cancelled	(547,688)
<b>Closing shares at 31/08/22</b>	<b>3,991,048</b>

All classes within the Fund have the same rights on winding up.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £10,807,000 (31/08/21: £1,758,000).

At the year end, 31 August 2022, 98.09% (31/08/21: 97.55%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £175,000 (Gross: £876,000) (31/08/21: £175,000 (Gross: £877,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £817,722,000 (31/08/21: £818,693,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	531,143	623,209
Bonds	335,470	246,758

The aggregate value of collateral held at the balance sheet date was £866,613,000 (31/08/21: £869,967,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure. The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Bank of Nova Scotia, Bank of Nova Scotia Houston Branch, Barclays Capital Securities, BMO Nesbitt Burns, Canadian Imperial Bank of Commerce London Branch, Citigroup Global Markets, HSBC Bank, Natixis, RBC Dominion Securities and UBS.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 14. Financial Derivatives

Motives and circumstances are used to determine whether returns on derivative contracts should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital and the circumstances support this, the returns are included within net capital gains in the Statement of Total Return. Where they are undertaken for generating or protecting revenue and the circumstances support this, the returns are treated as revenue and are included within the net revenue in the Statement of Total Return. The basis of apportionment is typically made by reference to the yield on the underlying security, index or other appropriate source.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures which are not classed as OTC derivatives and hence, no counterparty exposure has been disclosed.

Details of the individual contracts are shown on the portfolio statement on pages 82 to 87.

### 15. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 89. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	(10,343)	596
US dollar	7,872,163	7,745,615
<b>Total</b>	<b>7,861,820</b>	<b>7,746,211</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £787,216,000 (31/08/21: £774,562,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £787,216,000 (31/08/21: £774,562,000). 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 Fund would have increased by £780,760,000 (31/08/21: £771,129,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £780,760,000 (31/08/21: £771,129,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £50,741,000 (31/08/21: £28,237,000) which earn interest by reference to SONIA or international equivalent. This equates to 0.65% of the current Net Asset Value and 0.36% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	505,129	21	–	–	–	–	–	505,150
<b>Total</b>	<b>505,129</b>	<b>21</b>		<b>–</b>		<b>–</b>		<b>505,150</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	517,879	16	–	1	–	3	–	517,859
Corporate actions	6,083	–	–	–	–	–	–	6,083
<b>Total</b>	<b>523,962</b>	<b>16</b>		<b>1</b>		<b>3</b>		<b>523,942</b>

The Fund had paid £15,000 as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	332,621	12	–	–	–	–	–	332,633
Corporate actions	369	–	–	–	–	–	–	369
<b>Total</b>	<b>332,990</b>	<b>12</b>		<b>–</b>		<b>–</b>		<b>333,002</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	872,523	39	–	–	–	9	–	872,475
Corporate actions	5,934	–	–	–	–	–	–	5,934
<b>Total</b>	<b>878,457</b>	<b>39</b>		<b>–</b>		<b>9</b>		<b>878,409</b>

The Fund had paid £16,000 as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.00%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.02% (31/08/21: 0.03%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 17. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	7,807,601	–	–	7,807,601
Derivatives	1,745	–	–	1,745
<b>Total</b>	<b>7,809,346</b>	<b>–</b>	<b>–</b>	<b>7,809,346</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	7,710,100	–	–	7,710,100
Derivatives	1,189	–	–	1,189
<b>Total</b>	<b>7,711,289</b>	<b>–</b>	<b>–</b>	<b>7,711,289</b>

### 18. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £7,435,204,926. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was (6.67)%.

The only significant cancellations on the Fund indicated above during this period were on Z Accumulation (10.04)%.

## Distribution Table

For the year ended 31 August 2022

### Distribution in pence per share

#### Final

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class P Accumulation</b>				
Group 1	1.7613	–	1.7613	1.4912
Group 2	1.7613	0.0000	1.7613	1.4912
<b>Class R Accumulation</b>				
Group 1	1.9383	–	1.9383	1.6335
Group 2	1.1263	0.8120	1.9383	1.6335
<b>Class S Accumulation</b>				
Group 1	1.8814	–	1.8814	1.5855
Group 2	0.1643	1.7171	1.8814	1.5855
<b>Class X Accumulation*</b>				
Group 1	0.7344	–	0.7344	0.0000
Group 2	0.7344	0.0000	0.7344	0.0000
<b>Class Z Accumulation</b>				
Group 1	6.4122	–	6.4122	4.9009
Group 2	2.9673	3.4449	6.4122	4.9009

\* Class X accumulation launched on 15 February 2022.



# Royal London European Growth Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London European Growth Fund, Class A Accumulation	-12.50	12.65	14.82
Royal London European Growth Fund, Class M Accumulation	-12.21	14.28	17.95
Royal London European Growth Fund, Class R Accumulation	-11.60	16.52	–
FTSE® Europe excluding UK Total Return GBP Index	-11.52	13.53	20.66

Class R Accumulation launched on 25 October 2018.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The Fund performed broadly in line with the benchmark over the 12-month period.

### Market and portfolio commentary

The Fund aims to achieve capital growth by investing in continental European companies and will typically hold 50 to 70 positions. We prefer businesses with products or services that can deliver sustainable growth over the medium term, operate in markets with high barriers to entry, and generate strong cash flows. Overall, the Fund retains its bias towards companies that we would suggest can be described as quality growth.

The last twelve months has seen much volatility in the stock market because of evolving macro-economic trends. The war in Ukraine has driven energy markets higher with rising gas prices weighing on the outlook for consumers and corporates. Inflation continues to dominate investors thoughts, with CPI levels both in Europe and around the world recording multi decade highs. Inflation makes it harder for corporates to plan and maintain profitability whilst consumers require pay rises to maintain their current standard of living. This has led to central banks including the ECB increasing interest rates with further rises expected to follow later this year. The level of rate rises required to tame inflation, coupled with the energy crisis means it is likely that the European economy will fall into recession in the next 12 months and corporate profits will decline. Against this backdrop the FTSE® Europe ex UK index declined by 11.5%.

The Fund gave a similar return to the market over the period, with areas of strength and weakness offsetting each other. Energy was by far the strongest sector in the market and the investment in TotalEnergies was the biggest positive contributor to performance. Investments in the financial sector added to performance, with Deutsche Boerse, the provider of financial market infrastructure, contributing the most as they benefit from a strengthening US dollar set against the background of rising interest rates. Rising rates did impact negatively other parts of the portfolio though. There has been a compression of corporate valuations because of the rise in the interest rates which are used to value future cash flows. Highly valued growth stocks have fared particularly badly this year. This has led to several key holdings including Sika and Schneider Electric underperforming. Whilst they may suffer in an economic slowdown, we don't expect this valuation compression to continue indefinitely, and whilst the timing of any inflection is unknown, we do think inflation expectations will eventually moderate and these leading European growth companies can outperform.

## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

Transactions in the period: we initiated new positions in AP Moeller Maersk, UBS and Equinor. Maersk are a global freight provider, whose shares had fallen to an attractive level as the market expects transportation rates to normalise after a period of supernormal profits during the Covid crisis. UBS are a Swiss wealth manager who have an opportunity to replicate their success in Europe by expanding their offering into the United States. Equinor are a Norwegian Oil and Gas producer benefitting from higher commodity prices. These purchases were funded by exiting existing positions in Volkswagen, Vonovia and Adidas where the management teams don't appear to be turning around their respective businesses as quickly as we had hoped.

### Investment outlook

Inflation is continuing to rise, reflecting higher raw material costs, energy price increases and tight labour markets. It remains to be seen what level central bank rates will need to rise to before inflation starts to peak and activity slows down. Corporates are challenged and this period will be a test of those who can demonstrate pricing power to offset these inflationary pressures. We address the overall risk in markets by being broadly neutral when considering the different sectors of the market and focusing on individual stock-specific risk. We continue to monitor the opportunity set with the objective of keeping the bias towards attractive long-term growth and participating in a market recovery.

**Steve Bolton**  
**Fund Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class A Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	1,192.30	949.26	926.25
Return before operating charges*	(132.25)	254.97	34.83
Operating charges	(12.38)	(11.93)	(11.82)
Return after operating charges*	(144.63)	243.04	23.01
Distributions on accumulation shares	(15.60)	(6.83)	(3.48)
Retained distributions on accumulation shares	15.60	6.83	3.48
<b>Closing net asset value per share</b>	<b>1,047.67</b>	<b>1,192.30</b>	<b>949.26</b>
* after direct transaction costs of:	0.33	0.21	0.48
<b>Performance</b>			
Return after charges	(12.13)%	25.60%	2.48%
<b>Other information</b>			
Closing net asset value (£'000)	50,083	60,653	51,049
Closing number of shares	4,780,357	5,086,991	5,377,793
Operating charges*	1.10%	1.10%	1.30%
Direct transaction costs	0.03%	0.02%	0.05%
<b>Prices<sup>^</sup></b>			
Highest share price	1,245.00	1,200.00	992.80
Lowest share price	991.80	893.20	687.20

<sup>#</sup> The FMF was reduced on 6 November 2020 to 1.10%.

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	1,276.98	1,012.19	981.73
Return before operating charges*	(141.90)	272.70	37.23
Operating charges	(8.41)	(7.91)	(6.77)
Return after operating charges*	(150.31)	264.79	30.46
Distributions on accumulation shares	(21.68)	(12.29)	(9.59)
Retained distributions on accumulation shares	21.68	12.29	9.59
<b>Closing net asset value per share</b>	<b>1,126.67</b>	<b>1,276.98</b>	<b>1,012.19</b>
* after direct transaction costs of:	0.35	0.23	0.51
<b>Performance</b>			
Return after charges	(11.77)%	26.16%	3.10%
<b>Other information</b>			
Closing net asset value (£'000)	5,618	4,830	3,107
Closing number of shares	498,602	378,243	306,926
Operating charges	0.70%	0.70%	0.70%
Direct transaction costs	0.03%	0.02%	0.05%
<b>Prices<sup>^</sup></b>			
Highest share price	1,334.00	1,286.00	1,058.00
Lowest share price	1,064.00	953.30	730.80

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	149.76	117.94	113.66
Return before operating charges*	(16.71)	31.89	4.34
Operating charges	(0.07)	(0.07)	(0.06)
Return after operating charges*	(16.78)	31.82	4.28
Distributions on accumulation shares	(3.47)	(2.29)	(1.84)
Retained distributions on accumulation shares	3.47	2.29	1.84
<b>Closing net asset value per share</b>	<b>132.98</b>	<b>149.76</b>	<b>117.94</b>
* after direct transaction costs of:	0.04	0.03	0.06
<b>Performance</b>			
Return after charges	(11.20)%	26.98%	3.77%
<b>Other information</b>			
Closing net asset value (£'000)	1,805,819	2,100,169	1,623,885
Closing number of shares	1,357,917,738	1,402,362,033	1,376,817,000
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	0.03%	0.02%	0.05%
<b>Prices<sup>^</sup></b>			
Highest share price	156.70	150.80	123.20
Lowest share price	125.30	111.20	84.90

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 98.45% (31/08/21 – 97.07%)</b>			
<b>Belgium – 0.98% (31/08/21 – 1.00%)</b>			
Financials – 0.98%			
	445,233 KBC Group	18,226	0.98
<b>Total Belgium</b>		<b>18,226</b>	<b>0.98</b>
<b>Denmark – 4.63% (31/08/21 – 2.96%)</b>			
Healthcare – 3.68%			
	747,120 Novo Nordisk 'B'	68,580	3.68
Industrials – 0.95%			
	6,323 A.P. Moller-Maersk 'B'	13,041	0.70
	36,100 DSV	4,587	0.25
<b>Total Denmark</b>		<b>86,208</b>	<b>4.63</b>
<b>Finland – 2.51% (31/08/21 – 2.81%)</b>			
Financials – 1.21%			
	578,369 Sampo Oyj 'A'	22,546	1.21
Telecommunications – 1.30%			
	525,805 Elisa Oyj	24,228	1.30
<b>Total Finland</b>		<b>46,774</b>	<b>2.51</b>
<b>France – 28.67% (31/08/21 – 26.87%)</b>			
Basic Materials – 0.96%			
	244,922 Arkema	17,859	0.96
Consumer Goods – 9.95%			
	213,040 L'Oreal	63,175	3.39
	164,455 LVMH	92,021	4.94
	189,967 Pernod-Ricard	30,132	1.62
Financials – 4.65%			
	2,492,330 AXA	50,668	2.72
	890,583 BNP Paribas	35,776	1.93
Healthcare – 2.11%			
	303,857 Essilor International	39,191	2.11
Industrials – 4.39%			
	267,802 Legrand	16,723	0.90
	220,317 Safran	19,393	1.04
	444,653 Schneider Electric	45,627	2.45
Oil & Gas – 4.29%			
	1,824,994 Total Energies	79,944	4.29
Technology – 2.32%			
	174,252 Capgemini	26,051	1.40
	515,397 Dassault Systemes	17,174	0.92
<b>Total France</b>		<b>533,734</b>	<b>28.67</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Germany – 18.81% (31/08/21 – 20.98%)</b>			
Basic Materials – 1.06%			
	218,989 Symrise	19,653	1.06
Consumer Goods – 2.57%			
	981,152 Daimler	47,829	2.57
Consumer Services – 0.73%			
	291,528 Cts Eventim	13,554	0.73
Financials – 2.28%			
	292,712 Deutsche Börse	42,521	2.28
Healthcare – 3.29%			
	249,782 Merck KGaA	37,030	1.99
	572,603 Siemens Healthineers	24,143	1.30
Industrials – 5.16%			
	1,140,110 Deutsche Post	36,031	1.94
	216,473 GEA	6,461	0.35
	359,799 Heidelberg Zement	14,038	0.75
	449,133 Siemens	39,457	2.12
Technology – 3.72%			
	1,280,623 Infineon Technologies	26,798	1.44
	579,431 SAP	42,492	2.28
<b>Total Germany</b>		<b>350,007</b>	<b>18.81</b>
<b>Italy – 2.49% (31/08/21 – 2.34%)</b>			
Financials – 1.23%			
	2,703,261 UniCredit	22,889	1.23
Utilities – 1.26%			
	5,792,341 Enel	23,501	1.26
<b>Total Italy</b>		<b>46,390</b>	<b>2.49</b>
<b>Netherlands – 8.03% (31/08/21 – 11.24%)</b>			
Basic Materials – 1.02%			
	158,903 IMCD Group	18,902	1.02
Consumer Services – 2.20%			
	487,093 Wolters Kluwer	40,999	2.20
	487,093 Wolters Kluwer Rights	–	–
Financials – 1.18%			
	624,642 ASR Nederland	21,948	1.18
Technology – 3.63%			
	161,136 ASML Holding	67,487	3.63
<b>Total Netherlands</b>		<b>149,336</b>	<b>8.03</b>
<b>Norway – 2.07% (31/08/21 – 0.96%)</b>			
Financials – 1.30%			
	1,483,216 Den Norske Bank	24,282	1.30
Oil & Gas – 0.77%			
	435,513 Equinor	14,426	0.77
<b>Total Norway</b>		<b>38,708</b>	<b>2.07</b>

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Spain – 3.55% (31/08/21 – 3.85%)</b>			
Financials – 1.68%			
15,004,786	Banco Santander	31,340	1.68
Utilities – 1.87%			
3,877,809	Iberdrola	34,784	1.87
<b>Total Spain</b>		<b>66,124</b>	<b>3.55</b>
<b>Sweden – 7.20% (31/08/21 – 5.50%)</b>			
Basic Materials – 1.99%			
1,329,857	Boliden	37,001	1.99
Financials – 1.11%			
2,911,895	Svenska Handelsbanken 'A'	20,607	1.11
Industrials – 4.10%			
1,201,487	Assa Abloy 'B'	21,130	1.14
1,715,182	Epiroc 'A'	22,748	1.22
1,375,232	SKF 'B'	17,873	0.96
1,057,797	Volvo 'B'	14,471	0.78
<b>Total Sweden</b>		<b>133,830</b>	<b>7.20</b>
<b>Switzerland – 19.51% (31/08/21 – 18.56%)</b>			
Basic Materials – 2.31%			
221,944	Sika	43,055	2.31
Consumer Goods – 6.62%			
7,593	Barry Callebaut	13,399	0.72
1,089,061	Nestlé (registered)	109,864	5.90
Financials – 1.89%			
2,578,035	UBS (registered)	35,244	1.89
Healthcare – 7.03%			
60,735	Lonza	27,982	1.50
370,601	Roche Holding	102,913	5.53
Industrials – 1.07%			
50,029	Geberit	19,948	1.07
Telecommunications – 0.59%			
24,695	Swisscom	11,008	0.59
<b>Total Switzerland</b>		<b>363,413</b>	<b>19.51</b>
<b>Total value of investments</b>		<b>1,832,750</b>	<b>98.45</b>
<b>Net other assets</b>		<b>28,770</b>	<b>1.55</b>
<b>Total net assets</b>		<b>1,861,520</b>	<b>100.00</b>

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Daimler	60,607
UBS (registered)	35,396
Capgemini	27,586
TotalEnergies	21,545
Roche Holding	19,213
Heidelberg Zement	18,758
Volvo 'B'	15,262
A.P. Moller-Maersk 'B'	14,310
Equinor	12,587
AXA	11,962
<b>Subtotal</b>	<b>237,226</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>403,279</b>

### Significant Sales

	Proceeds £'000
Volkswagen Preference	37,627
Adidas	31,588
Airbus	30,379
Partners	22,038
Koninklijke DSM	20,958
UPM-Kymmene	20,937
Vonovia	18,323
Allianz	17,363
Arkema	16,640
Worldline	15,826
<b>Subtotal</b>	<b>231,679</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>380,420</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(292,260)	423,095
Revenue	3	59,957	39,254
Expenses	4	(1,635)	(1,566)
Interest payable and similar charges		(79)	(32)
Net revenue before taxation		58,243	37,656
Taxation	5	(7,245)	(5,032)
Net revenue after taxation		50,998	32,624
Total (deficit)/return before distributions		(241,262)	455,719
Distributions	6	(49,514)	(32,435)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(290,776)</b>	<b>423,284</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		1,832,750	2,102,275
<b>Current assets:</b>			
Debtors	7	5,343	21,038
Cash and bank balances	8	36,006	42,736
<b>Total assets</b>		<b>1,874,099</b>	<b>2,166,049</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	12,579	397
<b>Total liabilities</b>		<b>12,579</b>	<b>397</b>
<b>Net assets attributable to shareholders</b>		<b>1,861,520</b>	<b>2,165,652</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>2,165,652</b>	<b>1,678,041</b>
Amounts receivable on creation of shares	57,520	66,722
Amounts payable on cancellation of shares	(119,410)	(34,970)
	(61,890)	31,752
Dilution adjustment charged	164	122
Change in net assets attributable to shareholders from investment activities	(290,776)	423,284
Retained distribution on accumulation shares	48,370	32,453
<b>Closing net assets attributable to shareholders</b>	<b>1,861,520</b>	<b>2,165,652</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(292,886)	423,447
Currency gains/(losses)	626	(352)
<b>Net capital (losses)/gains</b>	<b>(292,260)</b>	<b>423,095</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
Overseas dividends	58,130	38,745
Bank interest	19	7
Stock lending income	323	313
Stock dividends	1,485	189
<b>Total revenue</b>	<b>59,957</b>	<b>39,254</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	1,635	1,566
<b>Total expenses</b>	<b>1,635</b>	<b>1,566</b>

\* Audit fee £13,340 (31/08/21: £11,078) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	5,050	3,200
Reclaimable tax written off	2,350	2,195
Windfall overseas tax recoveries	(155)	(363)
<b>Current tax charge for the year</b>	<b>7,245</b>	<b>5,032</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	58,243	37,656
Corporation tax at 20% (31/08/21: 20%)	11,649	7,531

Effects of:

Revenue not subject to taxation	(11,923)	(7,787)
Current year expenses not utilised	274	256
Irrecoverable overseas tax	5,050	3,200
Reclaimable tax written off	2,350	2,195
Windfall overseas tax recoveries	(155)	(363)
<b>Current tax charge for the year</b>	<b>7,245</b>	<b>5,032</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £15,014,000 (31/08/21: £14,740,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	8,048	5,327
Final	40,322	27,126
	48,370	32,453
Add: Amounts deducted on cancellation of shares	(320)	153
Deduct: Amounts received on the creation of shares	1,464	(171)
<b>Net distributions for the year</b>	<b>49,514</b>	<b>32,435</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	50,998	32,624
Movement in income carried forward	1	–
Stock dividend charged to capital	(1,485)	(189)
<b>Net distributions for the year</b>	<b>49,514</b>	<b>32,435</b>

Details of the distribution per share are set out on page 109.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	14	15
Sales awaiting settlement	–	17,132
Accrued revenue	752	677
Overseas withholding tax recoverable	4,577	3,214
<b>Total debtors</b>	<b>5,343</b>	<b>21,038</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	36,006	42,736
<b>Total cash and bank balances</b>	<b>36,006</b>	<b>42,736</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	7,825	250
Purchases awaiting settlement	4,585	–
Foreign exchange purchases awaiting settlement	38	–
Accrued expenses	131	147
<b>Total other creditors</b>	<b>12,579</b>	<b>397</b>

### 10. Reconciliation of number of shares

	Class A Accumulation	Class M Accumulation
Opening shares at 01/09/21	5,086,991	378,243
Shares issued	51,747	84,840
Shares cancelled	(260,048)	(56,095)
Shares converted	(98,333)	91,614
<b>Closing shares at 31/08/22</b>	<b>4,780,357</b>	<b>498,602</b>

	Class R Accumulation
Opening shares at 01/09/21	1,402,362,033
Shares issued	40,184,043
Shares cancelled	(84,628,338)
Shares converted	–
<b>Closing shares at 31/08/22</b>	<b>1,357,917,738</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £7,942,000 (31/08/21: £382,000).

At the year end, 31 August 2022, 100.00% (31/08/21: 99.75%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £81,000 (Gross: £404,000) (31/08/21: £78,000 (Gross: £391,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £270,875,000 (31/08/21: £260,517,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022 Collateral Held £'000	31 Aug 2021 Collateral Held £'000
Equity	134,060	287,529
Bonds	153,259	30,391

The aggregate value of collateral held at the balance sheet date was £287,319,000 (31/08/21: £317,920,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Barclays Capital Securities, BNP Paribas Arbitrage, Citigroup Global Markets, HSBC Bank, JP Morgan Securities, Merrill Lynch International, Natixis.

### 14. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 103. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	(5,091)	1,717
Danish krone	82,796	64,580
Euro	1,247,017	1,556,721
Norwegian krone	38,869	20,775
Polish zloty	4	4
Swedish krona	134,312	119,370
Swiss franc	363,455	402,348
Turkish lira	4	7
US dollar	154	130
<b>Total</b>	<b>1,861,520</b>	<b>2,165,652</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £186,661,000 (31/08/21: £216,394,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £186,661,000 (31/08/21: £216,394,000). 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 Fund would have increased by £183,275,000 (31/08/21: £210,227,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £183,275,000 (31/08/21: £210,227,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £36,006,000 (31/08/21: £42,736,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.93% of the current Net Asset Value and 1.97% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	397,437	152	0.04	239	0.06	34	0.01	397,862
Corporate actions	5,417	–	–	–	–	–	–	5,417
<b>Total</b>	<b>402,854</b>	<b>152</b>		<b>239</b>		<b>34</b>		<b>403,279</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	380,110	165	0.04	–	–	–	–	379,945
Corporate actions	475	–	–	–	–	–	–	475
<b>Total</b>	<b>380,585</b>	<b>165</b>		<b>–</b>		<b>–</b>		<b>380,420</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.01%
Other expenses	0.00%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	277,652	105	0.04	140	0.05	22	0.01	277,919
Corporate actions	50	–	–	–	–	–	–	50
<b>Total</b>	<b>277,702</b>	<b>105</b>		<b>140</b>		<b>22</b>		<b>277,969</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	255,179	114	0.04	–	–	–	–	255,065
Corporate actions	1,289	–	–	–	–	–	–	1,289
<b>Total</b>	<b>256,468</b>	<b>114</b>		<b>–</b>		<b>–</b>		<b>256,354</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.01%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.06% (31/08/21: 0.06%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	1,832,750	–	–	1,832,750
<b>Total</b>	<b>1,832,750</b>	<b>–</b>	<b>–</b>	<b>1,832,750</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	2,102,275	–	–	2,102,275
<b>Total</b>	<b>2,102,275</b>	<b>–</b>	<b>–</b>	<b>2,102,275</b>

### 17. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £1,964,185,366. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 4.77%.

There have been no significant redemptions during this period.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
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#### Class A Accumulation

There was no distribution for the A Accumulation shares for the period ended 28 February 2022 (28/02/21: same).

#### Class M Accumulation

Group 1	0.7416	–	0.7416	0.0000
Group 2	0.3298	0.4118	0.7416	0.0000

#### Class R Accumulation

Group 1	0.5674	–	0.5674	0.3862
Group 2	0.1341	0.4333	0.5674	0.3862

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
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#### Class A Accumulation

Group 1	15.5962	–	15.5962	6.8299
Group 2	4.6794	10.9168	15.5962	6.8299

#### Class M Accumulation

Group 1	20.9395	–	20.9395	12.2901
Group 2	12.9334	8.0061	20.9395	12.2901

#### Class R Accumulation

Group 1	2.9068	–	2.9068	1.9062
Group 2	0.7610	2.1458	2.9068	1.9062

# Royal London UK Dividend Growth Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Dividend Growth Fund, Class A Accumulation	-9.37	15.36	23.35
Royal London UK Dividend Growth Fund, Class M Accumulation	-8.96	17.18	26.86
Royal London UK Dividend Growth Fund, Class M Income	-8.94	17.20	–
Royal London UK Dividend Growth Fund, Class R Accumulation	-8.36	19.59	–
FTSE® All-Share Total Return	1.01	12.01	17.77

Class M Income launched on 15 May 2018, Class R Accumulation launched on 8 November 2018 and Class Z Income launched during period 10 February 2022.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The Fund underperformed the FTSE® All-Share Index by some margin, but was only slightly behind the competitor fund median during the 12-month period under review.

### Market and portfolio commentary

The market entered the period under review with key questions around the strength and duration of inflationary pressures and what that would mean for interest rates. There were also uncertainties about what the trajectory of the Covid pandemic would be, and these concerns flared when a new mutation of the virus, the omicron variant, was identified in November 2021.

The market's performance at the end of 2021 was characterised by higher growth businesses being more in favour, but the turn of the year saw a sharp rotation in markets, with shares in those companies being sold off sharply and more value orientated and cyclical sectors finding favour. This rotation was prompted by persistently higher inflation data being reported, putting paid to the idea that previous higher inflation numbers were merely transitory. This realisation meant that central banks started to increase interest rates, causing bond yields to rise.

Those purely financial concerns were then overtaken by a far more pressing issue – Russia's invasion of Ukraine. The events in Ukraine are first and foremost a humanitarian disaster, but the shock waves from the region continue to cause issues within financial markets. The financial uncertainty and commodity market disruption that is a by-product of the conflict have stoked the upward pressure on inflation already present in the global economy. Consumers around the world are facing significant cost of living squeezes, as a wide range of prices rise, most notably domestic energy bills. Energy prices are also spilling out into other parts of the economy, for example food prices, as energy costs drive up the cost of fertilizer for farmers. In this environment many workers are seeking higher wages to offset their higher living costs. The silver lining for those workers is that labour markets are quite tight, with unemployment running at low levels. This is potentially a result of fewer overseas workers available in the post Brtexit world and also the fact that some workers did not return to the employment market after Covid lockdowns. Many businesses are seeing their staff costs increase significantly.

## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

Towards the end of the period Boris Johnson stepped down as Prime Minister and a new government under the leadership of Liz Truss took over. In order to tackle the cost of living crisis the new government has proposed ambitious plans to cap domestic energy prices. While this avoids a hard crunch on households it will put significant strain on government finances and as a result UK gilt yields have risen and the Pound weakened, moves which also have inflationary repercussions.

The economic backdrop is undoubtedly difficult, but there are some bright spots for investors. Dividend income, which had come under severe pressure in 2020 and 2021, is recovering and is now close to the levels of 2019. The relatively weak share prices in the UK are also attracting bids for UK companies from overseas predators and private equity, often at significant premia to prevailing share prices.

A cohort of holdings which could be categorised as higher growth, but higher valuation stocks weighed on performance, as higher interest rates prompted the market to question those higher valuations. Companies in that basket of stocks are, for example, the animal pharmaceutical business Dechra; engineering software business Aveva; and media and data business Ascential. We have maintained the holdings in these companies as we believe they still offer longer term attractions. The holdings in Hikma and Avon Protection also performed poorly, Hikma as pricing pressure started to emerge in its generic medicines business and Avon as manufacturing issues impacted their ability to fulfil contracts.

The holding in Glencore benefited performance, as strong commodity prices drove profits for the mining and trading business. Euromoney also helped performance after the company received a takeover approach.

### Investment outlook

Consumers are facing a significant cost of living squeeze, as inflation is currently at its highest level for decades. This squeeze has probably not yet peaked, as energy costs continue to rise and a weak pound and rising food costs also produce headwinds. Likewise companies are battling to defend margins, as their own input costs increase significantly, but most recent evidence from company results is that many are so far managing to do this. 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.

**Richard Marwood**  
**Fund Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class A Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	438.71	323.27	342.83
Return before operating charges*	(36.70)	119.93	(15.02)
Operating charges	(4.87)	(4.49)	(4.54)
Return after operating charges*	(41.57)	115.44	(19.56)
Distributions on accumulation shares	(14.09)	(12.97)	(10.14)
Retained distributions on accumulation shares	14.09	12.97	10.14
<b>Closing net asset value per share</b>	<b>397.14</b>	<b>438.71</b>	<b>323.27</b>
* after direct transaction costs of:	0.47	0.28	0.46
<b>Performance</b>			
Return after charges	(9.48)%	35.71%	(5.71)%
<b>Other information</b>			
Closing net asset value (£'000)	45,044	52,218	39,790
Closing number of shares	11,342,123	11,902,616	12,308,532
Operating charges*	1.15%	1.15%	1.35%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices<sup>^</sup></b>			
Highest share price	449.20	441.80	386.00
Lowest share price	383.90	307.50	237.10

\* The FMF was reduced on 6 November 2020 to 1.15%.

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	234.66	172.09	181.34
Return before operating charges*	(19.68)	64.05	(7.99)
Operating charges	(1.60)	(1.48)	(1.26)
Return after operating charges*	(21.28)	62.57	(9.25)
Distributions on accumulation shares	(7.26)	(6.92)	(5.38)
Retained distributions on accumulation shares	7.26	6.92	5.38
<b>Closing net asset value per share</b>	<b>213.38</b>	<b>234.66</b>	<b>172.09</b>
* after direct transaction costs of:	0.25	0.16	0.24
<b>Performance</b>			
Return after charges	(9.07)%	36.36%	(5.10)%
<b>Other information</b>			
Closing net asset value (£'000)	16,158	5,646	1,579
Closing number of shares	7,572,661	2,406,096	917,310
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices<sup>^</sup></b>			
Highest share price	240.60	236.30	204.60
Lowest share price	206.10	163.90	125.90

### Class M Income

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	111.86	84.77	92.06
Return before operating charges*	(9.22)	31.23	(3.93)
Operating charges	(0.76)	(0.77)	(0.66)
Return after operating charges*	(9.98)	30.46	(4.59)
Distributions on income shares	(3.46)	(3.37)	(2.70)
<b>Closing net asset value per share</b>	<b>98.42</b>	<b>111.86</b>	<b>84.77</b>
* after direct transaction costs of:	0.12	0.08	0.12
<b>Performance</b>			
Return after charges	(8.92)%	35.93%	(4.99)%
<b>Other information</b>			
Closing net asset value (£'000)	4,329	3,014	6
Closing number of shares	4,398,036	2,694,672	7,644
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices<sup>^</sup></b>			
Highest share price	114.10	113.70	103.10
Lowest share price	96.11	80.72	62.80

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	135.28	98.54	103.13
Return before operating charges*	(11.40)	36.77	(4.56)
Operating charges	(0.04)	(0.03)	(0.03)
Return after operating charges*	(11.44)	36.74	(4.59)
Distributions on accumulation shares	(4.37)	(3.98)	(3.07)
Retained distributions on accumulation shares	4.37	3.98	3.07
<b>Closing net asset value per share</b>	<b>123.84</b>	<b>135.28</b>	<b>98.54</b>
* after direct transaction costs of:	0.15	0.09	0.14
<b>Performance</b>			
Return after charges	(8.46)%	37.28%	(4.45)%
<b>Other information</b>			
Closing net asset value (£'000)	912,685	1,008,856	772,324
Closing number of shares	736,960,862	745,743,181	783,748,158
Operating charges	0.03%	0.03%	0.03%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices<sup>^</sup></b>			
Highest share price	139.10	136.20	116.60
Lowest share price	119.50	93.94	71.90



## Comparative Tables (continued)

### Class Z Income

	31/08/22** (p)
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(7.52)
Operating charges	(0.30)
Return after operating charges*	(7.82)
Distributions on income shares	(2.06)
<b>Closing net asset value per share</b>	<b>90.12</b>
* after direct transaction costs of:	0.11
<b>Performance</b>	
Return after charges	(7.82)%
<b>Other information</b>	
Closing net asset value (£'000)	16,658
Closing number of shares	18,484,025
Operating charges	0.58%
Direct transaction costs	0.11%
<b>Prices<sup>^</sup></b>	
Highest share price	100.00
Lowest share price	87.95

\*\* Class Z Income launched on 10 February 2022.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 98.82% (31/08/21 – 97.93%)</b>			
<b>Oil &amp; Gas – 11.55% (31/08/21 – 7.07%)</b>			
Oil & Gas Producers – 11.55%			
	9,859,300 BP	43,529	4.38
	3,114,300 Shell	71,286	7.17
<b>Total Oil &amp; Gas</b>		<b>114,815</b>	<b>11.55</b>
<b>Basic Materials – 12.30% (31/08/21 – 11.00%)</b>			
Chemicals – 2.74%			
	211,000 Croda International	14,192	1.43
	648,800 Johnson Matthey	13,073	1.31
Mining – 9.56%			
	948,200 Anglo American	26,384	2.65
	10,000,000 Glencore	47,330	4.76
	449,100 Rio Tinto	21,427	2.15
<b>Total Basic Materials</b>		<b>122,406</b>	<b>12.30</b>
<b>Industrials – 17.32% (31/08/21 – 18.98%)</b>			
Aerospace & Defence – 0.93%			
	1,150,000 Avon Protection	9,257	0.93
Construction & Materials – 0.77%			
	4,018,600 Ibstock	7,619	0.77
Electronic & Electrical Equipment – 2.10%			
	748,600 Spectris	20,871	2.10
General Industrials – 0.78%			
	13,000,000 Coats Group	7,774	0.78
Industrial Engineering – 1.02%			
	1,846,500 Bodycote	10,165	1.02
Industrial Transportation – 2.58%			
	850,000 Clarkson	25,627	2.58
Support Services – 9.14%			
	753,200 Ashtead Group	32,011	3.22
	885,700 Bunzl	25,331	2.55
	216,100 DCC	10,725	1.08
	1,250,000 Howdens Joinery	7,140	0.72
	2,994,300 Rentokil Initial	15,600	1.57
<b>Total Industrials</b>		<b>172,120</b>	<b>17.32</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Consumer Goods – 12.82% (31/08/21 – 13.19%)</b>			
Automobiles & Parts – 1.07%			
	7,254,212 TI Fluid Systems	10,606	1.07
Beverages – 1.51%			
	399,200 Diageo	15,026	1.51
Food Producers – 2.66%			
	860,000 Cranswick	26,505	2.66
Household Goods – 3.73%			
	449,100 Bellway	9,175	0.92
	266,706 Berkeley	9,748	0.98
	274,500 Reckitt Benckiser	18,249	1.83
Personal Goods – 1.77%			
	449,100 Unilever	17,629	1.77
Tobacco – 2.08%			
	1,090,500 Imperial Brands	20,676	2.08
<b>Total Consumer Goods</b>		<b>127,614</b>	<b>12.82</b>
<b>Healthcare – 11.75% (31/08/21 – 11.05%)</b>			
Healthcare Equipment & Services – 1.89%			
	1,394,200 Haleon	3,609	0.36
	1,497,100 Smith & Nephew	15,196	1.53
Pharmaceuticals & Biotechnology – 9.86%			
	448,100 AstraZeneca	47,696	4.79
	386,800 Dechra Pharmaceuticals	13,445	1.35
	1,115,360 GSK	15,383	1.55
	1,646,800 Hikma Pharmaceuticals	21,614	2.17
<b>Total Healthcare</b>		<b>116,943</b>	<b>11.75</b>
<b>Consumer Services – 10.66% (31/08/21 – 12.57%)</b>			
General Retailers – 3.95%			
	5,350,000 B&M European Value Retail	19,784	1.99
	1,230,600 Dunelm	8,467	0.85
	775,000 WH Smith	11,075	1.11
Media – 6.30%			
	5,529,800 Ascential	11,214	1.13
	700,000 Euromoney Institutional Investor	10,150	1.02
	1,372,400 Informa	7,504	0.75
	1,493,800 RELX	33,790	3.40
Travel & Leisure – 0.41%			
	10,000,000 Restaurant Group	4,096	0.41
<b>Total Consumer Services</b>		<b>106,080</b>	<b>10.66</b>

**Portfolio Statement** (continued)

As at 31 August 2022

<b>Holding</b>	<b>Investment</b>	<b>Bid-market value (£'000)</b>	<b>Total net assets (%)</b>
<b>Utilities – 3.73% (31/08/21 – 2.89%)</b>			
Electricity – 2.63%			
1,494,057	Drax	9,502	0.96
1,004,700	SSE	16,593	1.67
Gas Water & Multiutilities – 1.10%			
1,172,066	Pennon Group	10,941	1.10
<b>Total Utilities</b>		<b>37,036</b>	<b>3.73</b>
<b>Financials – 14.62% (31/08/21 – 17.19%)</b>			
Banks – 5.38%			
20,595,100	Barclays	33,875	3.40
45,000,000	Lloyds Banking Group	19,746	1.98
Life Insurance – 1.11%			
1,000,000	St James's Place Capital	11,070	1.11
Non-Life Insurance – 0.70%			
6,027,800	Sabre Insurance	6,920	0.70
Real Estate Investment Trusts – 0.00%			
4,275,902	Itacare <sup>~</sup>	–	–
Financial Services – 7.43%			
1,971,600	3i Group	23,955	2.41
898,300	Close Brothers	9,172	0.92
2,894,400	IG Group	23,676	2.38
1,255,800	Intermediate Capital Group	17,154	1.72
<b>Total Financials</b>		<b>145,568</b>	<b>14.62</b>
<b>Technology – 4.07% (31/08/21 – 3.99%)</b>			
Software & Computer Services – 4.07%			
683,700	Aveva Group	19,144	1.92
2,987,700	Sage	21,362	2.15
<b>Total Technology</b>		<b>40,506</b>	<b>4.07</b>
<b>Total value of investments</b>		<b>983,088</b>	<b>98.82</b>
<b>Net other assets</b>		<b>11,786</b>	<b>1.18</b>
<b>Total net assets</b>		<b>994,874</b>	<b>100.00</b>

<sup>~</sup> Level 3 asset

\* Unlisted, nil value

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Lloyds Banking Group	23,502
Unilever	16,561
DCC	12,415
Hikma Pharmaceuticals	11,694
Reckitt Benckiser	11,614
TI Fluid Systems	11,120
B&M European Value Retail	10,903
Cranswick	10,903
Drax	10,102
Anglo American	9,725
<b>Subtotal</b>	<b>128,539</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>204,836</b>

### Significant Sales

	Proceeds £'000
Fever-Tree	16,974
Spirax-Sarco Engineering	13,605
Diageo	13,489
Daily Mail And General Trust 'A'	10,498
British American Tobacco	10,190
Standard Life Aberdeen	7,993
Reckitt Benckiser	6,481
Hargreaves Lansdown	6,395
St James's Place Capital	6,207
B&M European Value Retail	4,752
<b>Subtotal</b>	<b>96,584</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>139,710</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(125,915)	268,156
Revenue	3	35,010	32,745
Expenses	4	(1,014)	(837)
Interest payable and similar charges		–	(1)
Net revenue before taxation		33,996	31,907
Taxation	5	(207)	(452)
Net revenue after taxation		33,789	31,455
Total (deficit)/return before distributions		(92,126)	299,611
Distributions	6	(34,720)	(32,292)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(126,846)</b>	<b>267,319</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		983,088	1,047,602
<b>Current assets:</b>			
Debtors	7	8,685	8,550
Cash and bank balances	8	3,447	13,700
Total assets		995,220	1,069,852
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	118	88
Distribution payable		228	30
Total liabilities		346	118
<b>Net assets attributable to shareholders</b>		<b>994,874</b>	<b>1,069,734</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>1,069,734</b>	<b>813,699</b>
Amounts receivable on creation of shares	36,270	11,735
Amounts payable on cancellation of shares	(18,682)	(55,056)
	17,588	(43,321)
Dilution adjustment charged	69	34
Change in net assets attributable to shareholders from investment activities	(126,846)	267,319
Retained distribution on accumulation shares	34,329	32,003
<b>Closing net assets attributable to shareholders</b>	<b>994,874</b>	<b>1,069,734</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(125,948)	268,160
Currency gains/(losses)	33	(4)
<b>Net capital (losses)/gains</b>	<b>(125,915)</b>	<b>268,156</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	33,328	29,649
Overseas dividends	1,591	3,051
Bank interest	39	–
Stock lending income	52	45
<b>Total revenue</b>	<b>35,010</b>	<b>32,745</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	1,014	837
<b>Total expenses</b>	<b>1,014</b>	<b>837</b>

\* Audit fee £13,340 (31/08/21: £11,078) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	207	452
<b>Current tax charge for the year</b>	<b>207</b>	<b>452</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	33,996	31,907
Corporation tax at 20% (31/08/21: 20%)	6,799	6,381

Effects of:

Revenue not subject to taxation	(6,984)	(6,539)
Current year expenses not utilised	185	158
Irrecoverable overseas tax	207	452
<b>Current tax charge for the year</b>	<b>207</b>	<b>452</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £14,391,000 (31/08/21: £14,206,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
First Interim	5,694	6,922
Second Interim	6,368	5,595
Third Interim	11,538	9,073
Final	10,729	10,413
	34,329	32,003
<b>Income shares</b>		
First Interim	15	–
Second Interim	20	–
Third Interim	189	18
Final	228	30
	452	48
	<b>34,781</b>	<b>32,051</b>
Add: Amounts deducted on cancellation of shares	42	307
Deduct: Amounts received on the creation of shares	(103)	(66)
<b>Net distributions for the year</b>	<b>34,720</b>	<b>32,292</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	33,789	31,455
Expenses charged to capital	1,014	837
Equalisation on conversions	(83)	–
<b>Net distributions for the year</b>	<b>34,720</b>	<b>32,292</b>

Details of the distribution per share are set out on pages 123 and 125.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	70	239
Accrued revenue	8,615	8,311
<b>Total debtors</b>	<b>8,685</b>	<b>8,550</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	3,447	13,700
<b>Total cash and bank balances</b>	<b>3,447</b>	<b>13,700</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	27	7
Accrued expenses	91	81
<b>Total other creditors</b>	<b>118</b>	<b>88</b>

### 10. Reconciliation of number of shares

	Class A Accumulation	Class M Accumulation
Opening shares at 01/09/21	11,902,616	2,406,096
Shares issued	132,194	5,435,863
Shares cancelled	(636,496)	(374,114)
Shares converted	(56,191)	104,816
<b>Closing shares at 31/08/22</b>	<b>11,342,123</b>	<b>7,572,661</b>

	Class M Income	Class R Accumulation
Opening shares at 01/09/21	2,694,672	745,743,181
Shares issued	13,953,823	2,200,830
Shares cancelled	(722,309)	(10,983,149)
Shares converted	(11,528,150)	–
<b>Closing shares at 31/08/22</b>	<b>4,398,036</b>	<b>736,960,862</b>

	Class Z Income
Opening shares at 01/09/21	–
Shares issued	5,804,223
Shares cancelled	–
Shares converted	12,679,802
<b>Closing shares at 31/08/22</b>	<b>18,484,025</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to/due from Royal London Unit Trust Managers Limited in respect of these transactions was £48,000 (31/08/21: £151,000).

At the year end, 31 August 2022, 94.63% (31/08/21: 99.23%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £13,000 (Gross: £65,000) (31/08/21: £11,000 (Gross: £55,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £68,077,000 (31/08/21: £54,232,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022 Collateral Held £'000	31 Aug 2021 Collateral Held £'000
Equity	66,758	42,367
Bonds	5,363	15,422

The aggregate value of collateral held at the balance sheet date was £72,121,000 (31/08/21: £57,789,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Banco Santander, Barclays Capital Securities, Citigroup Global Markets, Credit Suisse Securities, HSBC Bank and Natixis.

### 14. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 117. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A small proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	991,586	1,067,268
Euro	57	56
US dollar	3,231	2,410
<b>Total</b>	<b>994,874</b>	<b>1,069,734</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £329,000 (31/08/21: £247,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £329,000 (31/08/21: £247,000). 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 Fund would have increased by £98,309,000 (31/08/21: £104,760,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £98,309,000 (31/08/21: £104,760,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £3,447,000 (31/08/21: £13,700,000) which earn interest by reference to SONIA or international equivalent. This equates to 0.35% of the current Net Asset Value and 1.28% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	203,734	101	0.05	901	0.44	100	0.05	204,836
<b>Total</b>	<b>203,734</b>	<b>101</b>		<b>901</b>		<b>100</b>		<b>204,836</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	135,265	73	0.05	–	–	–	–	135,192
Corporate actions	4,518	–	–	–	–	–	–	4,518
<b>Total</b>	<b>139,783</b>	<b>73</b>		<b>–</b>		<b>–</b>		<b>139,710</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.08%
Other expenses	0.01%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	121,699	59	0.05	547	0.45	25	0.02	122,330
Corporate actions	6,497	–	–	–	–	–	–	6,497
<b>Total</b>	<b>128,196</b>	<b>59</b>		<b>547</b>		<b>25</b>		<b>128,827</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	142,735	73	0.05	–	–	–	–	142,662
Corporate actions	514	–	–	–	–	–	–	514
<b>Total</b>	<b>143,249</b>	<b>73</b>		<b>–</b>		<b>–</b>		<b>143,176</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.06%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.06% (31/08/21: 0.08%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	983,088	–	–	983,088
<b>Total</b>	<b>983,088</b>	<b>–</b>	<b>–</b>	<b>983,088</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	1,047,602	–	–	1,047,602
<b>Total</b>	<b>1,047,602</b>	<b>–</b>	<b>–</b>	<b>1,047,602</b>

### 17. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £1,071,043,305. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 7.58%.

The only significant cancellations on the Fund indicated above during this period were on Z Income (12.57%).

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### First Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 30 November 2021

	Net income	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>Class A Accumulation</b>				
Group 1	2.3605	–	2.3605	2.7341
Group 2	1.3140	1.0465	2.3605	2.7341
<b>Class M Accumulation</b>				
Group 1	1.1908	–	1.1908	1.4565
Group 2	0.5322	0.6586	1.1908	1.4565
<b>Class M Income</b>				
Group 1	0.5611	–	0.5611	0.7177
Group 2	0.3128	0.2483	0.5611	0.7177
<b>Class R Accumulation</b>				
Group 1	0.7249	–	0.7249	0.8351
Group 2	0.3950	0.3299	0.7249	0.8351

#### Second Interim

Group 1: Shares purchased prior to 1 December 2021

Group 2: Shares purchased between 1 December 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class A Accumulation</b>				
Group 1	2.6315	–	2.6315	2.2299
Group 2	1.5867	1.0448	2.6315	2.2299
<b>Class M Accumulation</b>				
Group 1	1.1842	–	1.1842	1.1890
Group 2	0.5661	0.6181	1.1842	1.1890
<b>Class M Income</b>				
Group 1	0.6061	–	0.6061	0.5813
Group 2	0.3456	0.2605	0.6061	0.5813
<b>Class R Accumulation</b>				
Group 1	0.8105	–	0.8105	0.6831
Group 2	0.3967	0.4138	0.8105	0.6831
<b>Class Z Income*</b>				
Group 1	0.0000	–	0.0000	n/a
Group 2	0.0000	0.0000	0.0000	n/a

\* Class Z Income launched on 10 February 2022.

**Distribution Tables** (continued)

For the year ended 31 August 2022

**Distribution in pence per share****Third Interim**

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 May 2022

	Net income	Equalisation	Distribution paid 31/07/22	Distribution paid 30/07/21
<b>Class A Accumulation</b>				
Group 1	4.7215	–	4.7215	3.7113
Group 2	2.6861	2.0354	4.7215	3.7113
<b>Class M Accumulation</b>				
Group 1	2.5314	–	2.5314	1.9815
Group 2	1.4167	1.1147	2.5314	1.9815
<b>Class M Income</b>				
Group 1	1.1942	–	1.1942	0.9627
Group 2	0.5725	0.6217	1.1942	0.9627
<b>Class R Accumulation</b>				
Group 1	1.4661	–	1.4661	1.1396
Group 2	0.7227	0.7434	1.4661	1.1396
<b>Class Z Income*</b>				
Group 1	1.0923	–	1.0923	n/a
Group 2	0.0000	1.0923	1.0923	n/a

\* Class Z Income launched on 10 February 2022.

**Distribution Tables** (continued)

For the year ended 31 August 2022

**Distribution in pence per share****Final**

Group 1: Shares purchased prior to 1 June 2022

Group 2: Shares purchased between 1 June 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 29/10/21
<b>Class A Accumulation</b>				
Group 1	4.3797	–	4.3797	4.2908
Group 2	2.9766	1.4031	4.3797	4.2908
<b>Class M Accumulation</b>				
Group 1	2.3505	–	2.3505	2.2927
Group 2	1.4901	0.8604	2.3505	2.2927
<b>Class M Income</b>				
Group 1	1.0970	–	1.0970	1.1035
Group 2	0.7336	0.3634	1.0970	1.1035
<b>Class R Accumulation</b>				
Group 1	1.3643	–	1.3643	1.3205
Group 2	1.2903	0.0740	1.3643	1.3205
<b>Class Z Income*</b>				
Group 1	0.9705	–	0.9705	n/a
Group 2	0.8198	0.1507	0.9705	n/a

\* Class Z Income launched on 10 February 2022.

# Royal London UK Equity Income Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Equity Income Fund, Class A Income	-1.16	8.36	13.89
Royal London UK Equity Income Fund, Class M Accumulation	-0.81	9.89	16.98
Royal London UK Equity Income Fund, Class M Income	-0.76	9.99	17.06
Royal London UK Equity Income Fund, Class R Accumulation	-0.17	12.08	–
Royal London UK Equity Income Fund, Class S Accumulation	-0.99	9.94	17.09
Royal London UK Equity Income Fund, Class Z Accumulation	-0.74	10.15	–
Royal London UK Equity Income Fund, Class Z Income	-0.18	12.02	–
FTSE® All-Share Total Return Index	1.01	12.01	17.77

Class R Accumulation launched on 8 November 2018, Class S Accumulation launched on 23 April 2019 and Class Z Accumulation launched on 1 August 2019.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The Fund underperformed the FTSE® All-Share Index, but was slightly ahead of the competitor fund median during the 12-month period under review.

### Market and portfolio commentary

The market entered the period under review with key questions around the strength and duration of inflationary pressures and what that would mean for interest rates. There were also obviously also uncertainties about what the trajectory of the Covid pandemic would be, and these concerns flared when a new mutation of the virus, the omicron variant, was identified in November 2021.

The market's performance at the end of 2021 was characterised by higher growth businesses being more in favour, but the turn of the year saw a sharp rotation in markets, with shares in those companies being sold off sharply and more value orientated and cyclical sectors finding favour. This rotation was prompted by persistently higher inflation data being reported, putting paid to the idea that previous higher inflation numbers were merely transitory. This realisation meant that central banks started to increase interest rates, causing bond yields to rise.

Those purely financial concerns were then overtaken by a far more pressing issue – Russia's invasion of Ukraine. The events in Ukraine are first and foremost a humanitarian disaster, but the shock waves from the region continue to cause issues within financial markets. The financial uncertainty and commodity market disruption that is a by-product of the conflict have stoked the upward pressure on inflation already present in the global economy. Consumers around the world are facing significant cost of living squeezes, as a wide range of prices rise, most notably domestic energy bills. Energy prices are also spilling out into other parts of the economy, for example food prices, as energy costs drive up the cost of fertilizer for farmers. In this environment many workers are seeking higher wages to offset their higher living costs. The silver lining for those workers is that labour markets are quite tight, with unemployment running at low levels. This is potentially a result of fewer overseas workers available in the post Brexit world and also the fact that some workers did not return to the employment market after Covid lockdowns. Many businesses are seeing their staff costs increase significantly.

## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

Towards the end of the period Boris Johnson stepped down as Prime Minister and a new government under the leadership of Liz Truss took over. In order to tackle the cost of living crisis the new government has proposed ambitious plans to cap domestic energy prices. While this avoids a hard crunch on households it will put significant strain on government finances and as a result UK gilt yields have risen and the Pound weakened, moves which also have inflationary repercussions.

The economic backdrop is undoubtedly difficult, but there are some bright spots for investors. Dividend income, which had come under severe pressure in 2020 and 2021, is recovering and is now close to the levels of 2019. The relatively weak share prices in the UK are also attracting bids for UK companies from overseas predators and private equity, often at significant premia to prevailing share prices.

The holdings which held back performance were generally those that were exposed to consumer spending, with building materials company Marshalls; homewares retailer Dunelm; and broadcaster ITV, most notable. The industrial company IMI also weighed on performance. The valuation of IMI has flagged, despite the company reporting very robust financial results.

Two holdings which attracted bid approaches, Brewin Dolphin and Euromoney, were among the best performers in the Fund. The holding in Investec was also strong, on good results and generally better sentiment towards financial businesses as interest rates start to rise. Finally given the defensive nature of its business, Imperial Brands also helped performance.

### Investment outlook

Consumers are facing a significant cost of living squeeze, as inflation is currently at its highest level for decades. This squeeze has probably not yet peaked, as energy costs continue to rise and a weak pound and rising food costs also produce headwinds. Likewise, companies are battling to defend margins, as their own input costs increase significantly, but most recent evidence from company results is that many are so far managing to do this. 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.

**Richard Marwood**  
**Fund Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.



## Comparative Tables

### Class A Income

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	758.17	596.93	740.67
Return before operating charges*	0.07	194.83	(109.26)
Operating charges	(8.49)	(7.95)	(9.32)
Return after operating charges*	(8.42)	186.88	(118.58)
Distributions on income shares	(32.31)	(25.64)	(25.16)
<b>Closing net asset value per share</b>	<b>717.44</b>	<b>758.17</b>	<b>596.93</b>
* after direct transaction costs of:	0.67	0.41	0.73
<b>Performance</b>			
Return after charges	(1.11)%	31.31%	(16.01)%
<b>Other information</b>			
Closing net asset value (£'000)	63,474	74,121	69,569
Closing number of shares	8,847,207	9,776,306	11,654,372
Operating charges*	1.13%	1.13%	1.35%
Direct transaction costs	0.09%	0.06%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	783.50	770.10	816.30
Lowest share price	686.50	565.30	495.10

\* The FMF was reduced on 6 November 2020 to 1.13%.

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	222.99	168.55	200.37
Return before operating charges*	(0.14)	55.83	(30.46)
Operating charges	(1.62)	(1.39)	(1.36)
Return after operating charges*	(1.76)	54.44	(31.82)
Distributions on accumulation shares	(9.68)	(7.36)	(6.90)
Retained distributions on accumulation shares	9.68	7.36	6.90
<b>Closing net asset value per share</b>	<b>221.23</b>	<b>222.99</b>	<b>168.55</b>
* after direct transaction costs of:	0.20	0.12	0.20
<b>Performance</b>			
Return after charges	(0.79)%	32.30%	(15.88)%
<b>Other information</b>			
Closing net asset value (£'000)	453,742	514,052	590,342
Closing number of shares	205,100,604	230,529,017	350,253,937
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs	0.09%	0.06%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	235.30	224.10	223.80
Lowest share price	206.00	159.80	137.50

### Class M Income

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	810.11	634.95	782.86
Return before operating charges*	0.06	207.68	(116.04)
Operating charges	(5.80)	(5.18)	(5.24)
Return after operating charges*	(5.74)	202.50	(121.28)
Distributions on income shares	(34.93)	(27.34)	(26.63)
<b>Closing net asset value per share</b>	<b>769.44</b>	<b>810.11</b>	<b>634.95</b>
* after direct transaction costs of:	0.72	0.43	0.77
<b>Performance</b>			
Return after charges	(0.71)%	31.89%	(15.49)%
<b>Other information</b>			
Closing net asset value (£'000)	272,679	357,733	477,155
Closing number of shares	35,438,766	44,158,431	75,148,833
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs	0.09%	0.06%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	839.00	822.70	864.50
Lowest share price	734.90	601.90	525.10

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	117.95	88.57	104.59
Return before operating charges*	(0.09)	29.44	(15.96)
Operating charges	(0.07)	(0.06)	(0.06)
Return after operating charges*	(0.16)	29.38	(16.02)
Distributions on accumulation shares	(5.15)	(3.88)	(3.62)
Retained distributions on accumulation shares	5.15	3.88	3.62
<b>Closing net asset value per share</b>	<b>117.79</b>	<b>117.95</b>	<b>88.57</b>
* after direct transaction costs of:	0.11	0.06	0.10
<b>Performance</b>			
Return after charges	(0.14)%	33.17%	(15.32)%
<b>Other information</b>			
Closing net asset value (£'000)	166,872	192,119	178,384
Closing number of shares	141,669,947	162,887,015	201,411,443
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.09%	0.06%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	124.90	118.50	117.10
Lowest share price	109.40	84.04	72.02

## Comparative Tables (continued)

### Class S Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	111.49	83.73	98.91
Return before operating charges*	(0.08)	27.84	(15.10)
Operating charges	(0.08)	(0.08)	(0.08)
Return after operating charges*	(0.16)	27.76	(15.18)
Distributions on accumulation shares	(4.84)	(3.67)	(3.42)
Retained distributions on accumulation shares	4.84	3.67	3.42
<b>Closing net asset value per share</b>	<b>111.33</b>	<b>111.49</b>	<b>83.73</b>
* after direct transaction costs of:	0.10	0.06	0.10
<b>Performance</b>			
Return after charges	(0.14)%	33.15%	(15.35)%
<b>Other information</b>			
Closing net asset value (£'000)	6	6	4
Closing number of shares	5,000	5,000	5,000
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.09%	0.06%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	118.10	112.00	110.70
Lowest share price	103.40	79.46	68.09

### Class Z Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	108.71	82.10	97.52
Return before operating charges*	(0.08)	27.22	(14.88)
Operating charges	(0.70)	(0.61)	(0.54)
Return after operating charges*	(0.78)	26.61	(15.42)
Distributions on accumulation shares	(4.71)	(3.59)	(3.36)
Retained distributions on accumulation shares	4.71	3.59	3.36
<b>Closing net asset value per share</b>	<b>107.93</b>	<b>108.71</b>	<b>82.10</b>
* after direct transaction costs of:	0.10	0.06	0.09
<b>Performance</b>			
Return after charges	(0.72)%	32.41%	(15.81)%
<b>Other information</b>			
Closing net asset value (£'000)	5,273	7,811	5,424
Closing number of shares	4,885,604	7,185,309	6,605,901
Operating charges	0.64%	0.64%	0.64%
Direct transaction costs	0.09%	0.06%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	114.70	109.20	108.90
Lowest share price	100.50	77.84	66.94

### Class Z Income

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	121.88	95.47	117.61
Return before operating charges*	(0.30)	31.21	(17.44)
Operating charges	(0.77)	(0.69)	(0.70)
Return after operating charges*	(1.07)	30.52	(18.14)
Distributions on income shares	(5.43)	(4.11)	(4.00)
<b>Closing net asset value per share</b>	<b>115.38</b>	<b>121.88</b>	<b>95.47</b>
* after direct transaction costs of:	0.11	0.06	0.11
<b>Performance</b>			
Return after charges	(0.88)%	31.97%	(15.42)%
<b>Other information</b>			
Closing net asset value (£'000)	60,064	380,768	456,993
Closing number of shares	52,056,214	312,400,197	478,695,630
Operating charges	0.64%	0.64%	0.64%
Direct transaction costs	0.09%	0.06%	0.11%
<b>Prices<sup>^</sup></b>			
Highest share price	125.80	123.80	129.90
Lowest share price	110.30	90.51	78.93

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 98.72% (31/08/21 – 98.35%)</b>			
<b>Oil &amp; Gas – 12.24% (31/08/21 – 6.42%)</b>			
Oil & Gas Producers – 12.24%			
11,348,200	BP	50,102	4.90
3,275,000	Shell	74,965	7.34
<b>Total Oil &amp; Gas</b>		<b>125,067</b>	<b>12.24</b>
<b>Basic Materials – 7.42% (31/08/21 – 6.62%)</b>			
Chemicals – 1.52%			
773,000	Johnson Matthey	15,576	1.52
Mining – 5.90%			
945,700	Anglo American	26,314	2.57
712,700	Rio Tinto	34,003	3.33
<b>Total Basic Materials</b>		<b>75,893</b>	<b>7.42</b>
<b>Industrials – 13.65% (31/08/21 – 19.91%)</b>			
Construction & Materials – 1.23%			
3,750,000	Marshalls	12,517	1.23
General Industrials – 3.74%			
1,528,800	Smiths Group	22,787	2.23
1,103,000	Videndum	15,442	1.51
Electronic & Electrical Equipment – 2.50%			
917,300	Spectris	25,574	2.50
Industrial Engineering – 2.94%			
2,000,000	IMI	22,920	2.24
67,600	Spirax-Sarco Engineering	7,122	0.70
Industrial Transportation – 0.09%			
19,300,000	Esken	946	0.09
Support Services – 3.15%			
9,000,000	De La Rue	7,686	0.75
626,600	Diploma	15,740	1.54
1,898,000	Ricardo	8,769	0.86
<b>Total Industrials</b>		<b>139,503</b>	<b>13.65</b>
<b>Consumer Goods – 13.00% (31/08/21 – 6.56%)</b>			
Household Goods – 1.25%			
11,800,000	Taylor Wimpey	12,773	1.25
Personal Goods – 3.23%			
841,700	Unilever	33,041	3.23
Tobacco – 8.52%			
1,595,200	British American Tobacco	55,058	5.39
1,685,300	Imperial Brands	31,953	3.13
<b>Total Consumer Goods</b>		<b>132,825</b>	<b>13.00</b>
<b>Healthcare – 9.94% (31/08/21 – 9.21%)</b>			
Pharmaceuticals & Biotechnology – 9.39%			
567,400	AstraZeneca	60,394	5.91
1,629,280	GSK	22,471	2.20
1,000,000	Hikma Pharmaceuticals	13,125	1.28
Healthcare Equipment & Services – 0.55%			
2,153,600	Haleon	5,575	0.55
<b>Total Healthcare</b>		<b>101,565</b>	<b>9.94</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Consumer Services – 9.34% (31/08/21 – 14.08%)</b>			
General Retailers – 2.77%			
2,456,700	Dunelm	16,902	1.65
800,000	WH Smith	11,432	1.12
Media – 6.17%			
2,822,300	Informa	15,432	1.51
24,460,800	ITV	15,728	1.54
1,411,300	RELX	31,924	3.12
Travel & Leisure – 0.40%			
10,000,000	Restaurant Group	4,096	0.40
<b>Total Consumer Services</b>		<b>95,514</b>	<b>9.34</b>
<b>Utilities – 7.65% (31/08/21 – 8.18%)</b>			
Gas, Water & Multiutilities – 7.65%			
2,006,400	National Grid	21,619	2.12
1,633,800	Pennon Group	15,252	1.49
725,000	Severn Trent	20,184	1.97
2,000,000	United Utilities	21,130	2.07
<b>Total Utilities</b>		<b>78,185</b>	<b>7.65</b>
<b>Financials – 23.15% (31/08/21 – 25.34%)</b>			
Non-Life Insurance – 0.25%			
1,180,000	Personal Group	2,561	0.25
Life Insurance – 3.36%			
5,474,084	Aviva	22,915	2.24
3,833,762	Chesnara	11,425	1.12
Financial Services – 15.26%			
2,543,000	3i Group	30,897	3.02
2,039,135	Close Brothers	20,820	2.04
4,063,000	IG Group	33,235	3.25
966,200	Intermediate Capital Group	13,198	1.29
4,917,800	Investec	20,419	2.00
4,699,792	Ninety One	9,282	0.91
5,239,700	Paragon Banking Group	28,137	2.75
Real Estate Investment Trusts – 4.28%			
3,950,900	Land Securities	25,705	2.52
1,911,500	Segro	18,025	1.76
<b>Total Financials</b>		<b>236,619</b>	<b>23.15</b>
<b>Technology – 2.33% (31/08/21 – 2.03%)</b>			
Software & Computer Services – 2.33%			
3,336,200	Sage	23,854	2.33
<b>Total Technology</b>		<b>23,854</b>	<b>2.33</b>
<b>Total value of investments</b>		<b>1,009,025</b>	<b>98.72</b>
<b>Net other assets</b>		<b>13,085</b>	<b>1.28</b>
<b>Total net assets</b>		<b>1,022,110</b>	<b>100.00</b>

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Unilever	36,237
Taylor Wimpey	19,271
Intermediate Capital Group	18,834
Anglo American	18,570
Hikma Pharmaceuticals	16,266
BP	7,708
Marshalls	5,272
Restaurant Group	4,864
ITV	4,162
Spectris	4,096
<b>Subtotal</b>	<b>135,280</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>141,479</b>

### Significant Sales

	Proceeds £'000
BAE Systems	44,855
Brewin Dolphin	40,961
AstraZeneca	35,938
GSK	30,063
Euromoney Institutional Investor	24,986
Essentra	22,367
Daily Mail And General Trust 'A'	20,999
British American Tobacco	17,512
Hargreaves Lansdown	16,517
Severn Trent	16,363
<b>Subtotal</b>	<b>270,561</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>564,774</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(61,823)	427,987
Revenue	3	54,770	63,198
Expenses	4	(8,087)	(10,796)
Net revenue before taxation		46,683	52,402
Taxation	5	–	–
Net revenue after taxation		46,683	52,402
Total (deficit)/return before distributions		(15,140)	480,389
Distributions	6	(54,349)	(62,672)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(69,489)</b>	<b>417,717</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		1,009,025	1,501,473
<b>Current assets:</b>			
Debtors	7	9,867	11,189
Cash and bank balances	8	11,087	26,344
<b>Total assets</b>		<b>1,029,979</b>	<b>1,539,006</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	2,486	3,809
Distribution payable		5,383	8,587
<b>Total liabilities</b>		<b>7,869</b>	<b>12,396</b>
<b>Net assets attributable to shareholders</b>		<b>1,022,110</b>	<b>1,526,610</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>1,526,610</b>	<b>1,777,871</b>
Amounts receivable on creation of shares	86,618	32,752
Amounts payable on cancellation of shares	(551,760)	(729,034)
	(465,142)	(696,282)
Dilution adjustment charged	958	594
Change in net assets attributable to shareholders from investment activities	(69,489)	417,717
Retained distribution on accumulation shares	29,164	26,696
Unclaimed distributions	9	14
<b>Closing net assets attributable to shareholders</b>	<b>1,022,110</b>	<b>1,526,610</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(61,831)	427,987
Currency gains	8	–
<b>Net capital (losses)/gains</b>	<b>(61,823)</b>	<b>427,987</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	52,665	60,565
Property investment income (PID)	1,978	2,581
Bank interest	71	–
Stock lending income	56	52
<b>Total revenue</b>	<b>54,770</b>	<b>63,198</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	8,087	10,796
<b>Total expenses</b>	<b>8,087</b>	<b>10,796</b>

\* Audit fee £16,632 (31/08/21: £13,789) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Corporation tax	–	–
<b>Current tax charge for the year</b>	<b>–</b>	<b>–</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	46,683	52,402
Corporation tax at 20% (31/08/21: 20%)	9,337	10,480
<b>Effects of:</b>		
Revenue not subject to taxation	(10,534)	(12,112)
Current year management expenses not utilised	1,197	1,632
<b>Current tax charge for the year</b>	<b>–</b>	<b>–</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/ (losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £23,966,000 (31/08/21: £22,769,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
First Interim	6,147	6,083
Second Interim	6,519	6,405
Third Interim	8,111	6,745
Final	8,387	7,463
	29,164	26,696
<b>Income shares</b>		
First Interim	6,342	8,070
Second Interim	5,580	7,886
Third Interim	5,670	7,590
Final	5,383	8,587
	22,975	32,133
	<b>52,139</b>	<b>58,829</b>
Add: Amounts deducted on cancellation of shares	2,690	3,960
Deduct: Amounts received on the creation of shares	(480)	(117)
<b>Net distributions for the year</b>	<b>54,349</b>	<b>62,672</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	46,683	52,402
Expenses charged to capital	8,087	10,796
Tax relief on expenses charged to capital	(421)	(526)
<b>Net distributions for the year</b>	<b>54,349</b>	<b>62,672</b>

Details of the distribution per share are set out on pages 139 to 142.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	160	122
Sales awaiting settlement	2,295	944
Accrued revenue	7,412	10,123
<b>Total debtors</b>	<b>9,867</b>	<b>11,189</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	11,087	26,344
<b>Total cash and bank balances</b>	<b>11,087</b>	<b>26,344</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	1,905	2,975
Accrued expenses	581	834
<b>Total other creditors</b>	<b>2,486</b>	<b>3,809</b>

### 10. Reconciliation of number of shares

	Class A Income	Class M Accumulation
Opening shares at 01/09/21	9,776,306	230,529,017
Shares issued	319,321	24,679,831
Shares cancelled	(617,592)	(49,931,958)
Shares converted	(630,828)	(176,286)
<b>Closing shares at 31/08/22</b>	<b>8,847,207</b>	<b>205,100,604</b>

	Class M Income	Class R Accumulation
Opening shares at 01/09/21	44,158,431	162,887,015
Shares issued	943,893	11,306,363
Shares cancelled	(10,259,569)	(32,523,431)
Shares converted	596,011	–
<b>Closing shares at 31/08/22</b>	<b>35,438,766</b>	<b>141,669,947</b>

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/21	5,000	7,185,309
Shares issued	–	4,498,031
Shares cancelled	–	(6,797,736)
Shares converted	–	–
<b>Closing shares at 31/08/22</b>	<b>5,000</b>	<b>4,885,604</b>

	Class Z Income
Opening shares at 01/09/21	312,400,197
Shares issued	2,063,675
Shares cancelled	(262,689,132)
Shares converted	281,474
<b>Closing shares at 31/08/22</b>	<b>52,056,214</b>

All classes within the Fund have the same rights on winding up.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £2,327,000 (31/08/21: £3,687,000).

At the year end, 31 August 2022, 31.67% (31/08/21: 21.30%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £14,000 (Gross: £70,000) (31/08/21: £13,000 (Gross: £65,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £51,111,000 (31/08/21: £78,895,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	21,610	57,803
Bonds	32,191	26,391

The aggregate value of collateral held at the balance sheet date was £53,801,000 (31/08/21: £84,194,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Barclays Capital Securities, Goldman Sachs International, HSBC Bank, Morgan Stanley Securities and Natixis.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 14. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 132. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A small proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	1,019,321	1,524,540
Euro	2	2
US dollar	2,787	2,068
<b>Total</b>	<b>1,022,110</b>	<b>1,526,610</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £279,000 (31/08/21: £207,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £279,000 (31/08/21: £207,000). 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 Fund would have increased by £100,902,000 (31/08/21: £150,147,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £100,902,000 (31/08/21: £150,147,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £11,087,000 (31/08/21: £26,344,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.08% of the current Net Asset Value and 1.73% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	140,718	75	0.05	608	0.43	78	0.06	141,479
<b>Total</b>	<b>140,718</b>	<b>75</b>		<b>608</b>		<b>78</b>		<b>141,479</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	554,397	377	0.07	–	–	1	–	554,019
Corporate actions	10,755	–	–	–	–	–	–	10,755
<b>Total</b>	<b>565,152</b>	<b>377</b>		<b>–</b>		<b>1</b>		<b>564,774</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.03%
Taxes	0.05%
Other expenses	0.01%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	93,992	40	0.04	377	0.40	30	0.03	94,439
Corporate actions	3,588	–	–	–	–	–	–	3,588
<b>Total</b>	<b>97,580</b>	<b>40</b>		<b>377</b>		<b>30</b>		<b>98,027</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	759,051	557	0.07	–	–	4	–	758,490
<b>Total</b>	<b>759,051</b>	<b>557</b>		<b>–</b>		<b>4</b>		<b>758,490</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.04%
Taxes	0.02%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.14% (31/08/21: 0.13%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	1,009,025	–	–	1,009,025
<b>Total</b>	<b>1,009,025</b>	<b>–</b>	<b>–</b>	<b>1,009,025</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	1,501,473	–	–	1,501,473
<b>Total</b>	<b>1,501,473</b>	<b>–</b>	<b>–</b>	<b>1,501,473</b>

### 17. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £1,028,900,277. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 0.09%.

There have been no significant redemptions during this period.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### First Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 30 November 2021

	Net income	Equalisation	Distribution paid 31/01/22	Distribution paid 31/01/21
<b>Class A Income</b>				
Group 1	6.6588	–	6.6588	5.1200
Group 2	2.3419	4.3169	6.6588	5.1200
<b>Class M Accumulation</b>				
Group 1	1.9920	–	1.9920	1.4469
Group 2	0.6100	1.3820	1.9920	1.4469
<b>Class M Income</b>				
Group 1	7.2773	–	7.2773	5.4508
Group 2	3.3393	3.9380	7.2773	5.4508
<b>Class R Accumulation</b>				
Group 1	1.0460	–	1.0460	0.7610
Group 2	0.6484	0.3976	1.0460	0.7610
<b>Class S Accumulation</b>				
Group 1	0.9684	–	0.9684	0.7194
Group 2	0.9684	0.0000	0.9684	0.7194
<b>Class Z Accumulation</b>				
Group 1	0.9475	–	0.9475	0.7049
Group 2	0.5044	0.4431	0.9475	0.7049
<b>Class Z Income</b>				
Group 1	1.2267	–	1.2267	0.8196
Group 2	0.8219	0.4048	1.2267	0.8196

**Distribution Tables** (continued)

For the year ended 31 August 2022

**Distribution in pence per share****Second Interim**

Group 1: Shares purchased prior to 1 December 2021

Group 2: Shares purchased between 1 December 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class A Income</b>				
Group 1	7.0565	–	7.0565	5.7627
Group 2	3.2027	3.8538	7.0565	5.7627
<b>Class M Accumulation</b>				
Group 1	2.0626	–	2.0626	1.6435
Group 2	1.1581	0.9045	2.0626	1.6435
<b>Class M Income</b>				
Group 1	7.7249	–	7.7249	6.1417
Group 2	4.1844	3.5405	7.7249	6.1417
<b>Class R Accumulation</b>				
Group 1	1.1152	–	1.1152	0.8658
Group 2	0.4992	0.6160	1.1152	0.8658
<b>Class S Accumulation</b>				
Group 1	1.0480	–	1.0480	0.8186
Group 2	1.0480	0.0000	1.0480	0.8186
<b>Class Z Accumulation</b>				
Group 1	1.0180	–	1.0180	0.8009
Group 2	0.2979	0.7201	1.0180	0.8009
<b>Class Z Income</b>				
Group 1	1.2179	–	1.2179	0.9237
Group 2	0.6435	0.5744	1.2179	0.9237

**Distribution Tables** (continued)

For the year ended 31 August 2022

**Distribution in pence per share****Third Interim**

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 May 2022

	Net income	Equalisation	Distribution paid 31/07/22	Distribution paid 31/07/21
<b>Class A Income</b>				
Group 1	8.8461	–	8.8461	6.7347
Group 2	2.6438	6.2023	8.8461	6.7347
<b>Class M Accumulation</b>				
Group 1	2.6560	–	2.6560	1.9391
Group 2	0.9881	1.6679	2.6560	1.9391
<b>Class M Income</b>				
Group 1	9.4724	–	9.4724	7.1847
Group 2	3.8591	5.6133	9.4724	7.1847
<b>Class R Accumulation</b>				
Group 1	1.4105	–	1.4105	1.0231
Group 2	0.5185	0.8920	1.4105	1.0231
<b>Class S Accumulation</b>				
Group 1	1.3332	–	1.3332	0.9670
Group 2	1.3332	0.0000	1.3332	0.9670
<b>Class Z Accumulation</b>				
Group 1	1.2954	–	1.2954	0.9450
Group 2	0.5714	0.7240	1.2954	0.9450
<b>Class Z Income</b>				
Group 1	1.4207	–	1.4207	1.0808
Group 2	0.6522	0.7685	1.4207	1.0808

**Distribution Tables** (continued)

For the year ended 31 August 2022

**Distribution in pence per share****Final**

Group 1: Shares purchased prior to 1 June 2022

Group 2: Shares purchased between 1 June 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class A Income</b>				
Group 1	9.7512	–	9.7512	8.0193
Group 2	4.8400	4.9112	9.7512	8.0193
<b>Class M Accumulation</b>				
Group 1	2.9651	–	2.9651	2.3318
Group 2	1.6014	1.3637	2.9651	2.3318
<b>Class M Income</b>				
Group 1	10.4527	–	10.4527	8.5608
Group 2	5.9699	4.4828	10.4527	8.5608
<b>Class R Accumulation</b>				
Group 1	1.5774	–	1.5774	1.2315
Group 2	1.0999	0.4775	1.5774	1.2315
<b>Class S Accumulation</b>				
Group 1	1.4910	–	1.4910	1.1646
Group 2	1.4910	0.0000	1.4910	1.1646
<b>Class Z Accumulation</b>				
Group 1	1.4465	–	1.4465	1.1366
Group 2	0.9060	0.5405	1.4465	1.1366
<b>Class Z Income</b>				
Group 1	1.5673	–	1.5673	1.2878
Group 2	1.0229	0.5444	1.5673	1.2878

# Royal London UK Equity Fund

## Manager's Investment Report

### Fund performance

#### 12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Equity Fund, Class M Accumulation	1.62	11.41	23.13
Royal London UK Equity Fund, Class R Accumulation	2.30	13.58	–
FTSE® All Share Total Return Index	1.01	12.01	17.77

Class R Accumulation launched on 22 November 2018.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The Fund returned 1.62% over the 12 months to 31 August 2022. The Fund 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 and a macroeconomic assessment of where corporates can find the most supportive operating conditions to run a business.

### Market and portfolio commentary

The economic themes that emerged in the second half of 2021, most notably the rise in global inflation has continued into 2022 and has had a significant influence on global stock markets year to date. The explanation for the changing macro environment can be traced back to the onset of the Covid pandemic which influenced economies and stock markets alike. To counter what potentially could have been a very grave economic situation at the onset of the crisis central banks cut interest rates aggressively and flooded economies with liquidity in the spring of 2020 and the worst was avoided. However, by the second half of 2021 it was apparent that the global economy was recovering strongly and as a result inflation started to rise as demand from all quarters picked up whilst the supply channels of the global economy remained fractured as a result of lockdowns. Central Banks, whose job it is to keep inflation under control identified the issues and would normally have started to increase interest rates, but due to significant uncertainty delayed their plan of action until it was clear the recovery was well under way.

So, during the first half of 2022 inflation has continued to rise far higher than had been expected and Central Banks around the world are aggressively increasing interest rates to catch up and history would suggest that periods of tightening such as what we are experiencing currently tend to result in a recession. The deeper concern is that it appears the inflation genie is out of the bottle and as a result we have seen an increase in industrial action as employees seek to obtain improved pay rises. High inflation has the effect of reducing productivity across the economy and deters corporates from making long term investment plans as it creates an uncertain outlook. Central Banks have realised that they are in danger of being left behind and have embarked upon a series of interest rate rises with the most recent being 0.5% to 1.75% and this looks set to continue into the autumn. They are intent on bringing inflation down from the current levels such as 9% in the UK to a more manageable 2% over the next few years, however this will involve some pain as higher rates squeeze consumers and indebted corporates alike.



## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

So far 2022 has been a challenging year for performance of the Fund as our historical bias towards good quality long term growth businesses has been the wrong place to be in the short-term. After a long period of low interest rates and falling inflation, the uptick in inflation favours those companies that are generally regarded as value with limited growth characteristics and more competition in their markets, however they are beneficiaries from a rise in pricing and revenues in the short term. Year to date equity markets across the world have fallen sharply except the UK. At one point in June this year the S&P 500 had fallen greater than 20% year to date which is normally the definition of a bear market. The UK equity market has not fallen as much as others reflecting its cheaper valuation and more commodity exposure which has held up well so far in 2022.

Historically we have positioned the portfolio towards those companies that offer structural growth, high returns on capital, decent barriers to entry with management teams that understand how to generate shareholder value. We still believe that over the long-term companies such as Experian, Croda and Spirax-Sarco Engineering will continue to deliver attractive growth and justify their inclusion in the Fund. However, the rise of inflation has changed the investment horizon and reflecting that we have established larger positions in companies such as BP, Shell and British American Tobacco than we have held for some time. Energy continues to be an attractive place to be currently invested reflecting strength of demand, limited supply and as a result strong cash generation for those companies involved. Tobacco is an industry with obvious limited growth potential as it transitions from combustible products to a less harmful method of delivery, however a valuation that prices very little for future expectations and strong cash generation should see the sector perform well in the current challenging backdrop. Overall, the portfolio is more balanced than it has been for a number of years.

### Investment outlook

In the short-term the outlook remains uncertain as central banks around the world battle to stop the rise of inflation. It is certainly a battle worth fighting as high and stubborn inflation undermines confidence in the corporate world and can be very damaging for consumers. Ultimately if this results in a recession, clearly this is something we do not welcome, but in stock market terms it may well be a price worth paying as high inflation is beneficial for nobody. As a result of this uncertainty, we have broadened the holdings across the Fund to supplement our traditional bias towards growth and quality with a number of more defensive positions. Whilst a recession has a range of difficult outcomes, certain sectors in the UK equity market such as housebuilders and real estate have already fallen a long way discounting the potential slowdown as the market operates as a discounting machine for future prospects. So, whilst the outlook feels uncertain, we continue to invest in excellent companies that should do well going forward whatever the outcome.

**Joe Walters**  
**Fund Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	191.49	150.61	173.67
Return before operating charges*	4.10	42.02	(21.95)
Operating charges	(1.31)	(1.14)	(1.11)
Return after operating charges*	2.79	40.88	(23.06)
Distributions on accumulation shares	(5.48)	(4.60)	(4.10)
Retained distributions on accumulation shares	5.48	4.60	4.10
<b>Closing net asset value per share</b>	<b>194.28</b>	<b>191.49</b>	<b>150.61</b>
* after direct transaction costs of:	0.09	0.08	0.09
<b>Performance</b>			
Return after charges	1.46%	27.14%	(13.28)%
<b>Other information</b>			
Closing net asset value (£'000)	38,883	40,210	34,599
Closing number of shares	20,013,903	20,998,800	22,972,971
Operating charges	0.67%	0.67%	0.67%
Direct transaction costs	0.04%	0.05%	0.06%
<b>Prices<sup>^</sup></b>			
Highest share price	202.30	192.80	188.90
Lowest share price	181.60	142.00	122.90

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	122.03	95.38	109.29
Return before operating charges*	2.62	26.69	(13.87)
Operating charges	(0.05)	(0.04)	(0.04)
Return after operating charges*	2.57	26.65	(13.91)
Distributions on accumulation shares	(4.29)	(3.61)	(3.25)
Retained distributions on accumulation shares	4.29	3.61	3.25
<b>Closing net asset value per share</b>	<b>124.60</b>	<b>122.03</b>	<b>95.38</b>
* after direct transaction costs of:	0.05	0.05	0.06
<b>Performance</b>			
Return after charges	2.11%	27.94%	(12.73)%
<b>Other information</b>			
Closing net asset value (£'000)	653,649	664,104	576,590
Closing number of shares	524,597,882	544,211,878	604,525,389
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.04%	0.05%	0.06%
<b>Prices<sup>^</sup></b>			
Highest share price	129.50	122.90	119.10
Lowest share price	116.10	90.05	77.64

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 97.10% (31/08/21 – 97.34%)</b>			
<b>Oil &amp; Gas – 11.91% (31/08/21 – 6.75%)</b>			
Oil & Gas Producers – 11.91%			
	6,818,046 BP	30,102	4.35
	2,286,709 Shell	52,343	7.56
<b>Total Oil &amp; Gas</b>		<b>82,445</b>	<b>11.91</b>
<b>Basic Materials – 9.03% (31/08/21 – 11.03%)</b>			
Chemicals – 1.89%			
	137,372 Croda International	9,240	1.33
	222,475 Victrex	3,893	0.56
Mining – 7.14%			
	281,609 Anglo American	7,836	1.13
	4,216,758 Glencore	19,958	2.88
	454,350 Rio Tinto	21,677	3.13
<b>Total Basic Materials</b>		<b>62,604</b>	<b>9.03</b>
<b>Industrials – 12.48% (31/08/21 – 17.51%)</b>			
Aerospace & Defence – 1.27%			
	943,076 BAE Systems	7,320	1.06
	1,861,793 Rolls-Royce	1,434	0.21
Construction & Materials – 0.51%			
	110,243 CRH	3,501	0.51
General Industrials – 0.58%			
	1,494,897 Smith (DS)	4,000	0.58
Electronic & Electrical Equipment – 0.79%			
	195,121 Spectris	5,440	0.79
Industrial Engineering – 1.77%			
	3,037,069 Melrose Industries	4,146	0.60
	76,643 Spirax-Sarco Engineering	8,074	1.17
Support Services – 7.56%			
	300,065 Ashtead Group	12,753	1.84
	294,402 Bunzl	8,420	1.22
	305,195 Diploma	7,667	1.11
	525,411 Experian	13,776	1.99
	1,863,591 Rentokil Initial	9,709	1.40
<b>Total Industrials</b>		<b>86,240</b>	<b>12.48</b>
<b>Consumer Goods – 18.98% (31/08/21 – 14.65%)</b>			
Beverages – 4.12%			
	758,151 Diageo	28,537	4.12
Food Producers – 0.43%			
	1,421,504 SSP Group	3,009	0.43
Personal Goods – 5.19%			
	410,362 Burberry	7,173	1.04
	731,983 Unilever	28,734	4.15
Household Goods – 3.65%			
	258,905 Persimmon	3,820	0.55
	265,178 Reckitt Benckiser	17,629	2.55
	493,846 Vistry Group	3,800	0.55
Tobacco – 5.59%			
	732,373 British American Tobacco	25,278	3.65
	713,337 Imperial Brands	13,525	1.94
<b>Total Consumer Goods</b>		<b>131,505</b>	<b>18.98</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Healthcare – 11.14% (31/08/21 – 10.12%)</b>			
Healthcare Equipment & Services – 1.15%			
	1,150,891 Haleon	2,979	0.43
	488,323 Smith & Nephew	4,957	0.72
Pharmaceuticals & Biotechnology – 9.99%			
	485,702 AstraZeneca	51,698	7.46
	139,622 Dechra Pharmaceuticals	4,853	0.70
	920,712 GSK	12,699	1.83
<b>Total Healthcare</b>		<b>77,186</b>	<b>11.14</b>
<b>Consumer Services – 9.33% (31/08/21 – 10.57%)</b>			
Food & Drug Retailers – 1.52%			
	140,328 Ocado	1,017	0.15
	3,812,981 Tesco	9,479	1.37
General Retailers – 1.30%			
	85,689 Next	4,980	0.72
	279,970 WH Smith	4,001	0.58
Media – 2.84%			
	704,116 RELX	15,927	2.30
	503,958 WPP	3,750	0.54
Travel & Leisure – 3.67%			
	929,922 Compass Group	17,287	2.50
	61,000 Intercontinental Hotels	2,862	0.41
	209,668 Whitbread	5,250	0.76
<b>Total Consumer Services</b>		<b>64,553</b>	<b>9.33</b>
<b>Telecommunications – 0.25% (31/08/21 – 0.35%)</b>			
Fixed Line Telecommunications – 0.25%			
	1,134,943 BT Group	1,710	0.25
<b>Total Telecommunications</b>		<b>1,710</b>	<b>0.25</b>
<b>Utilities – 3.96% (31/08/21 – 3.63%)</b>			
Electricity – 1.73%			
	726,181 SSE	11,993	1.73
Gas, Water & Multiutilities – 2.23%			
	504,341 National Grid	5,434	0.78
	416,769 Pennon Group	3,891	0.56
	221,236 Severn Trent	6,159	0.89
<b>Total Utilities</b>		<b>27,477</b>	<b>3.96</b>
<b>Financials – 18.91% (31/08/21 – 21.57%)</b>			
Banks – 7.31%			
	6,296,377 Barclays	10,356	1.49
	4,143,578 HSBC	21,911	3.16
	30,135,618 Lloyds Banking Group	13,224	1.91
	869,034 Standard Chartered	5,197	0.75
Equity Investment Instruments – 0.24%			
	208,703 Scottish Mortgage Investment Trust	1,681	0.24
Financial Services – 5.60%			
	861,499 3i Group	10,467	1.51
	458,198 Close Brothers	4,678	0.68
	87,394 Hargreaves Lansdown	714	0.10
	84,000 Intermediate Capital Group	1,147	0.17
	169,998 London Stock Exchange	13,773	1.99
	1,478,137 Paragon Banking Group	7,938	1.15

**Portfolio Statement** (continued)

As at 31 August 2022

<b>Holding</b>	<b>Investment</b>	<b>Bid-market value (£'000)</b>	<b>Total net assets (%)</b>
<b>Financials – 18.91% (31/08/21 – 21.57%) – continued</b>			
Life Insurance – 2.58%			
746,844	Aviva	3,126	0.45
1,623,432	Legal & General	4,098	0.59
1,191,229	Prudential	10,762	1.54
Real Estate & Investment Services – 0.53%			
388,185	Savills	3,680	0.53
Real Estate Investment Trusts – 2.65%			
795,243	Segro	7,499	1.08
803,015	Shaftesbury	3,310	0.48
715,480	Unite Group	7,520	1.09
<b>Total Financials</b>		<b>131,081</b>	<b>18.91</b>
<b>Technology – 1.11% (31/08/21 – 1.16%)</b>			
Software & Computer Services – 1.11%			
1,073,762	Sage	7,677	1.11
<b>Total Technology</b>		<b>7,677</b>	<b>1.11</b>
<b>Total value of investments</b>		<b>672,478</b>	<b>97.10</b>
<b>Net other assets</b>		<b>20,054</b>	<b>2.90</b>
<b>Total net assets</b>		<b>692,532</b>	<b>100.00</b>

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
British American Tobacco	9,051
Imperial Brands	6,168
Reckitt Benckiser	5,484
Unilever	5,373
BP	3,615
Shell 'B'	3,611
Glencore	3,604
London Stock Exchange	3,330
SSE	3,131
AstraZeneca	2,998
<b>Subtotal</b>	<b>46,365</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>55,852</b>

### Significant Sales

	Proceeds £'000
BHP Group	15,668
Ferguson Newco	9,738
Informa	5,507
Ultra Electronics	4,239
Standard Life Aberdeen	3,839
WPP	1,513
Aviva	1,087
Glencore	1,076
Ashtead Group	1,033
Shell	986
<b>Subtotal</b>	<b>44,686</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>59,364</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(9,569)	145,269
Revenue	3	24,425	22,761
Expenses	4	(533)	(508)
Net revenue before taxation		23,892	22,253
Taxation	5	(31)	(45)
Net revenue after taxation		23,861	22,208
Total return before distributions		14,292	167,477
Distributions	6	(23,861)	(22,208)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(9,569)</b>	<b>145,269</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		672,478	685,558
<b>Current assets:</b>			
Debtors	7	5,687	6,565
Cash and bank balances	8	14,441	12,286
<b>Total assets</b>		<b>692,606</b>	<b>704,409</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	74	95
<b>Total liabilities</b>		<b>74</b>	<b>95</b>
<b>Net assets attributable to shareholders</b>		<b>692,532</b>	<b>704,314</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>704,314</b>	<b>611,189</b>
Amounts receivable on creation of shares	1,549	9,870
Amounts payable on cancellation of shares	(27,396)	(83,501)
	(25,847)	(73,631)
Dilution adjustment charged	–	108
Change in net assets attributable to shareholders from investment activities	(9,569)	145,269
Retained distribution on accumulation shares	23,634	21,379
<b>Closing net assets attributable to shareholders</b>	<b>692,532</b>	<b>704,314</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(9,569)	145,271
Currency losses	–	(2)
<b>Net capital (losses)/gains</b>	<b>(9,569)</b>	<b>145,269</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	23,411	21,850
Overseas dividends	575	725
Property investment income (PID)	355	158
Bank interest	56	–
Stock lending income	28	28
<b>Total revenue</b>	<b>24,425</b>	<b>22,761</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	533	508
<b>Total expenses</b>	<b>533</b>	<b>508</b>

\* Audit fee £13,340 (31/08/21: £11,078) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	6	16
Reclaimable tax written off	25	29
<b>Current tax charge for the year</b>	<b>31</b>	<b>45</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	23,892	22,253
Corporation tax at 20% (31/08/21: 20%)	4,778	4,451

Effects of:

Revenue not subject to taxation	(4,797)	(4,515)
Current year expenses not utilised	19	64
Irrecoverable overseas tax	6	16
Reclaimable tax written off	25	29
<b>Current tax charge for the year</b>	<b>31</b>	<b>45</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £30,096,000 (31/08/21: £30,077,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	7,607	7,050
Final	16,027	14,329
	23,634	21,379
Add: Amounts deducted on cancellation of shares	237	893
Deduct: Amounts received on the creation of shares	(10)	(64)
<b>Net distributions for the year</b>	<b>23,861</b>	<b>22,208</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	23,861	22,208
<b>Net distributions for the year</b>	<b>23,861</b>	<b>22,208</b>

Details of the distribution per share are set out on page 155.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Sales awaiting settlement	–	517
Accrued revenue	5,671	6,017
Overseas withholding tax recoverable	16	31
<b>Total debtors</b>	<b>5,687</b>	<b>6,565</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	14,441	12,286
<b>Total cash and bank balances</b>	<b>14,441</b>	<b>12,286</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	28	49
Accrued expenses	46	46
<b>Total other creditors</b>	<b>74</b>	<b>95</b>

### 10. Reconciliation of number of shares

	Class M Accumulation	Class R Accumulation
Opening shares at 01/09/21	20,998,800	544,211,878
Shares issued	686,091	165,973
Shares cancelled	(1,670,988)	(19,779,969)
<b>Closing shares at 31/08/22</b>	<b>20,013,903</b>	<b>524,597,882</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £74,000 (31/08/21: £95,000).

At the year end, 31 August 2022, 96.33% (31/08/21: 96.28%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £7,000 (Gross: £35,000) (31/08/21: £7,000 (Gross: £35,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £27,890,000 (31/08/21: £33,102,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	9,747	13,834
Bonds	19,690	21,307

The aggregate value of collateral held at the balance sheet date was £29,437,000 (31/08/21: £35,141,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Barclays Capital Securities, Banco Santander, Goldman Sachs International, HSBC Bank, Morgan Stanley & Co International and Natixis.

### 14. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 149. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A small proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	690,784	702,940
Euro	1	25
US dollar	1,747	1,349
<b>Total</b>	<b>692,532</b>	<b>704,314</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £175,000 (31/08/21: £137,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £175,000 (31/08/21: £137,000). 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 Fund would have increased by £67,248,000 (31/08/21: £68,556,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £67,248,000 (31/08/21: £68,556,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £14,441,000 (31/08/21: £12,286,000) which earn interest by reference to SONIA or international equivalent. This equates to 2.09% of the current Net Asset Value and 1.74% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	55,566	30	0.05	189	0.34	67	0.12	55,852
<b>Total</b>	<b>55,566</b>	<b>30</b>		<b>189</b>		<b>67</b>		<b>55,852</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	57,698	21	0.04	–	–	–	–	57,677
Corporate actions	1,687	–	–	–	–	–	–	1,687
<b>Total</b>	<b>59,385</b>	<b>21</b>		<b>–</b>		<b>–</b>		<b>59,364</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.02%
Other expenses	0.01%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	58,832	26	0.04	214	0.36	42	0.07	59,114
Corporate actions	1,840	–	–	–	–	–	–	1,840
<b>Total</b>	<b>60,672</b>	<b>26</b>		<b>214</b>		<b>42</b>		<b>60,954</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	114,226	25	0.02	–	–	–	–	114,201
Corporate actions	673	–	–	–	–	–	–	673
<b>Total</b>	<b>114,899</b>	<b>25</b>		<b>–</b>		<b>–</b>		<b>114,874</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.03%
Other expenses	0.01%

At the balance sheet date the portfolio dealing spread was 0.04% (31/08/21: 0.05%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	672,478	–	–	672,478
<b>Total</b>	<b>672,478</b>	<b>–</b>	<b>–</b>	<b>672,478</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	685,558	–	–	685,558
<b>Total</b>	<b>685,558</b>	<b>–</b>	<b>–</b>	<b>685,558</b>

### 17. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £720,082,214. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 3.95%.

There have been no significant redemptions during this period.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class M Accumulation</b>				
Group 1	1.5607	–	1.5607	1.2459
Group 2	0.7115	0.8492	1.5607	1.2459
<b>Class R Accumulation</b>				
Group 1	1.3877	–	1.3877	1.1064
Group 2	0.7374	0.6503	1.3877	1.1064

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class M Accumulation</b>				
Group 1	3.9169	–	3.9169	3.3571
Group 2	2.1644	1.7525	3.9169	3.3571
<b>Class R Accumulation</b>				
Group 1	2.9057	–	2.9057	2.5034
Group 2	1.4786	1.4271	2.9057	2.5034

# Royal London UK Smaller Companies Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London UK Smaller Companies Fund, Class M Accumulation	-31.84	11.00	15.85
Royal London UK Smaller Companies Fund, Class N Accumulation	-31.77	–	–
Royal London UK Smaller Companies Fund, Class R Accumulation	-31.31	13.51	–
FTSE® Small Cap ex Investment Trust Total Return GBP	-19.57	27.98	16.70

Class R Accumulation launched on 27 September 2018 and Class N Accumulation launched on 20 March 2020.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

Over the last twelve months to the end of August the Fund has underperformed its benchmark (the FTSE® Smaller Companies ex-Investment Trust Index) in a market environment that has not favoured small and mid cap equities in general vs their larger cap peers. The Fund's underperformance relative to its benchmark was due to both sector allocation and stock selection, but the style rotation from Growth to Value has been the major cause. In this respect, the Fund's overweight in Technology and underweight in Energy and Real Estate has detracted from performance at the sector level.

### Market and portfolio commentary

Macroeconomic and geopolitical newsflow have dominated headlines and driven stock market direction in 2022. After a strong year for equity returns in 2021, 2022 has been significantly more challenging and particularly in small and mid cap equities.

Inflation has soared above 10% as demand recovered strongly and supply chains have remained tight and disrupted post Covid (particularly in China). War has broken out between Russia and the Ukraine, leading to a material spike in the cost of energy and the prospect of fuel rationing. As price levels have escalated for different goods and services throughout the economy, there is an understandable concern for the pressures being heaped on the UK consumer and their ability to withstand this 'cost of living crisis'. Those corporates with pricing power have managed to push price rises onto their customers and grow revenues but ultimately there is a risk to demand and volumes should these price levels be sustained.

UK Interest rates and bond yields have soared in response to this rise in inflation and the ten year gilt yield is now over 3%, having been just 7% twelve months ago. Not only have rising yields put pressure on equity market valuations, as investors have applied higher discount rates to future cashflows but they are also responsible for a material rise in the cost of debt for corporates and consumers, after an extraordinarily long period of declining rates. The strength of a company's balance sheet and healthy free cashflow generation are likely to be defining features of those companies that survive this turmoil.

Market participants have been coming to terms with the sobering reality of slowing growth and the prospect of recession. In response, the small cap market has declined more than 20% over this period, eating into its long term historic track record of outperforming its larger peers. At this moment in time, valuations would seem compelling, with UK equities trading back on single digit 12 month forward P/Es (Eikon consensus data). This has historically been a decent buy signal on a 12, 24 and 60 month view (Berenberg data, September, 2022). The fact that Sterling has also suffered a substantial decline has left the UK market (and in particular mid and small cap equities) looking particularly attractive to foreign buyers, from a merger and acquisition perspective.

## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

In previous reports, we alluded to the secular attractions of the technology sector and the fact that Covid has accelerated corporate spend on IT software, infrastructure, security and cloud. Fund holdings such as Bytes (IT software reseller), Gb Group (ID verification) and Kin & Carta (digital transformation services) have been just some of the beneficiaries of this theme. However, despite this, the stock price performance of the FTSE® Smaller Companies Technology sector in 2022 has in fact been disappointing (-33.54%). Some of this can be attributed to the 'growth stocks sell off' referred to above but some of the performance can be explained by the risk to margins and thus profits from elevated labour costs, in particular IT engineers (where wage inflation has been over 10% in certain geographies). Higher input costs, together with the potential for a pause in IT spend in a weaker economic environment have left many of these companies looking vulnerable to bid approaches. Indeed, some commentators have referred to the current phenomenon as the 'UK Tech Raid' as companies such as GB Group (Fund holding), Microfocus, Ideagen, Aveva and Euromoney amongst others on the market, have been bid for.

While so far, not all of these have completed, it is surely an indication that there remains attractive value on offer in this sector on a long term view (our investment horizon). The reason why we remain overweight the sector is because such companies are exposed to structural growth, can scale on low levels of capital, have high levels of recurring revenues and offer an innovative product or service. In the case of GB Group, one of the biggest detractors in the period from a stock perspective (before the potential bid), their global ID verification technology was a particularly attractive, fast growing and unique asset in a world of increasing penetration of ecommerce and online ID checks by the Financial Services sector amongst others.

As mentioned above, inflation and all its implications was a significant factor that drove market returns. One of the traits of small and mid cap companies (vs larger companies) is that they are often nimble and dynamic enough to offset such headwinds or evolve to avoid them. A key part of our investment process involves meeting companies face to face and during the period under review we spent significant time discussing their strategies for dealing with labour, transport and energy cost inflation in particular. For some, such as Porvair, this involved automation to take labour out of the filter production process. Others were able to rationalise their cost

base by consolidating their real estate footprint (e.g Restore, the document management company). Kin & Carta have increasingly used near shoring (to Europe) to reduce the cost of hiring IT engineers in the high labour cost geographies such as the US. Other companies, such as Marshalls, the specialist provider of commercial and residential landscaping services, have been able to pass higher input costs on in the form of higher prices – their market share and the quality of their product/service has been the cornerstone of this 'pricing power'.

The Fund avoids investing directly in commodity producing companies due to the capital intensity of growth, highly volatile earnings, lack of product differentiation or pricing power, and often poor corporate governance which comes along with often operating in higher risk jurisdictions. Therefore the Fund owns no miners and only one North Sea gas producer, Serica. Commodities are traditionally beneficiaries of inflation and so the sector underweight position in the Fund has been a detractor to performance over the period from a sector perspective. However, Serica has been one of the Funds biggest contributors from a stock perspective. Even after its meteoric rise the stock sits on less than 1x EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) and has a free cashflow yield of nearly 50% at current gas prices. The company should end the year with c. half its market capitalization in cash after producing c. 27.5 Mboe/d in 2022. The strength of their balance sheet (c. £500m net cash) leaves them well placed to participate in any future merger and acquisition activity.

While the invasion of the Ukraine by Russia has contributed to an 'energy crisis' it has also resulted in a tectonic shift in the geopolitical landscape and national commitments to defense spending. For example, Germany has pledged to spend 2% of GDP on its military and Sweden and Finland are on a journey towards NATO membership. Chemring, the provider of countermeasures and sensors and security solutions is likely to be a beneficiary and has been another strong relative performer this year. It is one of the last remaining defence companies on the market after a spate of acquisitions in recent years and has strategic value, with a market leading position in countermeasures (and the most well invested and efficient manufacturing facilities) and an attractive pipeline of contract opportunities in the UK and US in its cyber security business, Roke. The management are experienced (the CFO was part of the highly successful Avon Protection restructuring) and the balance sheet has plenty of capacity (over £185m) to absorb earnings accretive acquisitions. Free cash flow should also now improve as the major upgrades to facilities are largely complete.

## Manager's Investment Report (continued)

### Activity

New holdings in the period have included Videndum and Tatton Asset Management. Videndum designs and manufactures photographic and imaging equipment and has undergone a transformation in its business over recent years. It has increased exposure to professional end markets that are in structural growth with a proliferation of 40m plus vloggers, gamers and studio content creators across multiple platforms. Its unique technology around live 4k streaming is driving revenue growth and some sensible acquisitions e.g Audix has opened up a new addressable market in audio. Indeed, as a sign of their product vitality, c. 50% of their revenues are generated from products less than 3 years old. There is a material scope to improve margins due to its competitive position, pricing power, efficiency improvements and increasing online distribution.

Tatton Asset Management offers managed portfolio services and has grown rapidly to over £11bn Assets Under Management. The product is a market leader on fees at 15bps. It has strong relationships with advisors and strategic partners like Tenet and a lean platform that has allowed it to achieve operating margins of over 50%. The business is very cash generative, capital light and addresses a significant area of demand in the advisory space. The management team have the heritage and credibility to grow further towards its medium term targets of £15bn AUM, both organically, through developing further relationships, and inorganically, through bolt on acquisitions.

These were funded through the sale of Marlowe, following concerns about the spate and quality of its most recent acquisitions, Microlise, due to an extreme valuation and risks around their ability to manage potential supply chain disruption, and Tinybuild, due to valuation, concerns over their acquisition strategy and an overambitious release schedule. In addition, the Fund trimmed positions in Inspec, Alpha FMC and Serica which breached the Fund's 3% position size limit following strong performance.

### Investment outlook

Investors are rightly concerned about the impact that input cost inflation and rising interest rates will have on consumer spending, corporate profitability and economic growth. This year has seen significant market volatility and a general valuation derating across the market capitalization spectrum to account for this uncertainty.

We take encouragement from three features of the UK market; the first is that on the whole corporate balance sheets are generally in very robust health following actions taken during the pandemic (in contrast to previous pre recession periods). This provides ultimate downside protection in the event of conditions worsening and provides flexibility for management teams to invest in projects to increase efficiency and offset cost inflation, or possibly to acquire less well-funded competitors.

Secondly, the unemployment rate of 3.8% has rarely been lower in decades and the economy has continued to create jobs over the Summer (Office for National Statistics, 2022). It is unusual to be approaching a recession with full national employment.

Finally, the market drawdown has left our investment universe looking attractive from a valuation perspective. Not only do relative strength and market breadth signals indicate that the UK market is looking oversold but UK equities are now trading back on single-digit 12 month P/Es. Furthermore, despite the increase in bond yields, the equity earnings yield (the return for investing in equities) has maintained its significant premium to fixed income yields (the return for investing in bonds) as equities have derated so significantly. This has contributed to the buoyant merger and acquisition environment.

For investors with a long term horizon, this is an exciting opportunity to revisit the small and mid cap universe. However, over the short term, perceived and actual risk to earnings delivery will be an important factor determining equity returns.

**Henry Lowson**  
**Fund Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.



## Comparative Tables

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	369.96	243.16	227.83
Return before operating charges*	(116.10)	129.17	17.18
Operating charges	(2.37)	(2.37)	(1.85)
Return after operating charges*	(118.47)	126.80	15.33
Distributions on accumulation shares	(2.72)	(0.98)	(0.70)
Retained distributions on accumulation shares	2.72	0.98	0.70
<b>Closing net asset value per share</b>	<b>251.49</b>	<b>369.96</b>	<b>243.16</b>
* after direct transaction costs of:	0.18	0.21	0.17
<b>Performance</b>			
Return after charges	(32.02)%	52.15%	6.73%
<b>Other information</b>			
Closing net asset value (£'000)	19,905	14,162	5,561
Closing number of shares	7,914,592	3,827,994	2,286,886
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.06%	0.07%	0.07%
<b>Prices<sup>^</sup></b>			
Highest share price	378.40	373.10	279.90
Lowest share price	254.30	236.30	173.60

### Class N Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/8/20** (p)
Opening net asset value per share	200.97	131.98	100.00
Return before operating charges*	(63.05)	70.11	32.36
Operating charges	(1.20)	(1.12)	(0.38)
Return after operating charges*	(64.25)	68.99	31.98
Distributions on accumulation shares	(1.60)	(0.64)	–
Retained distributions on accumulation shares	1.60	0.64	–
<b>Closing net asset value per share</b>	<b>136.72</b>	<b>200.97</b>	<b>131.98</b>
* after direct transaction costs of:	0.10	0.11	0.08
<b>Performance</b>			
Return after charges	(31.97)%	52.27%	31.98%
<b>Other information</b>			
Closing net asset value (£'000)	4	7	6
Closing number of shares	3,327	3,327	5,000
Operating charges	0.70%	0.70%	0.70%
Direct transaction costs	0.06%	0.07%	0.07%
<b>Prices<sup>^</sup></b>			
Highest share price	205.50	202.70	133.20
Lowest share price	138.30	128.30	95.55

\*\* Class N Accumulation launched on 20 March 2020.

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	158.67	103.53	96.29
Return before operating charges*	(49.97)	55.19	7.28
Operating charges	(0.05)	(0.05)	(0.04)
Return after operating charges*	(50.02)	55.14	7.24
Distributions on accumulation shares	(2.16)	(1.36)	(1.01)
Retained distributions on accumulation shares	2.16	1.36	1.01
<b>Closing net asset value per share</b>	<b>108.65</b>	<b>158.67</b>	<b>103.53</b>
* after direct transaction costs of:	0.08	0.09	0.07
<b>Performance</b>			
Return after charges	(31.52)%	53.26%	7.52%
<b>Other information</b>			
Closing net asset value (£'000)	292,670	435,780	289,473
Closing number of shares	269,359,159	274,647,875	279,604,984
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.06%	0.07%	0.07%
<b>Prices<sup>^</sup></b>			
Highest share price	162.30	160.00	118.70
Lowest share price	109.90	100.70	73.66

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.



## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 96.88% (31/08/21 – 98.07%)</b>			
<b>Oil &amp; Gas – 4.42% (31/08/21 – 2.25%)</b>			
Alternative Energy – 1.67%			
1,000,000	Porvair	5,220	1.67
Oil & Gas Producers – 2.75%			
2,300,000	Serica Energy	8,591	2.75
<b>Total Oil &amp; Gas</b>		<b>13,811</b>	<b>4.42</b>
<b>Basic Materials – 1.64% (31/08/21 – 2.33%)</b>			
Chemicals – 1.64%			
987,500	Trealtt	5,115	1.64
<b>Total Basic Materials</b>		<b>5,115</b>	<b>1.64</b>
<b>Industrials – 25.72% (31/08/21 – 27.08%)</b>			
Aerospace & Defence – 2.30%			
2,300,000	Chemring	7,199	2.30
Construction & Materials – 4.29%			
2,979,571	Eurocell	4,618	1.48
675,000	Marshalls	2,253	0.72
595,000	Renew Holdings	3,826	1.22
1,544,624	Stelrad Group	2,703	0.87
Electronic & Electrical Equipment – 3.92%			
380,000	Gooch & Housego	2,295	0.73
395,000	Oxford Instruments	7,900	2.53
105,000	XP Power	2,050	0.66
General Industrials – 1.43%			
320,000	Videndum	4,480	1.43
Industrial Engineering – 1.22%			
365,000	Hill & Smith	3,803	1.22
Industrial Transportation – 0.46%			
416,409	Fisher (James) & Sons	1,424	0.46
Support Services – 12.10%			
5,250,000	Boku	4,883	1.56
756,568	discoverIE Group	5,977	1.91
2,660,000	Johnson Service Group	2,540	0.81
2,875,000	Kin and Carta	5,894	1.89
1,041,915	Restore	4,480	1.43
700,000	Ricardo	3,234	1.04
700,000	Robert Walters	3,542	1.13
875,000	RWS Holdings	3,012	0.96
10,500,000	Speedy Hire	4,273	1.37
<b>Total Industrials</b>		<b>80,386</b>	<b>25.72</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Consumer Goods – 7.59% (31/08/21 – 10.73%)</b>			
Food Producers – 3.43%			
175,000	Cranswick	5,394	1.73
550,000	Hilton Food	5,324	1.70
Household Goods – 0.61%			
159,038	Churchill China	1,908	0.61
Leisure Goods – 1.55%			
590,666	Focusrite	4,843	1.55
Personal Goods – 2.00%			
3,350,000	Inspects Group	6,265	2.00
<b>Total Consumer Goods</b>		<b>23,734</b>	<b>7.59</b>
<b>Healthcare – 9.30% (31/08/21 – 9.54%)</b>			
Healthcare Equipment & Services – 4.79%			
2,700,000	Advanced Medical Solutions	8,114	2.60
4,450,000	Medica Group	6,853	2.19
Pharmaceuticals & Biotechnology – 4.51%			
765,000	Ergomed	8,568	2.74
220,000	Genus	5,531	1.77
<b>Total Healthcare</b>		<b>29,066</b>	<b>9.30</b>
<b>Consumer Services – 14.77% (31/08/21 – 16.88%)</b>			
General Retailers – 6.56%			
2,325,000	Alpha Financial Markets	9,533	3.05
3,600,000	City Pub Group	2,232	0.71
2,577,605	Halfords	3,366	1.08
911,000	Keystone Law Group	5,375	1.72
Media – 3.49%			
2,131,579	Reach	1,575	0.50
1,275,000	STV	3,468	1.11
592,858	YouGov	5,869	1.88
Travel & Leisure – 4.72%			
515,000	Fuller Smith & Turner	2,894	0.93
2,280,052	Gym Group	3,292	1.05
3,700,000	Hollywood Bowl	6,364	2.04
1,125,000	Patisserie Holdings*	–	–
5,350,000	Restaurant Group	2,191	0.70
<b>Total Consumer Services</b>		<b>46,159</b>	<b>14.77</b>
<b>Financials – 11.23% (31/08/21 – 8.15%)</b>			
Financial Services – 9.00%			
1,850,000	AJ Bell	5,435	1.74
408,571	Liontrust Asset Management	3,738	1.20
625,658	Mattioli Woods	4,129	1.32
579,898	Mortgage Advice Bureau	5,393	1.72
1,175,000	OSB Group	6,457	2.07
775,000	Tatton Asset Management	2,984	0.95
Real Estate Investment Trusts – 2.23%			
4,500,000	Warehouse REIT	6,957	2.23
<b>Total Financials</b>		<b>35,093</b>	<b>11.23</b>

**Portfolio Statement** (continued)

As at 31 August 2022

<b>Holding</b>	<b>Investment</b>	<b>Bid-market value (£'000)</b>	<b>Total net assets (%)</b>
<b>Technology – 22.21% (31/08/21 – 21.11%)</b>			
Software & Computer Services – 20.41%			
1,673,955	Access Intelligence	1,640	0.53
3,225,000	Alfa Financial Software	5,531	1.77
850,000	Aptitude Software	3,383	1.08
750,000	Auction Technology	6,165	1.97
1,027,980	Big Technologies	2,375	0.76
1,300,000	Bytes Technology Group	5,418	1.73
500,000	Cerillion	4,450	1.42
345,000	Craneware	5,382	1.72
590,000	Dianomi	885	0.28
1,550,000	GB	6,929	2.22
635,000	GlobalData	7,049	2.26
1,987,381	Learning Technologies	2,262	0.72
1,550,000	Team17 Group	5,890	1.88
660,000	Tracsis	6,468	2.07
Technology Hardware & Equipment – 1.80%			
520,834	Gamma Communications	5,625	1.80
<b>Total Technology</b>		<b>69,452</b>	<b>22.21</b>
<b>Total value of investments</b>		<b>302,816</b>	<b>96.88</b>
<b>Net other assets</b>		<b>9,763</b>	<b>3.12</b>
<b>Total net assets</b>		<b>312,579</b>	<b>100.00</b>

\* Unlisted, nil value

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Hotel Chocolat Group Ltd	5,773
Videndum	4,181
Tatton Asset Management	3,566
AJ Bell	3,481
Stelrad Group	3,321
GB	2,914
Big Technologies	2,780
Medica Group	2,616
Auction Technology	2,584
Restaurant Group	1,954
<b>Subtotal</b>	<b>33,170</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>63,871</b>

### Significant Sales

	Proceeds £'000
Marlowe	8,184
Kin and Carta	5,388
Clinigen	4,281
Serica Energy	3,673
Dechra Pharmaceuticals	3,547
Microlise Group	2,963
discoverIE Group	2,910
TinyBuild	2,552
Avon Protection	2,514
Alpha Financial Markets	2,313
<b>Subtotal</b>	<b>38,325</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>53,288</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(149,037)	153,291
Revenue	3	6,331	4,015
Expenses	4	(285)	(212)
Net revenue before taxation		6,046	3,803
Taxation	5	–	–
Net revenue after taxation		6,046	3,803
Total (deficit)/return before distributions		(142,991)	157,094
Distributions	6	(6,046)	(3,803)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(149,037)</b>	<b>153,291</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		302,816	441,270
<b>Current assets:</b>			
Debtors	7	769	1,768
Cash and bank balances	8	9,032	7,157
<b>Total assets</b>		<b>312,617</b>	<b>450,195</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	38	246
<b>Total liabilities</b>		<b>38</b>	<b>246</b>
<b>Net assets attributable to shareholders</b>		<b>312,579</b>	<b>449,949</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>449,949</b>	<b>295,040</b>
Amounts receivable on creation of shares	27,670	15,983
Amounts payable on cancellation of shares	(22,099)	(18,161)
	5,571	(2,178)
Dilution adjustment charged	55	10
Change in net assets attributable to shareholders from investment activities	(149,037)	153,291
Retained distribution on accumulation shares	6,041	3,786
<b>Closing net assets attributable to shareholders</b>	<b>312,579</b>	<b>449,949</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(149,037)	153,291
<b>Net capital (losses)/gains</b>	<b>(149,037)</b>	<b>153,291</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	5,902	3,610
Overseas dividends	95	204
Property investment income (PID)	290	201
Bank interest	44	–
<b>Total revenue</b>	<b>6,331</b>	<b>4,015</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	285	212
<b>Total expenses</b>	<b>285</b>	<b>212</b>

\* Audit fee £13,340 (31/08/21: £11,078) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Corporation tax	–	–
<b>Current tax charge for the year</b>	<b>–</b>	<b>–</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	6,046	3,803
Corporation tax at 20% (31/08/21: 20%)	1,209	761
Effects of:		
Revenue not subject to taxation	(1,200)	(763)
Current year management expenses not utilised	(9)	2
<b>Current tax charge for the year</b>	<b>–</b>	<b>–</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £3,876,000 (31/08/21: £3,885,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	2,153	1,420
Final	3,888	2,366
	6,041	3,786
Add: Amounts deducted on cancellation of shares	89	45
Deduct: Amounts received on the creation of shares	(84)	(28)
<b>Net distributions for the year</b>	<b>6,046</b>	<b>3,803</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	6,046	3,803
<b>Net distributions for the year</b>	<b>6,046</b>	<b>3,803</b>

Details of the distribution per share are set out on page 169.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	73	236
Sales awaiting settlement	–	1,005
Accrued revenue	696	527
<b>Total debtors</b>	<b>769</b>	<b>1,768</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	9,032	7,157
<b>Total cash and bank balances</b>	<b>9,032</b>	<b>7,157</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	14	–
Purchases awaiting settlement	–	223
Accrued expenses	24	23
<b>Total other creditors</b>	<b>38</b>	<b>246</b>

### 10. Reconciliation of number of shares

	Class M Accumulation	Class N Accumulation
Opening shares at 01/09/21	3,827,994	3,327
Shares issued	5,270,311	–
Shares cancelled	(1,183,713)	–
<b>Closing shares at 31/08/22</b>	<b>7,914,592</b>	<b>3,327</b>

	Class R Accumulation
Opening shares at 01/09/21	274,647,875
Shares issued	8,023,355
Shares cancelled	(13,312,071)
<b>Closing shares at 31/08/22</b>	<b>269,359,159</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due from Royal London Unit Trust Managers Limited in respect of these transactions was £35,000 (31/08/21: £213,000).

At the year end, 31 August 2022, 97.14% (31/08/21: 98.62%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 13. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 163. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

As most of the assets of the Fund are sterling denominated, exposure to foreign currency exchange risk is considered insignificant therefore, no currency sensitivity has been disclosed in these financial statements.

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £30,282,000 (31/08/21: £44,127,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £30,282,000 (31/08/21: £44,127,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £9,032,000 (31/08/21: £7,157,000) which earn interest by reference to SONIA or international equivalent. This equates to 2.89% of the current Net Asset Value and 1.59% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 14. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	63,677	38	0.06	148	0.23	8	0.01	63,871
<b>Total</b>	<b>63,677</b>	<b>38</b>		<b>148</b>		<b>8</b>		<b>63,871</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	53,323	35	0.07	–	–	–	–	53,288
<b>Total</b>	<b>53,323</b>	<b>35</b>		<b>–</b>		<b>–</b>		<b>53,288</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.04%
Other expenses	0.00%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	82,243	31	0.04	167	0.20	–	–	82,441
<b>Total</b>	<b>82,243</b>	<b>31</b>		<b>167</b>		<b>–</b>		<b>82,441</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	84,306	47	0.06	–	–	–	–	84,259
<b>Total</b>	<b>84,306</b>	<b>47</b>		<b>–</b>		<b>–</b>		<b>84,259</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.05%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 1.67% (31/08/21: 1.56%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	302,816	–	–	302,816
<b>Total</b>	<b>302,816</b>	<b>–</b>	<b>–</b>	<b>302,816</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	441,270	–	–	441,270
<b>Total</b>	<b>441,270</b>	<b>–</b>	<b>–</b>	<b>441,270</b>

### 16. Events after the balance sheet date

October 2022 – a new Prospectus was issued. The minimum investment for Class N was decreased from £15 million to £5 million.

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £315,660,361. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was (0.12)%.

There have been no significant redemptions during this period.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class M Accumulation</b>				
Group 1	0.5512	–	0.5512	0.2248
Group 2	0.0000	0.5512	0.5512	0.2248
<b>Class N Accumulation</b>				
Group 1	0.3673	–	0.3673	0.1704
Group 2	0.3673	0.0000	0.3673	0.1704
<b>Class R Accumulation</b>				
Group 1	0.7811	–	0.7811	0.5077
Group 2	0.2044	0.5767	0.7811	0.5077

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class M Accumulation</b>				
Group 1	2.1680	–	2.1680	0.7532
Group 2	1.2052	0.9628	2.1680	0.7532
<b>Class N Accumulation</b>				
Group 1	1.2303	–	1.2303	0.4716
Group 2	1.2303	0.0000	1.2303	0.4716
<b>Class R Accumulation</b>				
Group 1	1.3796	–	1.3796	0.8509
Group 2	0.8347	0.5449	1.3796	0.8509

# Royal London Asia Pacific ex Japan Tilt Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year return %	3 year return %	5 year return %
Royal London Asia Pacific ex Japan Tilt Fund, Class P Accumulation (Total return)	-3.09	27.29	-
Royal London Asia Pacific ex Japan Tilt Fund, Class R Accumulation (Total return)	-2.95	27.89	-
Royal London Asia Pacific ex Japan Tilt Fund, Class S Accumulation (Total return)	-3.01	27.70	-
Royal London Asia Pacific ex Japan Tilt Fund, Class Z Accumulation (Total return)	-3.09	27.12	34.05
FTSE® Asia Pacific ex Japan Index (Capital return)	-2.01	22.40	21.08

Class R Accumulation launched on 27 September 2018, Class S Accumulation launched on 23 April 2019 and Class P Accumulation launched on 14 May 2019.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com). The tracking error shown in the performance overview below is calculated using the unofficial end of day Fund price to align with the official end of day benchmark price.

### Performance overview

Investors should note that the Fund price is taken at noon each day, while the index performance is recorded at the close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons. The Fund has previously compared against the price index, which doesn't include income, but from Aug 2021 onwards now includes the income which is a closer comparison to the Fund, however the Fund suffers tax on the income whereas the index figures do not.

The tracking error between the Royal London Asia Pacific ex Japan Tilt Fund and the FTSE® World Asia Pacific ex Japan Index was 0.38% over the period under review. The Fund will invest at least 70% of its assets in shares of companies that belong to the Index. The Fund's manager, however, will typically invest around 80% of the Fund's asset in companies that belong to the Index.

### Market and portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG and climate 'tilted' funds. The objective of our passive funds was to simply track an index provided by a third party. We used an optimiser to help construct the portfolio, but the factors we used were mostly based on the market capitalisation of the companies in the index as we tried to replicate the capital return of the benchmark.

Our updated investment process continues to deliver a risk and return profile similar to the index, but it now incorporates ESG and climate-related investment criteria, and introduced the ability to 'tilt' the funds towards or against these factors. The Fund's performance target is to deliver the performance, after the deduction of charges, of the FTSE® World Asia Pacific ex Japan Index over rolling 3-year periods. The Fund will seek to achieve carbon intensity of at least 30% lower than that of the Index whilst also considering a company's ability and willingness to transition and contribute to a lower carbon economy.

**Michael Sprot**  
Fund Manager  
Royal London Asset Management  
31 August 2022

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class P Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	137.89	106.70	105.60
Return before operating charges*	(2.46)	31.50	1.35
Operating charges	(0.32)	(0.31)	(0.25)
Return after operating charges*	(2.78)	31.19	1.10
Distributions on accumulation shares	(4.05)	(3.02)	(2.76)
Retained distributions on accumulation shares	4.05	3.02	2.76
<b>Closing net asset value per share</b>	<b>135.11</b>	<b>137.89</b>	<b>106.70</b>
* after direct transaction costs of:	0.02	0.03	0.01
<b>Performance</b>			
Return after charges	(2.02)%	29.23%	1.04%
<b>Other information</b>			
Closing net asset value (£'000)	5	5	5
Closing number of shares	3,564	3,564	5,000
Operating charges	0.24%	0.24%	0.24%
Direct transaction costs	0.01%	0.02%	0.01%
<b>Prices<sup>^</sup></b>			
Highest share price	140.90	140.30	114.00
Lowest share price	124.60	105.70	81.74

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	134.47	103.88	102.64
Return before operating charges*	(2.39)	30.68	1.31
Operating charges	(0.10)	(0.09)	(0.07)
Return after operating charges*	(2.49)	30.59	1.24
Distributions on accumulation shares	(4.17)	(3.15)	(2.87)
Retained distributions on accumulation shares	4.17	3.15	2.87
<b>Closing net asset value per share</b>	<b>131.98</b>	<b>134.47</b>	<b>103.88</b>
* after direct transaction costs of:	0.02	0.03	0.01
<b>Performance</b>			
Return after charges	(1.85)%	29.45%	1.21%
<b>Other information</b>			
Closing net asset value (£'000)	1,220,963	1,248,969	977,896
Closing number of shares	925,104,466	928,794,214	941,358,543
Operating charges	0.07%	0.07%	0.07%
Direct transaction costs	0.01%	0.02%	0.01%
<b>Prices<sup>^</sup></b>			
Highest share price	137.50	136.80	110.90
Lowest share price	121.60	102.90	79.52

### Class S Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	131.90	101.93	100.73
Return before operating charges*	(2.36)	30.09	1.30
Operating charges	(0.13)	(0.12)	(0.10)
Return after operating charges*	(2.49)	29.97	1.20
Distributions on accumulation shares	(4.05)	(3.06)	(2.78)
Retained distributions on accumulation shares	4.05	3.06	2.78
<b>Closing net asset value per share</b>	<b>129.41</b>	<b>131.90</b>	<b>101.93</b>
* after direct transaction costs of:	0.02	0.03	0.01
<b>Performance</b>			
Return after charges	(1.89)%	29.40%	1.19%
<b>Other information</b>			
Closing net asset value (£'000)	883	831	642
Closing number of shares	682,170	629,955	629,955
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.01%	0.02%	0.01%
<b>Prices<sup>^</sup></b>			
Highest share price	134.90	134.20	108.80
Lowest share price	119.30	101.00	78.04

### Class Z Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	781.96	605.44	599.55
Return before operating charges*	(13.94)	178.66	7.64
Operating charges	(1.47)	(2.14)	(1.75)
Return after operating charges*	(15.41)	176.52	5.89
Distributions on accumulation shares	(23.18)	(16.70)	(15.36)
Retained distributions on accumulation shares	23.18	16.70	15.36
<b>Closing net asset value per share</b>	<b>766.55</b>	<b>781.96</b>	<b>605.44</b>
* after direct transaction costs of:	0.11	0.18	0.07
<b>Performance</b>			
Return after charges	(1.97)%	29.16%	0.98%
<b>Other information</b>			
Closing net asset value (£'000)	7,509	8,384	6,748
Closing number of shares	979,564	1,072,145	1,114,485
Operating charges <sup>#</sup>	0.19%	0.19%	0.30%
Direct transaction costs	0.01%	0.02%	0.01%
<b>Prices<sup>^</sup></b>			
Highest share price	799.30	795.80	647.20
Lowest share price	706.60	599.80	463.90

<sup>#</sup> The FMF was reduced on 9 August 2021 to 0.19%.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 96.94% (31/08/21 – 96.36%)</b>			
<b>Australia – 30.78% (31/08/21 – 26.47%)</b>			
Basic Materials – 6.94%			
187,212	Allkem	1,524	0.12
1,731,214	BHP Billiton	41,400	3.37
168,568	Bluescope Steel	1,657	0.13
588,480	Deterra Royalties	1,446	0.12
692,735	Evolution Mining	971	0.08
599,194	Fortescue Metals	6,499	0.53
296,393	IGO	2,314	0.19
166,939	Iluka Resources	1,031	0.08
470,550	Incitec Pivot	1,081	0.09
334,635	Lynas Rare Earths	1,739	0.14
69,138	Mineral Resources	2,604	0.21
313,342	Newcrest Mining	3,264	0.27
409,655	Northern Star Resources	1,883	0.15
167,451	Nufarm	513	0.04
170,295	Orica	1,531	0.12
145,048	OZ Minerals	2,194	0.18
978,205	Pilbara Minerals	2,092	0.17
135,338	Rio Tinto	7,520	0.61
175,699	Sims Metal Management	1,584	0.13
657,175	South32	1,603	0.13
211,609	Whitehaven Coal	991	0.08
Consumer Goods – 0.16%			
261,908	Treasury Wine Estates	1,977	0.16
Consumer Services – 3.22%			
249,549	Aristocrat Leisure	5,165	0.42
90,154	Carsales.com	1,195	0.10
444,744	Coles Group	4,585	0.37
21,546	Domino's Pizza	806	0.07
449,959	Endeavour Group	1,922	0.16
68,625	Flight Centre International	722	0.06
209,293	Harvey Norman	522	0.04
31,157	JB Hi-Fi	746	0.06
379,160	Metcash	916	0.07
144,142	Qantas Airways	450	0.04
53,328	Seven Group Holdings	583	0.05
420,711	Star Entertainment	684	0.06
884,677	Tabcorp	495	0.04
400,834	Wesfarmers	11,095	0.90
449,959	Woolworths	9,554	0.78
Financials – 11.65%			
1,116,544	AMP	747	0.06
65,959	ASX	3,040	0.25
1,088,881	Australia and New Zealand Banking	14,588	1.19
229,659	Bank of Queensland	947	0.08
198,671	Bendigo Bank	1,056	0.09
229,567	Challenger	864	0.07
135,635	Charter Hall	1,056	0.09
614,977	Commonwealth Bank of Australia	35,308	2.87
384,690	Dexus Property	1,970	0.16
636,065	General Property	1,555	0.13
648,427	Goodman	7,514	0.61
214,884	Insignia Financial	439	0.04
860,355	Insurance Australia	2,342	0.19
250,230	Lend Lease	1,490	0.12
123,159	Macquarie	12,860	1.05
41,539	Magellan Financial	316	0.03
5,192	Magellan Financial Warrant 16/4/2027	2	–
967,696	Medibank	2,115	0.17
1,569,865	Mirvac	1,933	0.16
1,179,782	National Australia Bank	21,061	1.71
11,987	Perpetual	193	0.02
102,360	Platinum Asset Management	108	0.01
527,147	QBE Insurance	3,727	0.30
17,395	REA	1,271	0.10
1,860,274	Scentre	3,200	0.26
540,879	Shopping Centres Australasia	860	0.07
842,734	Stockland Trust	1,792	0.15
455,463	Suncorp	2,903	0.24

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
1,358,488	Vicinity Centres	1,529	0.12
1,265,148	Westpac Banking	16,100	1.31
Healthcare – 3.24%			
43,281	Ansell	664	0.05
22,846	Cochlear	2,852	0.23
170,954	CSL	29,541	2.40
54,680	IDP Education	920	0.07
62,474	Ramsay Health Care	2,639	0.21
170,667	Sonic Healthcare	3,403	0.28
Industrials – 2.74%			
176,607	ALS	1,238	0.10
557,332	Amcor	5,845	0.48
344,211	Atlas Arteria	1,594	0.13
630,449	Aurizon Holdings	1,378	0.11
538,697	Brambles	3,888	0.32
1,297,020	Cleanaway Waste Management	2,124	0.17
151,937	CSR	403	0.03
257,450	Downer EDI	763	0.06
884,677	Lottery Corporation	2,299	0.19
324,878	Orora	634	0.05
542,409	Qube	904	0.07
101,105	Reece	935	0.08
125,342	Seek	1,522	0.12
1,129,582	Transurban	9,251	0.75
67,608	Washington H. Soul Pattinson	1,020	0.08
Oil & Gas – 1.84%			
108,943	Ampol	2,185	0.18
321,733	APA	2,091	0.17
511,193	Beach Energy	512	0.04
688,963	Santos	3,186	0.26
655,968	Woodside Energy Group	13,233	1.08
164,122	Worleyparsons	1,402	0.11
Technology – 0.48%			
35,288	Altium	756	0.06
19,236	Appen	42	–
166,946	Computershare	2,402	0.20
76,256	Domain Holdings Australia	158	0.01
36,226	OneMarket**~	–	–
13,055	Pro Medicus	416	0.03
128,827	Vodafone Hutchison	405	0.03
53,496	WiseTech Global	1,827	0.15
Telecommunications – 0.28%			
1,488,971	Telstra	3,474	0.28
Utilities – 0.19%			
621,106	Origin Energy	2,298	0.19
Futures – 0.04%			
99	SFE SPI 200 Future September 2022	530	0.04
<b>Total Australia</b>		<b>378,478</b>	<b>30.78</b>
<b>Bermuda – 0.54% (31/08/21 – 0.41%)</b>			
Financials – 0.14%			
1,969,000	China Oceanwide	9	–
260,700	Haitong International Securities	25	–
424,200	Hong Kong Land	1,764	0.14
Industrials – 0.37%			
59,154	Jardine Matheson	2,699	0.22
183,875	Johnson Electric	187	0.02
259,165	Kerry Logistics Network	486	0.04
47,000	Orient Overseas (International)	1,129	0.09
Oil & Gas – 0.03%			
1,186,000	Brightoil Petroleum Holdings**~	–	–
3,238,000	United Energy Group	340	0.03
<b>Total Bermuda</b>		<b>6,639</b>	<b>0.54</b>

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>British Virgin Islands – 0.00% (31/08/21 – 0.00%)</b>			
Basic Materials – 0.00%			
	166,939 Sierra Rutile	29	–
<b>Total British Virgin Islands</b>		<b>29</b>	<b>–</b>
<b>Cayman Islands – 1.62% (31/08/21 – 1.80%)</b>			
Basic Materials – 0.00%			
	11,000 Lee & Man Paper	3	–
Consumer Goods – 0.45%			
	620,700 Budweiser Brewing	1,570	0.13
	626,600 Chow Tai Fook Jewellery	1,088	0.09
	144,500 JS Global Lifestyle	148	0.01
	352,000 Nexteer Automotive Group	226	0.02
	680,000 Tingyi (Cayman Islands)	1,038	0.08
	407,400 Uni-President China	302	0.02
	21,000 Vinda International Holdings	50	–
	1,974,000 Want Want China	1,197	0.10
Consumer Services – 0.39%			
	435,200 MGM China	193	0.02
	684,000 Nagacorp	477	0.04
	970,642 Sands China	1,879	0.15
	3,045,500 WH	1,787	0.15
	782,800 Wynn Macau	406	0.03
Financials – 0.22%			
	454,757 Chailease Holding	2,529	0.21
	1,173,166 Shui On Land	127	0.01
Healthcare – 0.05%			
	176,000 Hutchmed China	376	0.03
	159,434 Microport Scientific Corporation	274	0.02
Industrials – 0.35%			
	206,000 AAC Technologies	330	0.03
	8,000 Advanced Energy Solution	221	0.02
	52,415 Airtac International	1,216	0.10
	76,000 Silergy Corporation	1,144	0.09
	320,000 SITC International Holdings	699	0.06
	202,000 Zhen Ding Technology	650	0.05
Real Property – 0.11%			
	589,800 ESR Cayman	1,411	0.11
Technology – 0.05%			
	897,000 FIH Mobile	99	0.01
	19,000 Parade Technologies	462	0.04
Telecommunications – 0.00%			
	284,000 Hutchison Telecom	36	–
<b>Total Cayman Islands</b>		<b>19,938</b>	<b>1.62</b>
<b>Hong Kong – 9.74% (31/08/21 – 10.53%)</b>			
Basic Materials – 0.04%			
	349,000 Huabao International	154	0.01
	1,388,000 Minerals and Metals Group	327	0.03
Consumer Goods – 0.49%			
	132,250 First Pacific	44	–
	447,200 Man Wah Holdings	304	0.02
	242,000 Minth Group	592	0.05
	444,000 Techtronic Industries	4,531	0.37
	260,000 Vitasoy International Holdings	349	0.03
	200,500 Yue Yuen Industrial	257	0.02
Consumer Services – 0.56%			
	150,000 Café De Coral	184	0.01
	477,706 Cathay Pacific Airways	426	0.03
	734,000 China Travel International	113	0.01

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
	107,100 DFI Retail	250	0.02
	725,000 Galaxy Entertainment	3,501	0.28
	9,514 I-CABLE Communications*	–	–
	113,500 Lifestyle International	57	–
	515,673 MTR Corporation	2,267	0.18
	32,000 Shangri-La Asia	22	–
	790,000 Shun Tak	113	0.01
	868,200 SJM Holdings	261	0.02
	217,050 SJM Holdings Rights	16	–
	48,500 Sun Art Retail	11	–
Financials – 7.02%			
	4,291,358 AIA	35,664	2.90
	432,396 Bank of East Asia	469	0.04
	1,238,335 BOC Hong Kong	3,668	0.30
	1,142,000 Champion REIT	420	0.03
	808,385 CK Asset Holdings	4,700	0.38
	180,000 Guotai Junan International	16	–
	281,000 Hang Lung	409	0.03
	666,000 Hang Lung Properties	952	0.08
	261,300 Hang Seng Bank	3,516	0.29
	462,506 Henderson Land Developments	1,332	0.11
	450,198 Hong Kong Exchanges & Clearing	15,656	1.27
	247,000 Hysan Developments	599	0.05
	215,830 Kerry Properties	427	0.03
	772,009 Link	5,139	0.42
	509,139 New World Development	1,430	0.12
	1,296,496 Sino Land	1,630	0.13
	515,251 Sun Hung Kai Properties	5,207	0.42
	381,370 Swire Properties	756	0.06
	596,075 Wharf Holdings	1,929	0.16
	619,075 Wharf Real Estate Investment	2,423	0.20
Industrials – 0.58%			
	975,895 CK Hutchison	5,418	0.44
	571,000 Melco International Development	324	0.03
	647,600 NWS Holdings	536	0.04
	110,500 Swire Pacific 'A'	658	0.05
	265,000 Swire Pacific 'B'	265	0.02
Technology – 0.25%			
	111,800 ASMPT	747	0.06
	2,732,000 Lenovo Group	1,941	0.16
	57,500 Vtech	334	0.03
Telecommunications – 0.05%			
	1,470,000 PCCW	633	0.05
Utilities – 0.75%			
	274,500 CLP Holdings	2,033	0.17
	3,897,615 Hong Kong & China Gas	3,307	0.27
	488,714 Power Assets	2,515	0.20
	3,602,000 Towngas Smart Energy Company	1,357	0.11
Futures – 0.00%			
	29 HKG Hang Sang Index Future September 2022*	–	–
	714 HKG MSCI Taiwan USD September 2022	(44)	–
<b>Total Hong Kong</b>		<b>120,145</b>	<b>9.74</b>
<b>Ireland – 0.24% (31/08/21 – 0.34%)</b>			
Industrials – 0.24%			
	152,197 James Hardie Industries	3,004	0.24
<b>Total Ireland</b>		<b>3,004</b>	<b>0.24</b>
<b>Italy – 0.07% (31/08/21 – 0.06%)</b>			
Consumer Goods – 0.07%			
	187,300 Prada	874	0.07
<b>Total Italy</b>		<b>874</b>	<b>0.07</b>



**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Luxembourg – 0.13% (31/08/21 – 0.09%)</b>			
Consumer Goods – 0.09%			
519,300	Samsonite International	1,094	0.09
Consumer Services – 0.04%			
160,250	L'Occitane International	433	0.04
<b>Total Luxembourg</b>		<b>1,527</b>	<b>0.13</b>
<b>Malaysia – 2.54% (31/08/21 – 2.57%)</b>			
Basic Materials – 0.09%			
16,600	Petronas Chemical	28	–
1,151,500	Press Metal Berhad	1,050	0.09
Consumer Goods – 0.31%			
278,200	FGV Holdings Berhad	81	0.01
101,200	Fraser & Neave	435	0.04
169,900	Kuala Lumpur Kepong	752	0.06
31,300	Nestlé Malaysia	799	0.06
363,880	PPB Group Berhad	1,226	0.10
459,950	QL Resources Berhad	450	0.04
Consumer Services – 0.09%			
758,100	Astro Malaysia Holdings	122	0.01
1,386,600	Genting Malaysia	793	0.06
517,500	MR.DIY	215	0.02
Financials – 1.22%			
401,600	Alliance Financial	272	0.02
689,700	AMMB Holdings	548	0.04
2,684,438	CIMB Group	2,763	0.23
283,124	Hong Leong Bank	1,134	0.09
101,052	Hong Leong Credit	375	0.03
2,319,175	Malayan Banking	3,995	0.32
5,899,880	Public Bank	5,325	0.43
694,286	RHB Capital Berhad	765	0.06
Healthcare – 0.15%			
391,800	Hartalega	123	0.01
1,341,100	IHH Healthcare	1,597	0.13
475,903	Supermax Corporation	67	0.01
286,800	Top Glove	44	–
Industrials – 0.20%			
1,002,697	Gamuda	732	0.06
1,489,300	IJM Corporation	489	0.04
338,160	Malaysia Airports	381	0.03
1,397,674	Sime Darby Berhad	612	0.05
401,400	Westports Holdings Berhad	267	0.02
Oil & Gas – 0.22%			
2,987,800	Dialog Group Berhad	1,388	0.11
297,200	Petronas Dagangan	1,321	0.11
Telecommunications – 0.26%			
1,645,951	Axiata	958	0.08
1,354,500	Digi Com	957	0.08
1,035,577	Maxis	762	0.06
449,614	Telekom Malaysia	515	0.04
Utilities – 0.00%			
2,300	Tenaga Nasional	4	–
<b>Total Malaysia</b>		<b>31,345</b>	<b>2.54</b>
<b>New Zealand – 1.73% (31/08/21 – 1.57%)</b>			
Consumer Goods – 0.07%			
281,002	The a2 Milk Company	916	0.07
Consumer Services – 0.05%			
368,600	Skycity Entertainment	552	0.05

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 0.03%			
622,949	Kiwi Income Property Trust	333	0.03
Healthcare – 0.29%			
37,717	EBOS	763	0.06
205,371	Fisher & Paykel Healthcare	2,126	0.17
151,814	Ryman Healthcare	724	0.06
Industrials – 0.34%			
466,453	Auckland International Airport	1,856	0.15
253,673	Fletcher Building	746	0.06
41,407	Infratil	197	0.02
33,985	Mainfreight	1,334	0.11
Technology – 0.18%			
43,840	Xero	2,260	0.18
Telecommunications – 0.15%			
647,789	Spark New Zealand	1,826	0.15
Utilities – 0.62%			
609,980	Contact Energy	2,517	0.20
806,309	Mercury	2,456	0.20
1,012,545	Meridian Energy	2,670	0.22
<b>Total New Zealand</b>		<b>21,276</b>	<b>1.73</b>
<b>Singapore – 5.26% (31/08/21 – 4.35%)</b>			
Consumer Goods – 0.21%			
2,553,300	Golden Agri-Resources	433	0.04
265,420	Olam	239	0.02
757,300	Wilmar International	1,885	0.15
Consumer Services – 0.36%			
121,400	BOC Aviation	835	0.07
167,000	City Developments	836	0.07
675,900	ComfortDelGro	583	0.05
3,099,100	Genting Singapore	1,480	0.12
33,200	Jardine Cycle & Carriage	672	0.05
Financials – 3.56%			
1,144,012	Ascendas Real Estate	1,987	0.16
663,900	Ascott Residence REIT	442	0.04
911,192	CapitaLand Investment	2,071	0.17
1,681,470	CapitaMall	2,134	0.17
26,553	CDL Hospitality REIT	20	–
627,371	DBS	12,591	1.02
981,500	Frasers Logistics & Commercial Trust	822	0.07
728,600	Keppel REIT	485	0.04
762,500	Mapletree Commercial Trust REIT	864	0.07
609,931	Mapletree Industrial Trust REIT	951	0.08
998,382	Mapletree Logistics Trust REIT	1,027	0.08
1,219,760	Overseas-Chinese Banking	9,054	0.74
291,400	Singapore Exchange	1,700	0.14
747,300	Suntec	723	0.06
454,543	United Overseas Bank	7,639	0.62
245,109	UOL	1,045	0.09
72,600	Wing Tai	74	0.01
Industrials – 0.72%			
2,076,000	Hutchison Port	384	0.03
765,480	Keppel Corporation	3,419	0.28
348,200	SATS	864	0.07
7,096,345	SembCorp Marine	507	0.04
293,300	SIA Engineering	446	0.04
1,271,200	Singapore Post	454	0.04
722,000	Singapore Technologies Engineering	1,659	0.14
92,700	Venture Corporation	1,044	0.08
Technology – 0.05%			
1,007,200	NetLink NBN Trust	580	0.05

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Singapore – 5.26% (31/08/21 – 4.35%) – continued</b>			
Telecommunications – 0.36%			
2,671,833	Singapore Telecommunications	4,312	0.35
225,400	Starhub	169	0.01
Futures – 0.00%			
49	SGX MSCI Singapore Index ETS September 2022	(14)	–
110	SGX FTSE Taiwan Index September 2022	(45)	–
<b>Total Singapore</b>		<b>64,371</b>	<b>5.26</b>

**South Korea – 19.00% (31/08/21 – 21.34%)**

Basic Materials – 1.40%			
42,796	Hanwha Solutions Corporation	1,446	0.12
7,446	Hyundai Steel	157	0.01
5,010	Korea Zinc	2,163	0.18
5,912	Kumho Petro Chemical	494	0.04
16,320	LG Chemical	6,617	0.54
2,710	LG Chemical Preference	523	0.04
7,743	Lotte Chemical Corporation	868	0.07
5,509	OCI	414	0.03
19,640	Posco	3,218	0.26
3,727	Samsung Fine Chemical	169	0.01
4,768	SK chemicals	299	0.02
7,381	SK IE Technology	394	0.03
7,299	SKC	567	0.05
Consumer Goods – 2.54%			
10,533	AmorePacific	236	0.02
11,106	AmorePacific Corporation	878	0.07
3,300	AmorePacific Corporation Preference	101	0.01
3,815	BGF Retail	392	0.03
2,564	CJ CheilJedang	671	0.05
367	CJ CheilJedang Preference	40	–
8,413	CJ Corporation	423	0.03
564	CJ Corporation Preference	26	–
20,144	Coway	822	0.07
12,039	Dongsuh	189	0.02
25,339	Hankook Tire & Technology	617	0.05
61,559	Hanon Systems	407	0.03
2,444	Hanssem	84	0.01
6,460	HiteJinro	127	0.01
23,426	Hyundai Mobis	3,229	0.26
49,445	Hyundai Motor	6,227	0.51
8,189	Hyundai Motor Preference	480	0.04
12,794	Hyundai Motor Second Preference	766	0.06
5,872	Hyundai Wia Corporation	286	0.02
91,020	KIA Corporation	4,720	0.38
16,294	KT & G	869	0.07
37,910	LG Electronics	2,448	0.20
6,275	LG Electronics Preference	190	0.02
6,464	LG Energy Solution	1,919	0.16
3,115	LG H&H	1,425	0.12
783	LG H&H Preference Shares	184	0.01
1,130	Lotte Chilsung Beverages	112	0.01
9,534	Lotte Corporation	254	0.02
12,296	Mando Corporation	426	0.03
5,901	N C Soft	1,433	0.12
1,026	Nong Shim	198	0.02
7,727	Orion Corp/Republic of Korea	489	0.04
813	Ottogi Corporation	250	0.02
9,053	Pearl Abyss	330	0.03
Consumer Services – 0.61%			
48,122	Cheil Communications	677	0.06
3,567	CJ ENM	225	0.02
11,390	DL E&C	299	0.02
7,108	E-Mart	447	0.04
6,365	F&F	581	0.05
19,032	Fila Korea	382	0.03
22,712	GS Retail	370	0.03
8,011	Hanjin Kal Corporation	272	0.02
10,489	Hotel Shilla	497	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
5,943	HYBE	691	0.06
4,809	Hyundai Department Store	191	0.02
49,443	Kangwon Land	843	0.07
41,840	Korean Airlines	720	0.06
8,585	Lotte Shopping	545	0.04
24,472	Paradise	251	0.02
2,517	Shinsegae	361	0.03
Financials – 1.74%			
96,517	BNK Financial	415	0.03
16,043	DB Insurance	614	0.05
53,221	DGB Financial	255	0.02
98,846	Hana Financial Holdings	2,486	0.20
251,438	Hanwha Life Insurance	373	0.03
18,344	Hyundai Marine & Fire Insurance	371	0.03
107,442	Indus Bank of Korea	661	0.05
40,668	KakaoBank	713	0.06
132,852	KB Financial	4,221	0.34
13,552	Korea Investment	495	0.04
16,590	Meritz Finance	328	0.03
103,172	Mirae Asset Securities	435	0.04
79,122	NH Investments & Securities	505	0.04
9,657	Samsung Card	195	0.02
11,535	Samsung Fire & Marine Insurance	1,442	0.12
963	Samsung Fire & Marine Insurance NVDR	98	0.01
28,287	Samsung Life Insurance	1,125	0.09
19,753	Samsung Securities	430	0.03
173,055	Shinhan Financial	4,058	0.33
27,100	SK Square	704	0.06
181,282	Woori Financial Group	1,415	0.12
Healthcare – 1.15%			
9,252	Alteogen	378	0.03
38,907	Celltrion	4,737	0.39
7,072	Celltrion	356	0.03
25,480	Celltrion Healthcare	1,180	0.10
1,599	Green Cross Corporation	167	0.01
2,493	Hanmi Pharmaceutical	493	0.04
5,070	Hanmi Science	141	0.01
10,382	Helixmith	110	0.01
29,407	HLB	932	0.08
1,732	Medy-Tox	136	0.01
5,668	Samsung Biologics	3,041	0.25
12,614	SD Biosensor	284	0.02
9,968	Seegene	202	0.02
11,071	Shin Poong Pharmaceutical	199	0.02
16,874	SillaJen	131	0.01
8,861	SK Biopharmaceuticals	407	0.03
6,747	SK Bioscience	488	0.04
17,753	Yuhan Corporation	647	0.05
Industrials – 8.53%			
2,268	CJ Logistics	173	0.01
6,818	Daelim Industrial	293	0.02
42,164	Daewoo Engineering & Construction	141	0.01
21,004	Daewoo Shipbuilding & Marine Engineering	272	0.02
15,982	Doosan Bobcat	355	0.03
4,819	Doosan Solus	129	0.01
11,832	EcoPro BM	853	0.07
29,975	GS Engineering & Construction	580	0.05
13,139	Hanwha Techwin	686	0.06
22,279	HDC Hyundai	902	0.07
18,345	HDC Hyundai Development	147	0.01
138,293	HMM	1,977	0.16
46,850	Hyundai Doosan Infracore	185	0.02
26,434	Hyundai Engineering & Construction	818	0.07
6,668	Hyundai Glovis	754	0.06
22,392	Hyundai Heavy Industries	1,397	0.11
5,261	Hyundai Heavy Industries	482	0.04
10,084	Hyundai Mipo Dockyard	693	0.06
4,059	KakaoPay	162	0.01
433	KCC Corporation	82	0.01
9,393	Kepco Plant Service & Engineering	250	0.02
26,554	Korea Aerospace Industries	1,039	0.08
6,467	L & F	957	0.08
23,989	LG Corporation	1,262	0.10
5,357	LG Innotek	1,181	0.10



**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>South Korea – 19.00% (31/08/21 – 21.34%) – continued</b>			
Industrials – 8.53% –continued			
7,647	LS Cable	330	0.03
56,873	Mirae Asset Daewoo Preference	141	0.01
5,370	POSCO Chemical	580	0.05
16,673	POSCO International	287	0.02
9,077	S1 Corporation	339	0.03
30,689	Samsung C&T Corporation	2,366	0.19
19,713	Samsung Electro-Mechanics	1,773	0.14
1,670,955	Samsung Electronics	63,988	5.20
291,610	Samsung Electronics preference	10,211	0.83
70,667	Samsung Engineering	1,062	0.09
224,274	Samsung Heavy Industries	860	0.07
18,200	Samsung SDI	6,981	0.57
45,804	SK Networks	134	0.01
37,248	Ssangyong Cement Industrial	163	0.01
Oil & Gas – 0.44%			
127,502	Doosan Enerbility	1,663	0.14
10,665	GS Holdings	315	0.03
19,488	SK Innovation	2,373	0.19
14,848	S-Oil Corporation	964	0.08
Technology – 2.34%			
94,431	Kakao	4,453	0.36
10,542	Kakao Games	357	0.03
1,500	Korea Digital Line**-	-	-
10,112	Krafton	1,598	0.13
75,743	LG Display	759	0.06
46,813	Naver Corporation	7,204	0.59
5,782	Netmarble Games	236	0.02
5,752	NHN Entertainment Corporation	94	0.01
11,480	Samsung SDS	948	0.08
12,650	SK Holdings	1,894	0.15
178,664	SK Hynix	10,917	0.89
6,007	Wemade Entertainment	239	0.02
Telecommunications – 0.13%			
77,155	LG Uplus	568	0.05
375	Samsung SDI Preference	74	0.01
26,192	SK Telecom	877	0.07
Utilities – 0.16%			
71,888	Korea Gas Corporation	2,007	0.16
Futures – (0.04)%			
187	HKG Hang Sang Index Future September 2022	(445)	(0.04)
<b>Total South Korea</b>		<b>233,377</b>	<b>19.00</b>

**Taiwan – 21.38% (31/08/21 – 23.42%)**

Basic Materials – 0.96%			
2,800,270	China Steel	2,289	0.19
856,689	Enternal Materials	820	0.07
1,176,600	Formosa Chemicals & Fibre	2,279	0.19
807,990	Formosa Plastics	2,078	0.17
2,172,810	Nan Ya Plastics	4,215	0.34
Consumer Goods – 1.25%			
11,000	Asmedia Technology	290	0.02
597,353	Cheng Shin Rubber Industry	597	0.05
213,400	China Motor	279	0.02
125,685	Eclat Textile	1,581	0.13
2,926,948	Far Eastern New Century	2,707	0.22
154,752	Feng Tay Enterprises	749	0.06
1,642,000	Formosa Taffeta	1,277	0.10
98,000	Giant Manufacturing	663	0.05
33,000	Largan Precision	1,817	0.15
1,326,000	Pou Chen	1,084	0.09
988,000	Teco Electric & Machinery	820	0.07
1,715,687	Uni-President Enterprises	3,192	0.26
330,489	Yulon Motor	385	0.03
9,000	Yulon Nissan Motor	53	-

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Consumer Services – 0.34%			
245,000	China Airlines	157	0.01
112,000	Hotai Motor Company	1,935	0.16
19,800	Momo.Com	408	0.03
38,000	Nien Made Enterprise	304	0.02
196,822	President Chain Store	1,489	0.12
Financials – 2.91%			
720,770	Capital Securities	243	0.02
2,748,730	Cathay Financial	3,458	0.28
1,650,095	Chang Hwa Commercial Bank	820	0.07
5,996,038	China Development Financial	2,269	0.18
405,185	China Development Financial Preference	97	0.01
4,971,144	CTBC Financial Holding	3,298	0.27
3,989,706	E. Sun Financial	3,177	0.26
536,950	Far Eastern International Bank	186	0.02
2,814,351	First Financial	2,110	0.17
2,402,036	Fubon Financial	3,893	0.32
3,080,591	Hua Nan Financial	2,018	0.16
3,450,727	Mega Financial	3,498	0.28
102,000	Ruentex Development	182	0.01
854,000	Shanghai Commercial & Savings Bank	1,201	0.10
4,242,132	Shin Kong Financial	1,053	0.09
3,496,246	SinoPac	1,713	0.14
3,941,384	Taishin Financial	1,692	0.14
1,136,686	Taiwan Business Bank	412	0.03
2,693,372	Taiwan Cooperative Financials	2,099	0.17
4,033,916	Yuanta Financial	2,312	0.19
Healthcare – 0.07%			
45,629	Obi Pharma	112	0.01
84,000	Oneness Biotech	701	0.06
Industrials – 2.92%			
763,942	Asia Cement	930	0.08
257,000	Catcher Technology	1,342	0.11
722,000	Delta Electronic Industry	5,351	0.44
269,000	E Ink	1,819	0.15
806,664	Evergreen Marine Corporation	2,009	0.16
317,000	Fit Hon Teng	40	-
26,000	Genius Electronic Optical	329	0.03
101,044	Hiwin Technologies	592	0.05
3,846,936	Hon Hai Precision Industry	11,839	0.96
55,000	Nan Ya PCB Corporation	419	0.03
1,837,306	Taiwan Cement	2,036	0.17
678,572	Taiwan Glass	336	0.03
734,000	Taiwan High Speed Rail Corporation	603	0.05
222,590	Taiwan Secom	644	0.05
393,000	Unimcron Technology	1,681	0.14
20,000	Voltronic Power Technology	980	0.08
1,199,406	Walsin Lihwa	1,344	0.11
157,000	Walsin Technology	412	0.03
248,285	Wan Hai Lines	608	0.05
142,000	Yageo Corporation	1,317	0.11
515,000	Yang Ming Marine Transport Corporation	1,147	0.09
Technology – 12.33%			
157,000	Accton Technology	1,255	0.10
1,093,086	Acer	679	0.06
147,252	Advantech	1,357	0.11
1,129,421	ASE Technology Holding	2,720	0.22
12,100	ASPEED Technology	695	0.06
249,448	Asustek Computer	1,796	0.15
2,783,489	AUO Corporation	1,312	0.11
285,760	Chicony Electronics	658	0.05
1,567,000	Compal Electronics	1,004	0.08
20,000	Ememory Technology	782	0.06
152,500	Ennostar	222	0.02
393,201	Foxconn Technology	562	0.05
66,000	Globalwafers	906	0.07
222,000	HTC	391	0.03
2,755,538	Innolux	941	0.08
1,329,000	Inventec	869	0.07
799,180	Lite-On Technology	1,483	0.12
465,858	MediaTek	8,773	0.71
242,000	Micro-Star International	786	0.06
248,000	Nanya Technology	374	0.03

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Taiwan – 21.38% (31/08/21 – 23.42%) – continued</b>			
Technology – 12.33% – continued			
184,586	Novatek Microelectronics	1,371	0.11
756,181	Pegatron	1,358	0.11
247,000	Powertech Technology	596	0.05
940,000	Quanta Computer	2,102	0.17
145,530	Realtek Semiconductor	1,422	0.12
182,000	Sino-American Silicon	858	0.07
674,450	Synnex Technology International	1,061	0.09
7,576,509	Taiwan Semiconductor Manufacturing	107,817	8.77
214,000	Transcend Information	399	0.03
3,599,000	United Microelectronics	4,171	0.34
76,000	Vanguard International Semiconductor	160	0.01
123,000	WIN Semiconductors Corporation	620	0.05
948,000	Winbond Electronics	593	0.05
1,140,437	Wistron	892	0.07
28,000	Wiwynn	608	0.05
Telecommunications – 0.60%			
1,336,000	Chunghwa Telecom	4,564	0.37
563,022	Far EasTone Telecommunications	1,187	0.10
575,759	Taiwan Mobile	1,619	0.13
<b>Total Taiwan</b>		<b>262,753</b>	<b>21.38</b>
<b>Thailand – 3.91% (31/08/21 – 3.46%)</b>			
Basic Materials – 0.15%			
638,168	Indorama Ventures	647	0.05
3,856,200	IRPC (foreign)	311	0.03
747,700	PTT Global Chemical (foreign)	833	0.07
Consumer Goods – 0.35%			
1,025,800	Central Retail Corporation	979	0.08
2,164,200	Charoen Pokphand Foods	1,313	0.11
4,961,380	Land and Houses	1,035	0.08
514,200	Osotspa	376	0.03
1,413,100	Thai Union	583	0.05
Consumer Services – 0.47%			
90,900	Carabao Group	216	0.02
2,325,000	CP All (foreign)	3,356	0.27
2,111,504	Home Product Center (foreign)	692	0.06
1,666,374	Minor International	1,276	0.10
53,940	Minor International Warrants 5/5/2023	6	–
77,303	Minor International Warrants 31/7/2023	20	–
48,883	Minor International Warrants 15/2/2024	4	–
266,017	Siam Makro Public	216	0.02
774,800	Thai Airways <sup>#</sup>	61	–
Financials – 0.70%			
2,179,600	Asset World Corporation	288	0.02
301,100	Bangkok Bank	969	0.08
69,611	Bangkok Life Assurance	58	–
128,549	Bangkok Life Assurance NVDR	108	0.01
909,500	Central Pattana (foreign)	1,484	0.12
557,439	Kasikornbank (foreign)	1,990	0.16
3,016,500	Krung Thai Bank (foreign)	1,194	0.10
446,800	Krungthai Card	632	0.05
28,400	Muangthai Capital	28	–
888,800	Siam Commercial Bank <sup>#</sup>	1,255	0.10
193,100	Srisawad Corporation	221	0.02
9,284	Srisawad Corporation Warrants 23/6/2025	1	–
14,550,867	TMBThanachart Bank	436	0.04
164,180	TMBThanachart Bank Warrants 10/5/2025	2	–
Healthcare – 0.27%			
3,264,600	Bangkok Dusit Medical Services (foreign)	2,231	0.18
218,000	Bumrungrad Hospital (foreign)	1,110	0.09

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Industrials – 0.77%			
1,762,900	Airports of Thailand	3,012	0.25
3,991,600	Bangkok Expressway and Metro	823	0.07
788,800	Berli Jucker	618	0.05
3,842,829	BTS	756	0.06
157,146	BTS Warrants 5/9/2022 <sup>+</sup>	–	–
314,293	BTS Warrants 7/11/2024	2	–
628,586	BTS Warrants 20/11/2026	3	–
100,800	Delta Electronics	1,240	0.10
82,300	SCG Packaging PCL	110	0.01
304,850	Siam Cement (foreign)	2,572	0.21
719,300	Sri Trang Gloves	239	0.02
Oil & Gas – 0.90%			
1,297,800	Energy Absolute	2,592	0.21
437,900	PTT Exploration & Production	1,739	0.14
2,279,300	PTT Oil and Retail	1,424	0.12
5,181,200	PTT Public	4,518	0.37
473,500	Thai Oil (foreign)	678	0.06
40,235	Thai Oil (foreign) Rights <sup>**</sup>	–	–
Technology – 0.10%			
749,100	Digital Telecommunications Infrastructure Fund	237	0.02
542,600	Intouch	930	0.08
Telecommunications – 0.20%			
411,800	Advanced Info Service (foreign)	1,864	0.15
236,500	Total Access Communications	240	0.02
3,998,564	True Corporation	430	0.03
<b>Total Thailand</b>		<b>47,958</b>	<b>3.91</b>
<b>Total value of investments**</b>		<b>1,191,714</b>	<b>96.94</b>
<b>Net other assets</b>		<b>37,646</b>	<b>3.06</b>
<b>Total net assets</b>		<b>1,229,360</b>	<b>100.00</b>

+ Value less than £1,000

~ Level 3 asset

# Suspended

\* Unlisted with nil value

\*\* Including investment liabilities

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
BHP Billiton	19,385
BeiGene	5,511
Krafton	2,981
Samsung Electronics	2,556
Lynas Rare Earths	1,891
CSL	1,865
LG Energy Solution	1,743
Yang Ming Marine Transport Corporation	1,665
KakaoBank	1,647
Mainfreight	1,557
<b>Subtotal</b>	<b>40,801</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>94,432</b>

### Significant Sales

	Proceeds £'000
Taiwan Semiconductor Manufacturing	7,574
Afterpay	2,731
Power Assets	2,606
Sydney Airport	2,304
BeiGene	1,831
Ausnet Services	1,467
Tenaga Nasional	1,377
Crown	1,249
BHP Billiton	1,065
Fubon Financial	1,019
<b>Subtotal</b>	<b>23,223</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>49,480</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(64,124)	254,497
Revenue	3	44,238	33,603
Expenses	4	(919)	(861)
Interest payable and similar charges		–	(4)
Net revenue before taxation		43,319	32,738
Taxation	5	(3,006)	(2,358)
Net revenue after taxation		40,313	30,380
Total (deficit)/return before distributions		(23,811)	284,877
Distributions	6	(39,827)	(29,859)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(63,638)</b>	<b>255,018</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>1,258,189</b>	<b>985,291</b>
Amounts receivable on creation of shares	75,014	96,549
Amounts payable on cancellation of shares	(80,388)	(109,255)
	(5,374)	(12,706)
Dilution adjustment charged	801	1,086
Change in net assets attributable to shareholders from investment activities	(63,638)	255,018
Retained distribution on accumulation shares	39,382	29,500
<b>Closing net assets attributable to shareholders</b>	<b>1,229,360</b>	<b>1,258,189</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		1,192,262	1,213,018
<b>Current assets:</b>			
Debtors	7	4,182	5,429
Cash and bank balances	8	63,412	41,745
Total assets		1,259,856	1,260,192
<b>Liabilities</b>			
Investment liabilities		548	32
<b>Creditors:</b>			
Other creditors	9	29,948	1,971
Total liabilities		30,496	2,003
<b>Net assets attributable to shareholders</b>		<b>1,229,360</b>	<b>1,258,189</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(65,376)	245,277
Derivative securities	(7,936)	10,649
Currency gains/(losses)	9,188	(1,429)
<b>Net capital (losses)/gains</b>	<b>(64,124)</b>	<b>254,497</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
Overseas dividends	42,905	32,607
Bank interest	182	–
Interest received on amounts held with brokers	2	–
Stock lending income	574	457
Stock dividends	575	539
<b>Total revenue</b>	<b>44,238</b>	<b>33,603</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	885	861
<b>Other expenses:</b>		
Legal fee	34	–
	34	–
<b>Total expenses</b>	<b>919</b>	<b>861</b>

\* Audit fee £13,340 (31/08/21: £11,078) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	3,006	2,358
<b>Current tax charge for the year</b>	<b>3,006</b>	<b>2,358</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	43,319	32,738
Corporation tax at 20% (31/08/21: 20%)	8,664	6,548
Effects of:		
Revenue not subject to taxation	(8,316)	(6,284)
Excess management expenses utilised	(323)	(241)
Irrecoverable overseas tax	2,917	2,339
Irrecoverable overseas tax on stock dividends taken to capital	89	19
Tax relief on overseas tax suffered	(25)	(23)
<b>Current tax charge for the year</b>	<b>3,006</b>	<b>2,358</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £2,160,000 (31/08/21: £2,483,000) in relation to surplus management expenses. It is unlikely the Funds will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	16,660	10,932
Final	22,722	18,568
	39,382	29,500
Add: Amounts deducted on cancellation of shares	940	619
Deduct: Amounts received on the creation of shares	(495)	(260)
<b>Net distributions for the year</b>	<b>39,827</b>	<b>29,859</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	40,313	30,380
Stock dividend charged to capital	(575)	(539)
Tax relief on stock dividends charged to capital	89	18
<b>Net distributions for the year</b>	<b>39,827</b>	<b>29,859</b>

Details of the distribution per share are set out on page 186.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	–	4
Sales awaiting settlement	30	915
Foreign exchange sales awaiting settlement	40	8
Accrued revenue	4,099	4,502
Overseas withholding tax recoverable	13	–
<b>Total debtors</b>	<b>4,182</b>	<b>5,429</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	57,185	36,813
Amounts held at futures clearing houses and brokers	6,227	4,932
<b>Total cash and bank balances</b>	<b>63,412</b>	<b>41,745</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	29,836	1,612
Purchases awaiting settlement	–	203
Accrued expenses	75	75
Overseas tax payable on stock dividends	37	81
<b>Total other creditors</b>	<b>29,948</b>	<b>1,971</b>

### 10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/21	3,564	928,794,214
Shares issued	–	53,406,120
Shares cancelled	–	(57,095,868)
<b>Closing shares at 31/08/22</b>	<b>3,564</b>	<b>925,104,466</b>

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/21	629,955	1,072,145
Shares issued	52,215	782,177
Shares cancelled	–	(874,758)
<b>Closing shares at 31/08/22</b>	<b>682,170</b>	<b>979,564</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £29,911,000 (31/08/21: £1,682,848).

At the year end, 31 August 2022, 99.20% (31/08/21: 96.91%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £143,000 (Gross: £717,000) (31/08/21: £114,000 (Gross: £571,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £105,818,000 (31/08/21: £125,307,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	39,937	48,103
Bonds	74,148	86,002

The aggregate value of collateral held at the balance sheet date was £114,085,000 (31/08/21: £134,105,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Bank of Nova Scotia, Barclays Capital Securities, BNP Paribas Arbitrage, Citigroup Global Markets, Credit Suisse AG Singapore Branch, Credit Suisse International, Goldman Sachs International, HSBC Bank, JP Morgan Securities, Macquarie Bank, Merrill Lynch International, Morgan Stanley & Co International, Natixis and UBS AG.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 14. Financial Derivatives

Motives and circumstances are used to determine whether returns on derivative contracts should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital and the circumstances support this, the returns are included within net capital gains/losses in the Statement of Total Return. Where they are undertaken for generating or protecting revenue and the circumstances support this, the returns are treated as revenue and are included within the net revenue in the Statement of Total Return. The basis of apportionment is typically made by reference to the yield on the underlying security, index or other appropriate source.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures which are not classed as OTC derivatives and hence, no counterparty exposure has been disclosed.

Details of the individual contracts are shown on the portfolio statement on pages 172 to 177.

### 15. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 179. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets/(liabilities) are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	(22,359)	1,696
Australian dollar	396,536	352,305
Hong Kong dollar	143,935	155,132
Malaysian ringgit	31,377	33,175
New Zealand dollar	18,160	15,554
Singapore dollar	65,309	54,281
South Korean won	235,415	271,076
Taiwanese dollar	270,930	305,205
Thai baht	48,100	43,553
US dollar	41,957	26,212
<b>Total</b>	<b>1,229,360</b>	<b>1,258,189</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £125,172,000 (31/08/21: £125,649,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £125,172,000 (31/08/21: £125,649,000). 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 Fund would have increased by £119,171,000 (31/08/21: £121,299,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £119,171,000 (31/08/21: £121,299,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £57,185,000 (31/08/21: £36,813,000) which earn interest by reference to SONIA or international equivalent. This equates to 4.65% of the current Net Asset Value and 2.93% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	89,085	10	0.01	15	0.02	2	–	89,112
Corporate actions	5,320	–	–	–	–	–	–	5,320
<b>Total</b>	<b>94,405</b>	<b>10</b>		<b>15</b>		<b>2</b>		<b>94,432</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	41,608	6	0.01	72	0.17	3	0.01	41,527
Corporate actions	7,953	–	–	–	–	–	–	7,953
<b>Total</b>	<b>49,561</b>	<b>6</b>		<b>72</b>		<b>3</b>		<b>49,480</b>

The Fund had paid £72,000 as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.01%
Other expenses	0.00%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	159,644	26	0.02	22	0.01	8	0.01	159,700
Corporate actions	2,669	–	–	–	–	–	–	2,669
<b>Total</b>	<b>162,313</b>	<b>26</b>		<b>22</b>		<b>8</b>		<b>162,369</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	121,239	19	0.02	162	0.13	7	0.01	121,051
Corporate actions	5,124	–	–	–	–	–	–	5,124
<b>Total</b>	<b>126,363</b>	<b>19</b>		<b>162</b>		<b>7</b>		<b>126,175</b>

The Fund had paid £48,000 as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.01%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.46% (31/08/21: 0.37%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 17. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	1,176,382	–	1,255	1,177,637
Pooled investment vehicles	14,095	–	–	14,095
Derivatives	530	–	–	530
<b>Total</b>	<b>1,191,007</b>	<b>–</b>	<b>1,255</b>	<b>1,192,262</b>
<b>Investment liabilities</b>				
Derivatives	(548)	–	–	(548)
<b>Total</b>	<b>(548)</b>	<b>–</b>	<b>–</b>	<b>(548)</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	1,198,129	–	–	1,198,129
Pooled investment vehicles	14,218	–	–	14,218
Derivatives	671	–	–	671
<b>Total</b>	<b>1,213,018</b>	<b>–</b>	<b>–</b>	<b>1,213,018</b>
<b>Investment liabilities</b>				
Derivatives	(32)	–	–	(32)
<b>Total</b>	<b>(32)</b>	<b>–</b>	<b>–</b>	<b>(32)</b>

At the current year end, the level 3 assets held were the following securities; Brightoil Petroleum Holdings, Korea Digital Line, OneMarket, Siam Commercial Bank and Thai Oil (foreign) Rights. The majority of these assets are nil-priced. Siam Commercial Bank is delisted. This asset is priced monthly using a pricing model approved by the Investment Manager's Valuation Oversight Committee.

### 18. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £1,211,688,040. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was (4.03)%.

There have been no significant redemptions during this period.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class P Accumulation</b>				
Group 1	1.6628	–	1.6628	1.0962
Group 2	1.6628	0.0000	1.6628	1.0962
<b>Class R Accumulation</b>				
Group 1	1.7289	–	1.7289	1.1681
Group 2	0.6972	1.0317	1.7289	1.1681
<b>Class S Accumulation</b>				
Group 1	1.6764	–	1.6764	1.1288
Group 2	1.6764	0.0000	1.6764	1.1288
<b>Class Z Accumulation</b>				
Group 1	9.5939	–	9.5939	6.0200
Group 2	4.8106	4.7833	9.5939	6.0200

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class P Accumulation</b>				
Group 1	2.3865	–	2.3865	1.9232
Group 2	2.3865	0.0000	2.3865	1.9232
<b>Class R Accumulation</b>				
Group 1	2.4400	–	2.4400	1.9855
Group 2	1.9043	0.5357	2.4400	1.9855
<b>Class S Accumulation</b>				
Group 1	2.3731	–	2.3731	1.9269
Group 2	0.3964	1.9767	2.3731	1.9269
<b>Class Z Accumulation</b>				
Group 1	13.5902	–	13.5902	10.6807
Group 2	7.8611	5.7291	13.5902	10.6807

# Royal London Europe ex UK Equity Tilt Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London Europe ex UK Equity Tilt Fund, Class P Accumulation	-12.36	11.29	–
Royal London Europe ex UK Equity Tilt Fund, Class R Accumulation	-12.30	11.65	–
Royal London Europe ex UK Equity Tilt Fund, Class S Accumulation	-12.25	11.72	–
Royal London Europe ex UK Equity Tilt Fund, Class Z Accumulation	-12.36	11.20	17.68
FTSE® World Europe ex UK Index	-12.26	7.44	7.16

Class R Accumulation launched on 22 November 2018 and Class N Accumulation launched on 20 March 2020.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

Investors should note that the Fund price is taken at noon each day, while the index performance is recorded at the close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons. The Fund has previously compared against the price index, which doesn't include income, but from Aug 2021 onwards now includes the taxed income which is a closer comparison to the Fund which can incur tax on dividends.

The tracking error between the Royal London Europe ex UK Tracker Fund and the FTSE® World Europe ex UK Index was 0.24% during the 12 months under review. The Fund will invest at least 70% of its assets in shares of companies that belong to the Index. The Fund's manager, however, will typically invest around 90% of the Fund's asset in companies that belong to the Index.

### Market and portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG and climate 'tilted' funds. The objective of our passive funds was to simply track an index provided by a third party. We used an optimiser to help construct the portfolio, but the factors we used were mostly based on the market capitalisation of the companies in the index as we tried to replicate the capital return of the benchmark.

Our updated investment process continues to deliver a risk and return profile similar to the index, but it now incorporates ESG and climate-related investment criteria, and introduced the ability to 'tilt' the funds towards or against these factors. The Fund's performance target is to deliver the performance, after the deduction of charges, of the FTSE® World Europe Index over rolling 3-year periods. The Fund will seek to achieve carbon intensity of at least 30% lower than that of the Index whilst also considering a company's ability and willingness to transition and contribute to a lower carbon economy.

**Michael Sprot**  
Fund Manager  
Royal London Asset Management  
31 August 2022

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class P Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	137.74	108.63	108.28
Return before operating charges*	(16.06)	29.35	0.56
Operating charges	(0.26)	(0.24)	(0.21)
Return after operating charges*	(16.32)	29.11	0.35
Distributions on accumulation shares	(2.90)	(2.07)	(1.82)
Retained distributions on accumulation shares	2.90	2.07	1.82
<b>Closing net asset value per share</b>	<b>121.42</b>	<b>137.74</b>	<b>108.63</b>
* after direct transaction costs of:	0.01	0.01	–
<b>Performance</b>			
Return after charges	(11.85)%	26.80%	0.32%
<b>Other information</b>			
Closing net asset value (£'000)	4	7	6
Closing number of shares	3,571	5,000	5,000
Operating charges	0.20%	0.20%	0.20%
Direct transaction costs	0.01%	0.01%	–
<b>Prices<sup>^</sup></b>			
Highest share price	142.90	138.30	114.80
Lowest share price	113.20	102.40	79.31

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	145.78	114.81	114.27
Return before operating charges*	(17.01)	31.05	0.61
Operating charges	(0.08)	(0.08)	(0.07)
Return after operating charges*	(17.09)	30.97	0.54
Distributions on accumulation shares	(3.26)	(2.37)	(2.08)
Retained distributions on accumulation shares	3.26	2.37	2.08
<b>Closing net asset value per share</b>	<b>128.69</b>	<b>145.78</b>	<b>114.81</b>
* after direct transaction costs of:	0.01	0.01	–
<b>Performance</b>			
Return after charges	(11.72)%	26.98%	0.47%
<b>Other information</b>			
Closing net asset value (£'000)	791,138	880,359	691,994
Closing number of shares	614,761,465	603,910,621	602,733,555
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.01%	0.01%	–
<b>Prices<sup>^</sup></b>			
Highest share price	151.30	146.40	121.30
Lowest share price	119.90	108.30	83.77

### Class S Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	134.12	105.63	105.13
Return before operating charges*	(15.64)	28.56	0.56
Operating charges	(0.08)	(0.07)	(0.06)
Return after operating charges*	(15.72)	28.49	0.50
Distributions on accumulation shares	(3.00)	(2.18)	(1.91)
Retained distributions on accumulation shares	3.00	2.18	1.91
<b>Closing net asset value per share</b>	<b>118.40</b>	<b>134.12</b>	<b>105.63</b>
* after direct transaction costs of:	0.01	0.01	–
<b>Performance</b>			
Return after charges	(11.72)%	26.97%	0.48%
<b>Other information</b>			
Closing net asset value (£'000)	1,276	1,323	1,042
Closing number of shares	1,077,357	986,527	986,527
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.01%	0.01%	–
<b>Prices<sup>^</sup></b>			
Highest share price	139.20	134.70	111.60
Lowest share price	110.30	99.61	77.07

### Class Z Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	210.94	166.43	165.97
Return before operating charges*	(24.60)	44.96	0.87
Operating charges	(0.28)	(0.45)	(0.41)
Return after operating charges*	(24.88)	44.51	0.46
Distributions on accumulation shares	(4.56)	(3.10)	(2.70)
Retained distributions on accumulation shares	4.56	3.10	2.70
<b>Closing net asset value per share</b>	<b>186.06</b>	<b>210.94</b>	<b>166.43</b>
* after direct transaction costs of:	0.02	0.02	–
<b>Performance</b>			
Return after charges	(11.79)%	26.74%	0.28%
<b>Other information</b>			
Closing net asset value (£'000)	1,008	964	691
Closing number of shares	541,760	456,803	415,348
Operating charges <sup>#</sup>	0.14%	0.14%	0.25%
Direct transaction costs	0.01%	0.01%	–
<b>Prices<sup>^</sup></b>			
Highest share price	218.90	211.90	176.00
Lowest share price	173.40	156.90	121.50

<sup>#</sup> The FMF was reduced on 9 August 2021 to 0.14%.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 99.26% (31/08/21 – 98.81%)</b>			
<b>Austria – 0.36% (31/08/21 – 0.50%)</b>			
Oil & Gas – 0.05%			
	10,473 OMV	364	0.05
Industrials – 0.05%			
	8,975 Andritz	356	0.05
Telecommunications – 0.01%			
	18,046 Telekom Austria	97	0.01
Utilities – 0.11%			
	10,814 Verbund	889	0.11
Financials – 0.11%			
	37,531 Erste Bank	732	0.09
	16,868 Raiffeisen Bank International	185	0.02
Technology – 0.03%			
	38,922 ams AG	246	0.03
<b>Total Austria</b>		<b>2,869</b>	<b>0.36</b>
<b>Belgium – 1.60% (31/08/21 – 1.81%)</b>			
Basic Materials – 0.13%			
	36,455 Umicore	1,000	0.13
Industrials – 0.05%			
	2,878 Ackermans	362	0.05
Consumer Goods – 0.63%			
	120,327 Anheuser-Busch InBev	5,027	0.63
Healthcare – 0.13%			
	17,670 UCB	1,070	0.13
Consumer Services – 0.08%			
	7,005 Colruyt	168	0.02
	2,781 D Ieteren	362	0.05
	6,014 Telenet	74	0.01
Telecommunications – 0.04%			
	28,281 Proximus	310	0.04
Utilities – 0.08%			
	5,193 Elia Group	644	0.08
Financials – 0.46%			
	26,461 Ageas (Bruxelles listed)	926	0.11
	3,305 Groupe Bruxelles Lambert	216	0.03
	10,745 Groupe Bruxelles Lambert (London listed)	701	0.09
	33,300 KBC Group	1,363	0.17
	18,340 Warehouses De Pauw	481	0.06
<b>Total Belgium</b>		<b>12,704</b>	<b>1.60</b>
<b>Bermuda – 0.01% (31/08/21 – 0.00%)</b>			
Technology – 0.01%			
	69,407 AutoStore Holdings	79	0.01
<b>Total Bermuda</b>		<b>79</b>	<b>0.01</b>
<b>Colombia – 0.06% (31/08/21 – 0.05%)</b>			
Financials – 0.06%			
	15,810 Komerčni Banka	324	0.04
	46,504 Moneta Money Bank	130	0.02
<b>Total Colombia</b>		<b>454</b>	<b>0.06</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Czech Republic – 0.00% (31/08/21 – 0.01%)</b>			
<b>Denmark – 5.61% (31/08/21 – 5.11%)</b>			
Industrials – 1.09%			
	585 A.P. Moller-Maersk 'A'	1,188	0.15
	300 A.P. Moller-Maersk 'B'	619	0.08
	28,189 DSV	3,582	0.45
	151,229 Vestas Wind System	3,285	0.41
Consumer Goods – 0.46%			
	13,916 Carlsberg 'B'	1,563	0.20
	13,587 Christian Hansen	684	0.09
	13,015 Pandora	681	0.09
	10,312 Royal Unibrew	667	0.08
Healthcare – 3.45%			
	22,845 Ambu	199	0.02
	17,704 Coloplast 'B'	1,757	0.22
	7,865 Genmab	2,404	0.30
	20,427 GN Store Nord	502	0.06
	42,695 Lundbeck	144	0.02
	224,561 Novo Nordisk 'B'	20,613	2.60
	26,525 Novozymes	1,317	0.17
	16,916 William Demant	450	0.06
Utilities – 0.31%			
	28,952 Orsted	2,466	0.31
Financials – 0.26%			
	98,900 Danske Bank	1,144	0.14
	47,560 Tryg	929	0.12
Technology – 0.04%			
	5,220 Simcorp	330	0.04
<b>Total Denmark</b>		<b>44,524</b>	<b>5.61</b>
<b>Finland – 2.78% (31/08/21 – 2.83%)</b>			
Oil & Gas – 0.32%			
	59,934 Neste Oyj	2,557	0.32
Basic Materials – 0.37%			
	91,163 Stora Enso	1,174	0.15
	58,631 UPM-Kymmene	1,714	0.22
Industrials – 0.46%			
	6,514 Huhtamaki Oyj	196	0.02
	54,336 Kone 'B'	1,877	0.24
	96,136 Outotec	652	0.08
	19,114 Valmet	419	0.05
	75,253 Wartsila	539	0.07
Consumer Goods – 0.02%			
	17,996 Nokian Renkaat	161	0.02
Healthcare – 0.07%			
	13,609 Orion Oyj	528	0.07
Consumer Services – 0.09%			
	39,519 Kesko 'B'	717	0.09
Telecommunications – 0.11%			
	19,587 Elisa Oyj	903	0.11
Utilities – 0.00%			
	993 Fortum	9	–
Financials – 0.90%			
	21,494 Kojamo Oyj	310	0.04
	512,772 Nordea Bank	4,106	0.52
	70,274 Sampo Oyj 'A'	2,739	0.34
Technology – 0.44%			
	796,050 Nokia	3,463	0.44
<b>Total Finland</b>		<b>22,064</b>	<b>2.78</b>

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>France – 20.66% (31/08/21 – 19.63%)</b>			
Oil & Gas – 1.88%			
	341,025 TotalEnergies	14,939	1.88
Basic Materials – 0.86%			
	57,000 Air Liquide	6,167	0.78
	8,975 Arkema	654	0.08
Industrials – 3.91%			
	3,965 ADP Promesses	469	0.06
	43,263 Alstom	768	0.10
	132,186 Bolloré	546	0.07
	32,343 Bouygues	819	0.10
	36,790 Bureau Veritas	787	0.10
	3,447 Dassault Aviation	407	0.05
	35,587 Edenred	1,552	0.20
	12,401 Eiffage	941	0.12
	60,315 Getlink	976	0.12
	34,871 Legrand	2,178	0.27
	47,057 Rexel	659	0.08
	48,381 Safran	4,259	0.54
	62,423 Saint Gobain	2,177	0.27
	73,191 Schneider Electric	7,510	0.95
	13,257 Thales	1,375	0.17
	71,071 Vinci	5,665	0.71
Consumer Goods – 5.93%			
	83,013 Danone	3,767	0.48
	25,675 Faurecia	319	0.04
	4,256 Hermes International	4,717	0.59
	33,665 L'Oreal	9,983	1.26
	34,487 LVMH	19,297	2.43
	86,568 Michelin	1,818	0.23
	29,241 Pernod-Ricard	4,638	0.58
	7,328 Plastic Omnium	117	0.02
	3,466 Remy Cointreau	555	0.07
	3,466 Remy Cointreau Rights*	–	–
	30,802 Renault	762	0.10
	5,208 SEB	333	0.04
	41,994 Valeo	695	0.09
Healthcare – 2.30%			
	5,812 BioMérieux	457	0.06
	41,424 Essilor International	5,343	0.67
	6,611 Euroapi	89	0.01
	5,471 Ipsen Promesses	451	0.06
	6,422 Orpea	121	0.02
	152,055 Sanofi	10,799	1.36
	3,129 Sartorius Stedim Biotech	986	0.12
Consumer Services – 1.29%			
	11,778 ALD	111	0.01
	97,851 Carrefour	1,407	0.18
	17,017 Française des Jeux	476	0.06
	9,601 JC Decaux	115	0.01
	10,189 Kering	4,428	0.56
	35,294 Publicis Group	1,487	0.19
	17,042 Sodexo	1,125	0.14
	2,541 Soitec	310	0.04
	97,819 Vivendi	765	0.10
Telecommunications – 0.32%			
	291,062 Orange	2,539	0.32
Utilities – 0.48%			
	96,079 Electricite de France	991	0.13
	171,591 Engie	1,760	0.22
	20,528 Neoen	730	0.09
	16,613 Veolia Environnement	320	0.04
Financials – 2.35%			
	8,008 Amundi	351	0.05
	269,117 AXA	5,471	0.69
	148,069 BNP Paribas	5,948	0.75

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
	8,786 Covivio	422	0.05
	177,055 Credit Agricole	1,406	0.18
	10,028 Gecina	770	0.10
	7,808 Icade EMGP	296	0.04
	38,834 Klepierre	688	0.09
	17,943 Scor Regroupe	256	0.03
	109,813 Societe Generale	2,095	0.26
	16,164 Unibail-Rodamco	718	0.09
	2,778 Wendel	188	0.02
Technology – 1.34%			
	13,331 Atos	116	0.01
	22,689 Capgemini	3,392	0.43
	92,037 Dassault Systemes	3,067	0.39
	8,907 Teleperformance	2,187	0.28
	14,577 Ubisoft Entertainment	579	0.07
	34,972 Worldline	1,293	0.16
Futures – 0.00%			
	1 EOP CAC40 10 Euro Future September 2022	(4)	–
<b>Total France</b>		<b>163,898</b>	<b>20.66</b>
<b>Germany – 15.60% (31/08/21 – 17.62%)</b>			
Oil & Gas – 0.06%			
	5,077 Fuchs Petrolub	102	0.01
	16,623 Fuchs Petrolub Preference	387	0.05
Basic Materials – 1.93%			
	125,090 BASF	4,559	0.58
	120,196 Bayer	5,430	0.68
	33,520 Brenntag	1,901	0.24
	23,987 Covestro	625	0.08
	558 Evonik Industries	9	–
	12,100 Lanxess	354	0.04
	25,398 Symrise	2,279	0.29
	1,316 Wacker Chemie	162	0.02
Industrials – 2.55%			
	131,110 Deutsche Post	4,143	0.52
	4,954 Fraport	185	0.02
	27,020 GEA	806	0.10
	5,623 Hochtief	240	0.03
	11,456 KION	395	0.05
	12,281 Knorr-Bremse	513	0.06
	9,445 MTU Aero Engines	1,433	0.18
	710 Rational	331	0.04
	272 Sartorius	90	0.01
	3,718 Sartorius Preference	1,332	0.17
	104,614 Siemens	9,190	1.16
	78,031 Siemens Energy	997	0.13
	36,600 Thyssenkrupp	177	0.02
	16,133 Traton	196	0.03
	10,487 Vantage Towers	234	0.03
Consumer Goods – 3.21%			
	25,627 Adidas	3,288	0.41
	13,854 Beiersdorf	1,208	0.15
	47,460 BMW	3,017	0.38
	7,810 BMW Preference	470	0.06
	17,108 Continental	848	0.11
	119,695 Daimler	5,835	0.74
	55,372 Daimler Truck	1,224	0.15
	3,779 Hella Hueck	230	0.03
	13,819 Henkel	751	0.09
	25,381 Henkel Preference	1,414	0.18
	22,816 Porsche Preference	1,399	0.18
	15,988 Puma	843	0.11
	6,636 Rheinmetall	907	0.11
	1,926 Varta	117	0.01
	4,287 Volkswagen	685	0.09
	26,049 Volkswagen Preference	3,218	0.41



**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Germany – 15.60% (31/08/21 – 17.62%) – continued</b>			
Healthcare – 0.94%			
5,725	Carl Zeiss Meditec	615	0.08
20,051	Evotec	381	0.05
61,002	Fresenius	1,303	0.16
28,972	Fresenius Medical Care	856	0.11
16,935	Merck KGaA	2,511	0.32
41,628	Siemens Healthineers	1,755	0.22
Consumer Services – 0.29%			
8,901	Cts Eventim	414	0.05
3,110	Fielmann	99	0.01
23,870	Hellofresh	495	0.06
49,377	Metro	340	0.04
3,209	Sixt	270	0.04
2,672	Sixt Preference	138	0.02
28,578	Zalando	571	0.07
Telecommunications – 0.98%			
6,813	1&1	94	0.01
458,594	Deutsche Telekom	7,441	0.94
122,870	Telefonica Deutschland	274	0.03
Utilities – 0.59%			
462,425	E.On	3,418	0.43
38,201	RWE	1,255	0.16
Financials – 2.83%			
56,014	Allianz	8,157	1.03
157,543	Commerzbank	901	0.11
290,887	Deutsche Bank	2,096	0.26
25,156	Deutsche Börse	3,654	0.46
5,635	Deutsche Wohnen	110	0.01
9,391	Hannover Re	1,195	0.15
729	LEG Immobilien	48	0.01
18,833	Muenchener Rueckver	3,865	0.49
9,817	Talanx	299	0.04
90,586	Vonovia	2,125	0.27
Technology – 2.23%			
10,137	AUTO1 Group	91	0.01
10,647	Bechtle	352	0.06
24,566	Delivery Hero	889	0.11
180,889	Infineon Technologies	3,785	0.48
7,692	Nemetschek	392	0.05
153,043	SAP	11,223	1.41
11,797	Scout24	589	0.07
16,963	United Internet	330	0.04
<b>Futures – (0.01)%</b>			
6	EUX DAX Index Future September 2022	(64)	(0.01)
1	EUX Swiss Market Index Future September 2022	4	–
<b>Total Germany</b>		<b>123,795</b>	<b>15.60</b>

**Greece – 0.39% (31/08/21 – 0.24%)**

Oil & Gas – 0.03%			
23,776	Hellenic Petroleum	141	0.02
6,749	Motor Oil	109	0.01
Consumer Goods – 0.02%			
12,738	Jumbo	157	0.02
Consumer Services – 0.04%			
4,503	Folli Follie**	–	–
28,700	Greek Organisation of Football Prognostics	326	0.04
Telecommunications – 0.06%			
30,593	OTE-Hellenic Telecommunications	419	0.06

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 0.10%			
281,266	Alpha Services And Holdings	225	0.03
340,511	Eurobank Ergasias	274	0.03
91,024	National Bank of Greece	253	0.03
58,383	Piraeus Financial Holdings	53	0.01
Utilities – 0.14%			
73,778	Terna Energy	1,130	0.14
<b>Total Greece</b>		<b>3,087</b>	<b>0.39</b>

**Hungary – 0.16% (31/08/21 – 0.24%)**

Healthcare – 0.07%			
29,224	Richter Gedeon Nyrt	509	0.07
Telecommunications – 0.01%			
136,231	Magyar Telecom	99	0.01
Financials – 0.08%			
35,417	OTP Bank	650	0.08
<b>Total Hungary</b>		<b>1,258</b>	<b>0.16</b>

**Ireland – 0.41% (31/08/21 – 0.45%)**

Industrials – 0.12%			
19,249	Kingspan Group	942	0.12
Consumer Goods – 0.27%			
31,603	Glanbia	346	0.04
20,381	Kerry 'A' (London listed)	1,811	0.23
Financials – 0.02%			
87,393	AIB Group	171	0.02
<b>Total Ireland</b>		<b>3,270</b>	<b>0.41</b>

**Italy – 3.25% (31/08/21 – 3.86%)**

Oil & Gas – 0.22%			
170,472	ENI	1,740	0.22
Industrials – 0.40%			
67,879	Atlantia	1,336	0.17
14,120	Interpump Group	431	0.05
68,663	Leonardo	484	0.06
35,001	Prysmian	923	0.12
Consumer Goods – 0.17%			
10,751	De Longhi	162	0.02
30,791	Moncler	1,187	0.15
1,891	Pirelli	6	–
Healthcare – 0.15%			
19,355	Amplifon	435	0.05
2,485	DiaSorin	281	0.04
12,498	Recordati	440	0.06
Telecommunications – 0.05%			
1,483,675	Telecom Italia	264	0.03
777,472	Telecom Italia RNC	133	0.02
Utilities – 0.82%			
867,106	Enel	3,518	0.44
556,626	Hera SpA	1,202	0.15
61,968	Italgas	275	0.03
200,616	Snam	821	0.11
113,310	Terna	695	0.09



**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Italy – 3.25% (31/08/21 – 3.86%) – continued</b>			
Financials – 1.40%			
34,180	Banca Mediolanum	188	0.02
79,953	Finecobank Banco Fineco	747	0.09
60,354	Fondiarria-Sai	116	0.02
181,501	Generali	2,295	0.29
2,324,766	Intesa Sanpaolo	3,461	0.44
135,979	Mediobanca	929	0.12
100,654	Nexi	713	0.09
36,545	Poste Italiane	252	0.03
282,842	UniCredit	2,395	0.30
Technology – 0.04%			
160	Infrastrutture Wireless	1	–
3,176	Reply	323	0.04
Futures – 0.00%			
41	MIL FTSE®/MIB Index Future September 2022	(13)	–
<b>Total Italy</b>		<b>25,740</b>	<b>3.25</b>
<b>Luxembourg – 0.39% (31/08/21 – 0.58%)</b>			
Basic Materials – 0.12%			
4,809	ArcelorMittal	99	0.01
73,569	Tenaris	874	0.11
Industrials – 0.15%			
17,869	Eurofins Scientific	1,064	0.13
26,690	Inpost	118	0.02
Consumer Services – 0.02%			
4,771	RTL	153	0.02
Financials – 0.06%			
177,036	Aroundtown	444	0.06
Technology – 0.04%			
52,764	Allegro.EU	239	0.03
3,790	SUSE	65	0.01
<b>Total Luxembourg</b>		<b>3,056</b>	<b>0.39</b>
<b>Netherlands – 11.31% (31/08/21 – 12.06%)</b>			
Basic Materials – 0.76%			
40,844	Akzo Nobel	2,225	0.28
11,391	IMCD Group	1,355	0.17
22,129	Koninklijke DSM	2,435	0.31
Industrials – 1.21%			
12,688	Aalberts Industries	401	0.05
77,959	Airbus	6,595	0.83
131,546	CNH Industrial	1,385	0.17
20,239	Randstad	813	0.10
19,847	Signify	487	0.06
Consumer Goods – 1.28%			
66,555	Davide Campari-Milano	564	0.07
15,160	Ferrari	2,530	0.32
32,671	Heineken	2,534	0.32
17,187	Heineken Holdings	1,052	0.13
11,748	JDE Peet's	312	0.04
273,979	Stellantis	3,161	0.40
Healthcare – 0.69%			
7,260	Argenx	2,343	0.30
135,316	Koninklijke Philips	1,946	0.25
29,422	Qiagen NMBC	1,146	0.14

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Consumer Services – 1.05%			
34,973	Just Eat Takeaway.com	504	0.06
138,477	Koninklijke Ahold	3,279	0.41
103,683	Universal Music	1,774	0.22
34,324	Wolters Kluwer	2,889	0.36
34,324	Wolters Kluwer Rights*	–	–
Telecommunications – 0.20%			
567,024	KPN Koninklijke	1,552	0.20
Financials – 2.05%			
67,877	ABN AMRO	562	0.07
67,877	ABN AMRO Rights*	–	–
301,395	Aegon	1,164	0.15
301,395	Aegon Rights*	–	–
21,588	ASR Nederland	759	0.10
8,443	CTP	98	0.01
8,311	CTP Rights*	–	–
12,111	Euronext	772	0.10
13,677	Exor	712	0.09
541,675	ING Groep certificates	4,103	0.52
42,799	NN Group	1,515	0.19
41,769	NN Group Rights*	–	–
121,911	Prosus	6,505	0.82
Technology – 4.07%			
4,104	Adyen	5,479	0.69
6,824	ASM International	1,598	0.20
53,140	ASML Holding	22,256	2.81
11,636	BE Semiconductor Industries	477	0.06
82,815	STMicroelectronics	2,487	0.31
Futures – 0.00%			
1	EOE Amsterdam Index Future September 2022	(9)	–
<b>Total Netherlands</b>		<b>89,760</b>	<b>11.31</b>
<b>Norway – 1.99% (31/08/21 – 1.33%)</b>			
Oil & Gas – 0.85%			
60,242	Aker BP	1,813	0.23
148,560	Equinor	4,921	0.62
Basic Materials – 0.06%			
86,939	Norsk Hydro	515	0.06
Industrials – 0.13%			
5,767	Aker 'A'	392	0.05
31,252	Tomra	614	0.08
Consumer Goods – 0.37%			
42,273	Leroy Seafood Group	243	0.03
66,072	Mowi	1,168	0.15
128,654	Orkla	929	0.12
10,344	Salmar	590	0.07
Consumer Services – 0.04%			
12,320	Schibsted	195	0.02
12,449	Schibsted 'B'	185	0.02
Telecommunications – 0.10%			
84,043	Telenor	793	0.10
Financials – 0.37%			
153,290	DNB Bank ASA	2,510	0.32
21,470	Gjensidige Forsikring	376	0.05
Technology – 0.07%			
32,394	Adevinta 'B'	226	0.03
23,818	Nordic Semiconductor	315	0.04
<b>Total Norway</b>		<b>15,785</b>	<b>1.99</b>

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Poland – 0.32% (31/08/21 – 0.56%)</b>			
Basic Materials – 0.03%			
	16,633 KGHM	270	0.03
Consumer Goods – 0.08%			
	6,611 Dino Polska	416	0.05
	158 LPP	246	0.03
Consumer Services – 0.02%			
	34,905 Cyfrowy Polsat	124	0.02
Financials – 0.17%			
	24,796 Bank Pekao	296	0.04
	117,372 PKO Bank Polski	506	0.06
	74,567 PZU	384	0.05
	4,175 Santander Bank	164	0.02
Technology – 0.02%			
	11,068 CD Projekt	170	0.02
<b>Total Poland</b>		<b>2,576</b>	<b>0.32</b>
<b>Portugal – 0.34% (31/08/21 – 0.28%)</b>			
Oil & Gas – 0.15%			
	125,661 Galp Energia SGPS	1,172	0.15
Consumer Services – 0.10%			
	39,706 Jeronimo Martins	758	0.10
Utilities – 0.09%			
	183,033 Energias de Portugal	753	0.09
<b>Total Portugal</b>		<b>2,683</b>	<b>0.34</b>
<b>Spain – 5.59% (31/08/21 – 4.84%)</b>			
Oil & Gas – 0.27%			
	47,150 Gamesa	730	0.09
	128,417 Repsol	1,441	0.18
Industrials – 0.55%			
	4,217 Acciona	707	0.09
	44,318 Actividades de Construccion y Servicios	850	0.10
	11,157 Aena	1,180	0.15
	65,240 Ferrovial SA	1,408	0.18
	16,412 Fluidra	226	0.03
Healthcare – 0.09%			
	43,029 Grifols 'A'	448	0.06
	38,827 Grifols 'B'	263	0.03
Consumer Services – 0.36%			
	151,597 Inditex	2,823	0.36
Telecommunications – 0.73%			
	79,786 Cellnex Telecom	2,673	0.34
	882,097 Telefonica	3,138	0.39
Utilities – 1.81%			
	46,426 Corp ACCIONA Energias Renovables	1,663	0.21
	99,404 EDP Renovaveis	2,075	0.26
	46,628 Enagas	733	0.09
	41,849 Endesa	618	0.08
	842,147 Iberdrola	7,554	0.95
	109,339 Red Electrica de Espana	1,722	0.22

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Financials – 1.43%			
	2,335,851 Banco Santander	4,879	0.61
	91,105 Bankinter	402	0.05
	940,535 BBVA	3,650	0.46
	606,172 CaixaBank	1,573	0.20
	172,541 Corporacion Mapfre	246	0.03
	43,500 Inmobiliaria Colonial	221	0.03
	53,001 Merlin Properties REIT	418	0.05
Technology – 0.35%			
	60,248 Amadeus IT 'A'	2,739	0.35
Futures – 0.00%			
	1 MFM Ibox 35 Index Future September 2022	(5)	–
<b>Total Spain</b>		<b>44,375</b>	<b>5.59</b>
<b>Sweden – 6.68% (31/08/21 – 7.56%)</b>			
Oil & Gas – 0.01%			
	38,232 Lundin Energy	63	0.01
Basic Materials – 0.49%			
	30,633 Alleima 'AB'	102	0.01
	48,538 Boliden	1,350	0.17
	27,528 Holmen	1,024	0.13
	105,856 SCA 'B'	1,370	0.17
	2,998 Svenska Cellulosa	39	0.01
Industrials – 2.80%			
	49,090 Alfa Laval	1,134	0.14
	128,413 Assa Abloy 'B'	2,258	0.28
	369,380 Atlas Copco 'A'	3,249	0.41
	194,796 Atlas Copco 'B'	1,529	0.19
	30,997 Beijer Ref AB	346	0.04
	89,881 Epiroc AB 'A'	1,192	0.15
	50,629 Epiroc AB 'B'	605	0.08
	37,768 Indutrade	605	0.08
	8,848 Latour	150	0.02
	185,430 Nibe Industrier	1,502	0.19
	153,166 Sandvik	2,072	0.26
	41,162 Securitas 'B'	311	0.04
	54,664 Skanska 'AB'	700	0.09
	129,212 SKF 'B'	1,679	0.21
	35,282 Sweco	286	0.04
	10,513 Thule Group	222	0.03
	32,810 Trelleborg 'B'	591	0.07
	28,007 Volvo 'A'	398	0.05
	222,542 Volvo 'B'	3,044	0.38
	69,251 Volvo 'B'	364	0.05
Financials – 1.62%			
	35,801 Castellum	436	0.06
	39,546 EQT AB	771	0.10
	83,856 Fastighets AB Balder	401	0.05
	4,685 Handelsbanken 'B'	38	0.01
	33,864 Industivarden 'A'	646	0.08
	23,320 Industivarden 'C'	441	0.06
	70,250 Investor AB 'A'	1,016	0.13
	241,393 Investor AB 'B'	3,289	0.42
	1,830 Kinnevik 'A'	23	–
	28,393 Kinnevik 'B'	350	0.04
	30,155 Lifco AB	404	0.05
	7,113 Lundbergs AB 'B'	254	0.03
	151,787 Samhallsbyggnadsbolaget i Norden AB	211	0.03
	188,184 Skandinaviska Enskilda Banken 'A'	1,621	0.20
	3,224 Skandinaviska Enskilda Banken 'C'	30	–
	194,813 Svenska Handelsbanken 'A'	1,379	0.17
	137,444 Swedbank 'A'	1,542	0.19

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Sweden – 6.68% (31/08/21 – 7.56%) – continued</b>			
Consumer Goods – 0.30%			
30,891	Electrolux	338	0.04
62,071	Essity 'B'	1,185	0.15
56,020	Husqvarna 'B'	326	0.04
3,328	Husqvarna Group AB 'A'	20	–
59,823	Swedish Match	517	0.07
Healthcare – 0.18%			
25,169	BioVitrum	478	0.06
67,432	Elektta 'B'	334	0.04
29,453	Getinge 'B'	472	0.06
6,063	Vitrolife AB	125	0.02
Consumer Services – 0.33%			
22,421	Evolution Gaming Group	1,552	0.20
115,446	Hennes & Mauritz 'B'	1,039	0.13
Telecommunications – 0.24%			
81,963	Tele2 'B'	752	0.10
369,008	Telia Company (Stockholm listed)	1,125	0.14
Technology – 0.65%			
5,490	Ericsson 'A'	37	–
420,329	Ericsson 'B'	2,717	0.34
265,869	Hexagon	2,358	0.30
69,911	Sinch AB	117	0.01
Real Property – 0.06%			
23,154	Sagax 'B'	430	0.06
15,127	Sagax 'D'	34	–
Futures – 0.00%			
15	SSE OMXS30 Index Future September 2022	(16)	–
<b>Total Sweden</b>		<b>52,977</b>	<b>6.68</b>

**Switzerland – 21.30% (31/08/21 – 18.88%)**

Basic Materials – 1.21%			
44,283	Clariant	706	0.09
1,666	Givaudan	4,590	0.58
22,253	Sika	4,317	0.54
Industrials – 2.31%			
233,928	ABB	5,556	0.70
27,080	Adecco	740	0.09
1,246	Belimo Holding AG	408	0.05
3,309	Flughafen Zuerich	481	0.06
5,030	Geberit	2,006	0.25
11,460	Georg Fischer	536	0.07
61,142	Holcim	2,344	0.30
15,174	Holcim (EUR)	583	0.07
7,487	Kuehne & Nagel	1,489	0.19
2,439	Schindler	354	0.04
5,489	Schindler participation certificates	825	0.11
806	SGS Surveillance	1,529	0.19
38,480	Sig Combibloc Group	778	0.10
3,374	Vat Group	696	0.09
Consumer Goods – 6.29%			
471	Barry Callebaut	831	0.11
15	Chocoladefabriken Lindt & Sprungli	1,407	0.18
71,518	CIE Financiere Richemont 'A'	6,915	0.87
113	Emmi AG	86	0.01
137	Lindt & Spruengli-participating certificates	1,245	0.16
379,166	Nestlé (registered)	38,250	4.82
4,270	Swatch 'B'	896	0.11
6,012	Swatch 'R'	236	0.03

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Healthcare – 7.63%			
64,895	Alcon	3,687	0.47
9,007	Lonza	4,150	0.52
294,764	Novartis (registered)	20,537	2.59
98,073	Roche Holding	27,234	3.43
3,726	Roche Holding 'B'	1,223	0.15
7,614	Sonova	1,734	0.22
14,990	Straumann Holding	1,422	0.18
1,839	Tecan	583	0.07
Consumer Services – 0.04%			
4,442	DKSH	284	0.04
Telecommunications – 0.20%			
3,518	Swisscom	1,568	0.20
Utilities – 0.04%			
3,274	BKW Energie	340	0.04
Financials – 3.38%			
6,146	Baloise	765	0.10
373,412	Credit Suisse	1,663	0.21
4,735	Helvetia Holding	450	0.06
33,089	Julius Baer	1,383	0.17
3,058	Partners	2,548	0.32
5,791	PSP Swiss Property	565	0.07
4,020	Swiss Life	1,813	0.23
9,814	Swiss Prime Site	729	0.09
41,785	Swiss Reinsurance	2,802	0.35
450,569	UBS (registered)	6,160	0.78
20,848	Zurich Insurance	7,966	1.00
Technology – 0.20%			
21,851	Logitech	940	0.12
9,006	Temenos Group	635	0.08
<b>Total Switzerland</b>		<b>168,985</b>	<b>21.30</b>

**Turkey – 0.42% (31/08/21 – 0.34%)**

Oil & Gas – 0.04%			
19,273	Tupras-Turkiye Petrol Rafine	327	0.04
Basic Materials – 0.06%			
182,661	Iskenderun Demir Celik	213	0.03
95,554	SASA	241	0.03
Industrials – 0.01%			
99,025	Enka Insaat	86	0.01
Consumer Goods – 0.16%			
229,205	Anadolou Efes Biracilik	447	0.06
67,273	Arcelik	223	0.03
30,346	Coca Cola Icecek	226	0.03
12,040	Ford Otomotiv Sanayi	189	0.02
40,892	Tofas Turk Otomobil Fabrikasi	171	0.02
Consumer Services – 0.04%			
65,388	BIM Birlesik Magazalar	338	0.04
Telecommunications – 0.01%			
101,704	Turkcell Iletisim Hizmetleri	104	0.01
Utilities – 0.01%			
139,541	Enerjisa Enerji	113	0.01
Financials – 0.09%			
361,055	Akbank T.A.S	200	0.03
97,235	KOC	210	0.03
416,998	Turkiye Is Bankasi	156	0.02
42,855	Turkiye Vakiflar Bankasi	15	–
242,274	Yapi Ve Kredi Bankasi	81	0.01
<b>Total Turkey</b>		<b>3,340</b>	<b>0.42</b>

**Portfolio Statement** (continued)

As at 31 August 2022

<b>Holding</b>	<b>Investment</b>	<b>Bid-market value (£'000)</b>	<b>Total net assets (%)</b>
<b>United Kingdom – 0.02% (31/08/21 – 0.04%)</b>			
Consumer Goods – 0.02%			
27,477	Pepeco Group	177	0.02
<b>Total United Kingdom</b>		<b>177</b>	<b>0.02</b>
<b>Total value of investments*</b>		<b>787,456</b>	<b>99.25</b>
<b>Net other assets</b>		<b>5,970</b>	<b>0.75</b>
<b>Total net assets</b>		<b>793,426</b>	<b>100.00</b>

\* Including investment liabilities

\* Value less than £1,000

# Suspended

~ Level 3 asset

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Roche Holding	2,094
Holcim	1,872
Just Eat Takeaway.com	1,746
E.On	1,592
Iberdrola	1,319
Corp ACCIONA Energias Renovables	1,298
Nestlé (registered)	1,287
Hera SpA	1,170
Givaudan	1,161
Novo Nordisk 'B'	1,109
<b>Subtotal</b>	<b>14,648</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>84,109</b>

### Significant Sales

	Proceeds £'000
Deutsche Wohnen	1,702
ENI	1,693
Veolia Environnement	1,659
Fortum	1,165
A.P. Moller-Maersk 'B'	1,156
Iberdrola	992
Vifor Pharma 'CHF'	951
Vifor Pharma	924
ArcelorMittal	856
Suez Environnement	854
<b>Subtotal</b>	<b>11,952</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>43,945</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(126,560)	172,712
Revenue	3	25,279	18,490
Expenses	4	(505)	(476)
Interest payable and similar charges		(74)	(97)
Net revenue before taxation		24,700	17,917
Taxation	5	(3,784)	(2,865)
Net revenue after taxation		20,916	15,052
Total (deficit)/return before distributions		(105,644)	187,764
Distributions	6	(20,269)	(14,759)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(125,913)</b>	<b>173,005</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>882,653</b>	<b>693,733</b>
Amounts receivable on creation of shares	76,312	79,529
Amounts payable on cancellation of shares	(60,121)	(78,550)
	16,191	979
Dilution adjustment charged	460	521
Change in net assets attributable to shareholders from investment activities	(125,913)	173,005
Retained distribution on accumulation shares	20,035	14,415
<b>Closing net assets attributable to shareholders</b>	<b>793,426</b>	<b>882,653</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		787,567	872,251
<b>Current assets:</b>			
Debtors	7	1,812	2,909
Cash and bank balances	8	7,518	7,626
Total assets		796,897	882,786
<b>Liabilities</b>			
Investment liabilities		111	21
<b>Creditors:</b>			
Bank overdraft		4	47
Other creditors	9	3,356	65
Total liabilities		3,471	133
<b>Net assets attributable to shareholders</b>		<b>793,426</b>	<b>882,653</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(125,199)	169,879
Derivative securities	(1,891)	3,610
Currency gains/(losses)	530	(777)
<b>Net capital (losses)/gains</b>	<b>(126,560)</b>	<b>172,712</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	31	12
Overseas dividends	24,414	17,988
Bank interest	4	–
Stock lending income	178	186
Stock dividends	652	304
<b>Total revenue</b>	<b>25,279</b>	<b>18,490</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	505	476
<b>Total expenses</b>	<b>505</b>	<b>476</b>

\* Audit fee £16,632 (31/12/21: £13,789) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	2,287	1,593
Reclaimable tax written off	1,531	1,347
Windfall overseas tax recoveries	(34)	(75)
<b>Current tax charge for the year</b>	<b>3,784</b>	<b>2,865</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	24,700	17,917
Corporation tax at 20% (31/08/21: 20%)	4,940	3,583
Effects of:		
Revenue not subject to taxation	(5,000)	(3,642)
Current year expenses not utilised	63	62
Irrecoverable overseas tax	2,287	1,582
Irrecoverable overseas tax on dividends taken to capital	–	11
Reclaimable tax written off	1,531	1,347
Windfall overseas tax recoveries	(34)	(75)
Tax relief on overseas tax suffered	(3)	(3)
<b>Current tax charge for the year</b>	<b>3,784</b>	<b>2,865</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/ (losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £1,381,000 (31/08/21: £1,318,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	3,566	2,757
Final	16,469	11,658
	20,035	14,415
Add: Amounts deducted on cancellation of shares	595	715
Deduct: Amounts received on the creation of shares	(361)	(371)
<b>Net distributions for the year</b>	<b>20,269</b>	<b>14,759</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	20,916	15,052
Stock dividend charged to capital	(652)	(304)
Irrecoverable tax on special dividends	5	11
<b>Net distributions for the year</b>	<b>20,269</b>	<b>14,759</b>

Details of the distribution per share are set out on page 204.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	–	1,350
Accrued revenue	170	143
Overseas withholding tax recoverable	1,642	1,416
<b>Total debtors</b>	<b>1,812</b>	<b>2,909</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	6,411	6,738
Amounts held at futures clearing houses and brokers	1,107	888
<b>Total cash and bank balances</b>	<b>7,518</b>	<b>7,626</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	3,280	–
Foreign exchange purchases awaiting settlement	18	–
Accrued expenses	42	49
Corporation tax payable	16	16
<b>Total other creditors</b>	<b>3,356</b>	<b>65</b>

### 10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/21	5,000	603,910,621
Shares issued	–	56,075,326
Shares cancelled	(1,429)	(45,224,482)
<b>Closing shares at 31/08/22</b>	<b>3,571</b>	<b>614,761,465</b>

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/21	986,527	456,803
Shares issued	90,830	144,563
Shares cancelled	–	(59,606)
<b>Closing shares at 31/08/22</b>	<b>1,077,357</b>	<b>541,760</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to/from Royal London Unit Trust Managers Limited in respect of these transactions was £3,322,000 (31/08/21: £1,305,000).

At the year end, 31 August 2022, 92.81% (31/08/21: 92.27%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £45,000 (Gross: £223,000) (31/08/21: £46,000 (Gross: £232,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £112,794,000 (31/08/21: £117,197,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	30,668	69,465
Bonds	88,719	55,893

The aggregate value of collateral held at the balance sheet date was £119,387,000 (31/08/21: £125,358,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Banco Santander, Barclays Capital Securities, BNP Paribas Arbitrage, Goldman Sachs, HSBC Bank, JP Morgan Securities, Merrill Lynch, Morgan Stanley & Co International, Natixis, Skandinaviska Enskilda Banken, Societe Generale and UBS.

### 14. Financial Derivatives

Motives and circumstances are used to determine whether returns on derivative contracts should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital and the circumstances support this, the returns are included within net capital gains/losses in the Statement of Total Return. Where they are undertaken for generating or protecting revenue and the circumstances support this, the returns are treated as revenue and are included within the net revenue in the Statement of Total Return. The basis of apportionment is typically made by reference to the yield on the underlying security, index or other appropriate source.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures which are not classed as OTC derivatives and hence, no counterparty exposure has been disclosed.

Details of the individual contracts are shown on the portfolio statement on pages 189 to 195.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 197. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	(3,007)	621
Czech koruna	484	497
Danish krone	44,898	45,313
Euro	504,838	578,012
Hungarian forint	1,309	2,106
Norwegian krone	15,975	11,833
Polish zloty	3,153	5,731
Swedish krona	53,512	67,080
Swiss franc	168,916	168,321
Turkish lira	3,342	3,054
US dollar	6	85
<b>Total</b>	<b>793,426</b>	<b>882,653</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £79,643,000 (31/08/21: £88,203,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £79,643,000 (31/08/21: £88,203,000). 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 Fund would have increased by £78,746,000 (31/08/21: £87,223,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £78,746,000 (31/08/21: £87,223,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £6,411,000 (31/08/21: £6,738,000) which earn interest by reference to SONIA or international equivalent. This equates to 0.81% of the current Net Asset Value and 0.76% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Portfolio transaction costs

For the year ended 31 August 2022

	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
<b>Analysis of total purchases costs</b>								
Equity transactions	83,569	2	–	62	0.07	1	–	83,634
Corporate actions	475	–	–	–	–	–	–	475
<b>Total</b>	<b>84,044</b>	<b>2</b>		<b>62</b>		<b>1</b>		<b>84,109</b>

	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
<b>Analysis of total sales costs</b>								
Equity transactions	40,528	–	–	–	–	–	–	40,528
Corporate actions	3,417	–	–	–	–	–	–	3,417
<b>Total</b>	<b>43,945</b>	<b>–</b>		<b>–</b>		<b>–</b>		<b>43,945</b>

The Fund had paid £7,000 as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.01%
Other expenses	0.00%

For the year ended 31 August 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
<b>Analysis of total purchases costs</b>								
Equity transactions	110,252	4	–	65	0.06	2	–	110,323
Corporate actions	1,204	–	–	–	–	–	–	1,204
<b>Total</b>	<b>111,456</b>	<b>4</b>		<b>65</b>		<b>2</b>		<b>111,527</b>

	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
<b>Analysis of total sales costs</b>								
Equity transactions	97,104	4	–	–	–	–	–	97,100
Corporate actions	1,197	–	–	–	–	–	–	1,197
<b>Total</b>	<b>98,301</b>	<b>4</b>		<b>–</b>		<b>–</b>		<b>98,297</b>

The Fund had paid £11,000 as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.01%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.06% (31/08/21: 0.07%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 17. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	786,793	–	–	786,793
Collective investment schemes	770	–	–	770
Derivatives	4	–	–	4
<b>Total</b>	<b>787,567</b>	<b>–</b>	<b>–</b>	<b>787,567</b>
<b>Investment liabilities</b>				
Derivatives	(111)	–	–	(111)
<b>Total</b>	<b>(111)</b>	<b>–</b>	<b>–</b>	<b>(111)</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	871,262	–	–	871,262
Collective investment schemes	903	–	–	903
Derivatives	86	–	–	86
<b>Total</b>	<b>872,251</b>	<b>–</b>	<b>–</b>	<b>872,251</b>
<b>Investment liabilities</b>				
Derivatives	(21)	–	–	(21)
<b>Total</b>	<b>(21)</b>	<b>–</b>	<b>–</b>	<b>(21)</b>

### 18. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £829,202,722. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 4.00%.

There have been no significant redemptions during this period.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Class P Accumulation</b>				
Group 1	0.4540	–	0.4540	0.3478
Group 2	0.4540	0.0000	0.4540	0.3478
<b>Class R Accumulation</b>				
Group 1	0.5879	–	0.5879	0.4489
Group 2	0.1250	0.4629	0.5879	0.4489
<b>Class S Accumulation</b>				
Group 1	0.5409	–	0.5409	0.4130
Group 2	0.5409	0.0000	0.5409	0.4130
<b>Class Z Accumulation</b>				
Group 1	0.7685	–	0.7685	0.4841
Group 2	0.1998	0.5687	0.7685	0.4841

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class P Accumulation</b>				
Group 1	2.4435	–	2.4435	1.7268
Group 2	2.4435	0.0000	2.4435	1.7268
<b>Class R Accumulation</b>				
Group 1	2.6713	–	2.6713	1.9256
Group 2	1.8160	0.8553	2.6713	1.9256
<b>Class S Accumulation</b>				
Group 1	2.4576	–	2.4576	1.7717
Group 2	0.0283	2.4293	2.4576	1.7717
<b>Class Z Accumulation</b>				
Group 1	3.7868	–	3.7868	2.6135
Group 2	1.9700	1.8168	3.7868	2.6135

# Royal London Emerging Markets ESG Leaders Equity Tracker Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year return %	3 year return %	5 year return %
Royal London Emerging Markets ESG Leaders Equity Tracker Fund, Class P Accumulation (Total return)	-12.74	11.07	-
Royal London Emerging Markets ESG Leaders Equity Tracker Fund, Class R Accumulation (Total return)	-12.47	11.84	15.85
Royal London Emerging Markets ESG Leaders Equity Tracker Fund, Class S Accumulation (Total return)	-12.51	-	-
Royal London Emerging Markets ESG Leaders Equity Tracker Fund, Class Z Accumulation (Total return)	-12.65	11.16	-
MSCI Emerging Markets ESG Leaders Net Return GBP Index	-11.63	11.93	15.85

Class R Accumulation launched on 12 June 2017, Class Z Accumulation launched on 5 March 2018 and Class P Accumulation launched on 14 May 2019.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The tracking error between the Fund and the MSCI Emerging Markets ESG Leaders Net Total Return GBP Index was 0.40% over the 12 months under review. This was below the anticipated tracking error of 1.00% to 1.50%.

We will always experience a small performance difference between the Fund and Index. The Fund price is taken at noon each day using swing prices where applicable, while the Index performance is recorded at the close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons. The unit prices for the Fund are also calculated using different exchange rates than the benchmark. Additionally, performance differences will arise due to the impact of income and the charges associated with the Fund, together with exchange rate risk on some dividends, trading costs, optimisation and the use of index futures to manage cashflows.

### Market and portfolio commentary

During the period under review, many factors were at play which had major implications for the market. Chief amongst these was the ever-higher levels of inflation, not just the U.K., but also many other countries were having to deal with this. With Central Banks around the world slow to respond to the impending threat, we are now in the situation where meaningful increases are commonplace at each meeting. The other main event which has taken place is the Russian invasion of Ukraine. The invasion, leaving aside the tragic consequences on a humanitarian level, has driven up the cost of energy around the globe. Gas prices have skyrocketed as Europe clamour to ensure security of supply, and this has turbo charged the rates of inflation we are currently witnessing.

The Fund aims to track the net total return of the MSCI Emerging Markets ESG Leaders GBP Index. The Fund uses 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. It generates efficient rebalancing and cashflow trades and allows flexibility not to trade every index or cashflow event. However, perfect replication can result in unnecessary and costly trading which may outweigh the benefits. In practice, the Fund holds most of its benchmark's names, as well as holding futures and cash.

Our Emerging Market ESG Tracker Fund had a small exposure to Russian-listed equities. The Fund had approximately £60 million in Russian equities at the end of February, or 1.4% of the Fund. The exposure that this Fund held at the end of February was a direct result of its investment objective of tracking the MSCI Emerging Markets ESG Leaders Net Return Index, which included Russia. With the markets closed, MSCI valued these securities at zero and removed Russia from the Index. As a consequence, the index no longer has Russian exposure and as per the Fund's objectives, the Royal London Emerging Markets ESG Leaders Equity Tracker reflects these changes.

**JoJo Chen**  
Fund Manager  
Royal London Asset Management  
31 August 2022

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class P Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	132.42	114.80	104.85
Return before operating charges*	(15.61)	18.05	10.29
Operating charges	(0.39)	(0.43)	(0.34)
Return after operating charges*	(16.00)	17.62	9.95
Distributions on accumulation shares	(2.17)	(1.55)	(1.91)
Retained distributions on accumulation shares	2.17	1.55	1.91
<b>Closing net asset value per share</b>	<b>116.42</b>	<b>132.42</b>	<b>114.80</b>
* after direct transaction costs of:	0.06	0.16	0.04
<b>Performance</b>			
Return after charges	(12.08)%	15.35%	9.49%
<b>Other information</b>			
Closing net asset value (£'000)	21	55	10
Closing number of shares	17,662	41,427	9,268
Operating charges	0.32%	0.32%	0.32%
Direct transaction costs	0.05%	0.12%	0.04%
<b>Prices<sup>^</sup></b>			
Highest share price	135.70	146.60	120.30
Lowest share price	106.00	115.30	86.27

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	139.32	120.56	109.87
Return before operating charges*	(16.41)	18.90	10.80
Operating charges	(0.13)	(0.14)	(0.11)
Return after operating charges*	(16.54)	18.76	10.69
Distributions on accumulation shares	(2.59)	(1.93)	(2.25)
Retained distributions on accumulation shares	2.59	1.93	2.25
<b>Closing net asset value per share</b>	<b>122.78</b>	<b>139.32</b>	<b>120.56</b>
* after direct transaction costs of:	0.06	0.16	0.04
<b>Performance</b>			
Return after charges	(11.87)%	15.56%	9.73%
<b>Other information</b>			
Closing net asset value (£'000)	3,991,512	4,056,180	1,363,717
Closing number of shares	3,251,002,904	2,911,407,407	1,131,152,530
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.05%	0.12%	0.04%
<b>Prices<sup>^</sup></b>			
Highest share price	142.80	154.10	126.30
Lowest share price	111.70	121.10	90.48

### Class S Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21** (p)
Opening net asset value per share	105.62	100.00
Return before operating charges*	(12.44)	5.71
Operating charges	(0.10)	(0.09)
Return after operating charges*	(12.54)	5.62
Distributions on accumulation shares	(1.96)	(1.27)
Retained distributions on accumulation shares	1.96	1.27
<b>Closing net asset value per share</b>	<b>93.08</b>	<b>105.62</b>
* after direct transaction costs of:	0.04	0.12
<b>Performance</b>		
Return after charges	(11.87)%	5.62%
<b>Other information</b>		
Closing net asset value (£'000)	24,920	26,772
Closing number of shares	26,773,574	25,347,683
Operating charges	0.10%	0.10%
Direct transaction costs	0.05%	0.12%
<b>Prices<sup>^</sup></b>		
Highest share price	108.20	116.80
Lowest share price	84.70	100.00

\*\* The Class S Accumulation was launched on 12 November 2020.

### Class Z Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	125.61	108.96	99.49
Return before operating charges*	(14.80)	17.09	9.82
Operating charges	(0.33)	(0.44)	(0.35)
Return after operating charges*	(15.13)	16.65	9.47
Distributions on accumulation shares	(2.11)	(1.43)	(1.82)
Retained distributions on accumulation shares	2.11	1.43	1.82
<b>Closing net asset value per share</b>	<b>110.48</b>	<b>125.61</b>	<b>108.96</b>
* after direct transaction costs of:	0.05	0.15	0.04
<b>Performance</b>			
Return after charges	(12.05)%	15.28%	9.52%
<b>Other information</b>			
Closing net asset value (£'000)	60,748	36,287	8,692
Closing number of shares	54,986,119	28,887,353	7,977,124
Operating charges <sup>#</sup>	0.25%	0.35%	0.35%
Direct transaction costs	0.05%	0.12%	0.04%
<b>Prices<sup>^</sup></b>			
Highest share price	128.70	139.10	114.10
Lowest share price	100.60	109.40	81.86

# The FMF was reduced on 10 February 2022 to 0.25%.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.



## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 97.54% (31/08/21 – 97.19%)</b>			
<b>Bermuda – 0.60% (31/08/21 – 0.31%)</b>			
Financials – 0.26%			
	86,370 Credicorp	9,588	0.24
	819,529 Hopson Development Holdings	967	0.02
Industrials – 0.03%			
	1,571,117 Shenzhen International Holdings	1,166	0.03
Oil & Gas – 0.09%			
	4,810,000 Kunlun Energy	3,602	0.09
Technology – 0.12%			
	7,416,000 Alibaba Health Information Technology	3,686	0.09
	6,072,000 China Ruyi	1,323	0.03
Utilities – 0.10%			
	17,772,000 Beijing Enterprises Water Group	3,931	0.10
<b>Total Bermuda</b>		<b>24,263</b>	<b>0.60</b>
<b>Brazil – 3.99% (31/08/21 – 3.02%)</b>			
Basic Materials – 0.21%			
	1,491,500 Gerdau	5,769	0.14
	866,600 Klabin	2,705	0.07
Consumer Goods – 0.26%			
	1,337,700 Cosan Industries	4,433	0.11
	450,000 Hypera	3,215	0.08
	1,184,000 Natura & Co	2,830	0.07
Consumer Services – 0.45%			
	94,350 Getnet Adquirencia e Servicos para Meios	72	–
	802,285 Localiza Rent	8,094	0.20
	1,318,273 Lojas Renner	5,788	0.14
	1,287,500 Raia Drogasil	4,647	0.11
Financials – 1.66%			
	908,300 Atacadao Distribuicao Comercio e Industria	2,976	0.07
	7,053,472 Banco Bradesco	22,171	0.54
	2,240,260 Banco Bradesco ADR	5,882	0.15
	355,900 Banco Santander Brasil	1,734	0.04
	6,177,872 Hapvida Participacoes	7,460	0.18
	6,446,400 Itau Unibanco Banco Preference	27,599	0.68
Healthcare – 0.07%			
	507,800 Rede D'Or Sao Luiz SA	2,804	0.07
Industrials – 0.48%			
	1,630,900 CCR	3,731	0.09
	1,682,300 Rumo SA	5,640	0.14
	2,197,060 Weg	10,310	0.25
Oil & Gas – 0.10%			
	936,100 Petro Rio	4,239	0.10
Technology – 0.18%			
	842,348 Lojas Americanas	2,282	0.06
	1,027,000 Totvs	4,864	0.12
Telecommunications – 0.18%			
	695,000 Telefonica Brasil	4,743	0.12
	1,370,800 TIM Brazil	2,688	0.06
Utilities – 0.40%			
	1,893,407 Companhia Energetica	3,800	0.09
	212,900 Energisa	1,493	0.04
	1,325,300 Equatorial Energia	5,316	0.13
	460,000 Sabesp	3,748	0.09
	811,200 Ultrapar Participacoes	1,821	0.05
<b>Total Brazil</b>		<b>162,854</b>	<b>3.99</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Cayman Islands – 22.02% (31/08/21 – 24.58%)</b>			
Consumer Goods – 1.19%			
	5,388,000 China Feihe	3,829	0.10
	4,220,500 Dali Foods Group	1,659	0.04
	762,800 Li Auto ADR	18,841	0.46
	776,400 Pop Mart International	1,734	0.04
	1,748,000 Uni-President China	1,296	0.03
	969,000 Vinda International Holdings	2,318	0.06
	7,592,000 Want Want China	4,605	0.11
	586,400 Xpeng	9,338	0.23
	2,058,000 Yadea Group Holdings	3,385	0.08
	758,000 Yihai International	1,645	0.04
Consumer Services – 0.16%			
	650,500 Vipshop Holdings ADR	6,485	0.16
Financials – 0.49%			
	1,680,292 Chailease Holding	9,346	0.23
	1,003,600 China Resources Mixc Lifestyle Services	3,912	0.09
	4,101,552 Cifi Holdings Group	894	0.02
	2,787,000 Country Garden Services	4,742	0.12
	1,434,000 Greentown Service Group	892	0.02
	2,804,000 Logan Property Holdings*	264	0.01
	852,000 Shimao Group Holdings**	–	–
Healthcare – 1.37%			
	2,544,500 3SBio	1,454	0.03
	2,440,000 China Medical System	3,099	0.08
	1,786,000 Genscript Biotech Corporation	4,977	0.12
	2,282,000 Hansoh Pharmaceutical Group	3,923	0.10
	2,096,500 Jinxin Fertility	1,175	0.03
	1,635,500 Microport Scientific Corporation	2,815	0.07
	5,011,500 WuXi Biologics	38,246	0.94
Industrials – 0.17%			
	1,326,000 AAC Technologies	2,123	0.05
	191,000 Airtac International	4,433	0.11
	878,000 China Resources Cement	465	0.01
Oil & Gas – 0.31%			
	2,162,000 China Conch Venture	3,788	0.09
	7,584,000 Xinyi Solar Holdings	9,002	0.22
Technology – 18.33%			
	20,818,100 Alibaba Group Holding	214,953	5.27
	3,050,150 Baidu A	47,224	1.16
	4,008,000 Kingdee International Software	6,714	0.17
	5,922,200 Meituan Dianping 'B'	123,010	3.02
	2,854,000 NetEase	44,281	1.09
	721,600 Ping An Healthcare & Technology	1,687	0.04
	8,582,600 Tencent Holdings	307,484	7.54
	1,021,600 Tongcheng Travel Holdings	1,808	0.04
<b>Total Cayman Islands</b>		<b>897,846</b>	<b>22.02</b>
<b>Channel Islands – 0.00% (31/08/21 – 0.16%)</b>			
Basic Materials – 0.00%			
	474,777 Polymetal International**	–	–
<b>Total Channel Islands</b>		<b>–</b>	<b>–</b>
<b>Chile – 0.77% (31/08/21 – 0.43%)</b>			
Basic Materials – 0.46%			
	1,198,474 Empresas CMPC	1,968	0.05
	196,566 Sociedad Quimica Y Minera	16,980	0.41
Consumer Services – 0.12%			
	1,972,097 Cencosud	2,459	0.06
	1,143,850 S.A.C.I Falabella	2,335	0.06
Oil & Gas – 0.12%			
	626,086 Empresas Copec	4,759	0.12



**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Chile – 0.77% (31/08/21 – 0.43%) – continued</b>			
Utilities – 0.07%			
28,674,551	Enel Americas	2,732	0.07
<b>Total Chile</b>		<b>31,233</b>	<b>0.77</b>
<b>China – 4.75% (31/08/21 – 5.98%)</b>			
Basic Materials – 0.20%			
6,753,000	China Molybdenum	2,595	0.07
711,759	Jiangxi Ganfeng Lithium	5,405	0.13
Consumer Goods – 0.85%			
1,303,500	BYD	34,540	0.85
Consumer Services – 0.04%			
1,234,000	Air China	851	0.02
1,318,000	China Southern Airlines	612	0.02
Financials – 2.75%			
992,000	A-Living Services	880	0.02
128,196,000	China Construction Bank	68,359	1.68
6,285,500	China Merchants Bank	27,735	0.68
3,495,601	China Vanke	5,871	0.15
3,966,600	Huatai Securities	4,560	0.11
8,890,000	Postal Savings Bank of China	4,575	0.11
Healthcare – 0.59%			
172,000	Cansino Biologics	927	0.02
364,050	Pharmaron Beijing	2,077	0.05
4,112,400	Shandong Weigao Group Medical	4,809	0.12
1,248,500	Shanghai Fosun Pharmaceutical	3,465	0.08
2,576,900	Shanghai Pharmaceuticals	3,217	0.08
1,929,600	Sinopharm Group	3,693	0.09
618,479	WuXi AppTec 'H'	6,047	0.15
Industrials – 0.16%			
16,842,000	BBMG	1,936	0.05
1,350,000	Beijing Capital International Airport	730	0.02
4,279,000	Changsha Zoomlion Heavy Industry Science and Technology	1,659	0.04
4,293,000	Sinotrans	1,053	0.02
1,692,000	Zhejiang Expressway	1,106	0.03
Oil & Gas – 0.06%			
2,002,400	Xinjiang Goldwind SC&T	2,574	0.06
Technology – 0.06%			
6,402,000	China Communications Services	2,362	0.06
Utilities – 0.04%			
4,793,000	China Suntien Green Energy	1,832	0.04
<b>Total China</b>		<b>193,470</b>	<b>4.75</b>
<b>Colombia – 0.16% (31/08/21 – 0.05%)</b>			
Corporate Preference – 0.08%			
529,587	Bancolombia Sa Preferred	3,147	0.08
Financials – 0.04%			
259,887	Bancolombia	1,727	0.04
Utilities – 0.04%			
493,036	Interconexion Electrica	1,836	0.04
<b>Total Colombia</b>		<b>6,710</b>	<b>0.16</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Czech Republic – 0.11% (31/08/21 – 0.13%)</b>			
Financials – 0.11%			
115,515	Komerčni Banka	2,364	0.06
779,257	Moneta Money Bank	2,173	0.05
<b>Total Czech Republic</b>		<b>4,537</b>	<b>0.11</b>
<b>Egypt – 0.10% (31/08/21 – 0.10%)</b>			
Financials – 0.10%			
2,369,992	Commercial International Bank	4,042	0.10
<b>Total Egypt</b>		<b>4,042</b>	<b>0.10</b>
<b>Greece – 0.18% (31/08/21 – 0.12%)</b>			
Basic Materials – 0.04%			
129,000	Mytilineos Holdings	1,741	0.04
Financials – 0.11%			
2,652,219	Alpha Services And Holdings	2,118	0.05
3,084,775	Eurobank Ergasias	2,479	0.06
Utilities – 0.03%			
265,520	Public Power Corporation	1,194	0.03
<b>Total Greece</b>		<b>7,532</b>	<b>0.18</b>
<b>Hong Kong – 2.59% (31/08/21 – 3.30%)</b>			
Basic Materials – 0.08%			
5,019,000	Fosun International	3,176	0.08
Consumer Goods – 0.43%			
4,505,000	China Mengniu Dairy	17,585	0.43
Financials – 0.57%			
4,771,000	China Overseas Land and Investments	11,075	0.27
782,000	Far East Horizon	509	0.01
2,479,500	Longfor Group Holdings	6,937	0.17
1,486,000	Wharf Holdings	4,808	0.12
Healthcare – 0.46%			
13,082,960	CSPC Pharmaceutical	11,403	0.28
15,901,000	Sino Biopharmaceutical	7,208	0.18
Industrials – 0.30%			
6,171,110	China Everbright International	2,622	0.07
1,958,000	China Lesso Group Holdings	2,007	0.05
7,089,000	Citic Pacific	6,287	0.15
1,555,000	Sinotruk (Hong Kong)	1,340	0.03
Oil & Gas – 0.12%			
3,956,800	China Gas	4,818	0.12
Technology – 0.20%			
11,226,000	Lenovo Group	7,977	0.20
Utilities – 0.43%			
1,116,000	China Resources Gas	3,739	0.09
1,114,500	ENN Energy Holdings	13,948	0.34
<b>Total Hong Kong</b>		<b>105,439</b>	<b>2.59</b>
<b>Hungary – 0.22% (31/08/21 – 0.35%)</b>			
Financials – 0.13%			
296,582	OTP Bank	5,444	0.13
Oil & Gas – 0.09%			
625,126	MOL Hungarian Oil & Gas	3,706	0.09
<b>Total Hungary</b>		<b>9,150</b>	<b>0.22</b>

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>India – 13.91% (31/08/21 – 11.54%)</b>			
Basic Materials – 0.55%			
344,654	Berger Paints	2,511	0.06
2,103,636	Hindalco Industries	9,988	0.25
95,596	PI Industries	3,553	0.09
758,602	UPL	6,312	0.15
Consumer Goods – 1.70%			
157,145	Britannia Industries	6,370	0.16
107,743	Colgate-Palmolive	1,952	0.05
683,248	Dabur India	4,313	0.11
196,544	Eicher Motors	7,140	0.17
163,593	Hero MotoCorp	5,021	0.12
1,125,693	Hindustan Unilever	32,384	0.79
602,584	Marico	3,426	0.08
40,904	Nestle India	8,815	0.22
Consumer Services – 0.13%			
109,070	Info Edge	5,125	0.13
Financials – 3.05%			
3,046,103	Axis Bank	24,759	0.61
2,360,934	Housing Development Finance Corporation	62,470	1.53
458,195	ICICI Prudential Life Insurance	2,947	0.07
738,025	Kotak Mahindra Bank	15,290	0.38
300,954	Shriram Transport Finance	4,409	0.11
2,490,774	State Bank of India	14,312	0.35
Healthcare – 0.08%			
339,772	Lupin	2,459	0.06
405,304	Piramal Pharma Limited	955	0.02
Industrials – 1.42%			
516,842	Asian Paints	18,959	0.47
365,441	Grasim Industries	6,635	0.16
427,989	Havells India	6,441	0.16
1,306,384	Mahindra & Mahindra	18,491	0.45
15,208	Shree Cement	3,631	0.09
117,141	Siemens	3,653	0.09
Oil & Gas – 2.96%			
1,850,597	Gail India	2,724	0.07
4,131,253	Reliance Industries	117,871	2.89
Technology – 3.37%			
1,631,335	HCL Technologies	16,567	0.41
4,641,211	Infosys	74,944	1.84
1,294,854	Tata Consultancy Services	44,972	1.10
1,700,602	Zomato	1,066	0.02
Utilities – 0.65%			
358,827	Adani Gas	14,534	0.36
426,451	Adani Green Energy	11,237	0.27
187,827	Indraprastha Gas	851	0.02
<b>Total India</b>		<b>567,087</b>	<b>13.91</b>
<b>Indonesia – 1.89% (31/08/21 – 0.84%)</b>			
Basic Materials – 0.21%			
15,648,700	Aneka Tambang	1,799	0.04
3,894,900	Indah Kiat Paper & Pulp	1,877	0.05
19,410,728	Merdeka Copper Gold	4,810	0.12
Consumer Goods – 0.07%			
10,387,700	Unilever Indonesia	2,761	0.07
Financials – 1.04%			
79,638,500	Bank Central Asia	37,812	0.93
9,537,400	Bank Negara Indonesia	4,708	0.11

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Healthcare – 0.05%			
23,236,200	Kalbe Farma	2,206	0.05
Industrials – 0.04%			
34,865,600	Barito Pacific	1,655	0.04
Technology – 0.04%			
10,538,680	Tower Bersama Infrastructure	1,721	0.04
Telecommunications – 0.44%			
67,708,700	Telekomunikasi Indonesia	17,877	0.44
<b>Total Indonesia</b>		<b>77,226</b>	<b>1.89</b>
<b>Isle of Man – 0.08% (31/08/21 – 0.07%)</b>			
Financials – 0.08%			
708,761	Nepi Rockcastle	3,243	0.08
<b>Total Isle of Man</b>		<b>3,243</b>	<b>0.08</b>
<b>Kuwait – 0.40% (31/08/21 – 0.27%)</b>			
Financials – 0.40%			
6,546,430	Kuwait Finance House	16,442	0.40
<b>Total Kuwait</b>		<b>16,442</b>	<b>0.40</b>
<b>Luxembourg – 0.00% (31/08/21 – 0.28%)</b>			
<b>Malaysia – 2.18% (31/08/21 – 1.89%)</b>			
Basic Materials – 0.15%			
1,587,900	Hap Seng Consolidated Berhad	2,119	0.05
4,216,000	Press Metal Berhad	3,845	0.10
Consumer Goods – 0.35%			
712,500	Kuala Lumpur Kepong	3,152	0.08
169,800	Nestlé Malaysia	4,337	0.11
1,426,420	PPB Group Berhad	4,804	0.12
1,871,100	QL Resources Berhad	1,832	0.04
Financials – 1.11%			
1,565,600	AMMB Holdings	1,245	0.03
9,317,706	CIMB Group	9,590	0.24
7,537,595	Malayan Banking	12,983	0.32
19,649,400	Public Bank	17,734	0.43
3,342,982	RHB Capital Berhad	3,685	0.09
Healthcare – 0.15%			
2,726,800	Hartalega	853	0.02
3,457,700	IHH Healthcare	4,117	0.10
7,673,800	Top Glove	1,179	0.03
Industrials – 0.08%			
794,400	Malaysia Airports	895	0.02
1,090,700	Misc Berhad	1,481	0.04
2,416,000	Sime Darby Berhad	1,058	0.02
Oil & Gas – 0.14%			
377,400	Petronas Dagangan	1,677	0.04
1,200,400	Petronas Gas	3,983	0.10
Telecommunications – 0.20%			
3,014,078	Axiata	1,754	0.04
3,155,000	Digi Com	2,229	0.06
2,781,900	Maxis	2,046	0.05
1,815,200	Telekom Malaysia	2,081	0.05
<b>Total Malaysia</b>		<b>88,679</b>	<b>2.18</b>

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Mexico – 1.70% (31/08/21 – 1.28%)</b>			
Basic Materials – 0.04%			
227,340	Industrias Peñoles	1,601	0.04
Consumer Goods – 0.88%			
748,400	Arca Continental	4,358	0.11
1,933,400	Bimbo 'A'	5,607	0.14
1,206,540	Coca-Cola Femsa SAB de CV	6,334	0.15
2,601,900	Fomento Economico Mexicano	14,021	0.34
246,975	Gruma 'B'	2,311	0.06
2,937,500	Kimberly-Clark de México	3,422	0.08
Consumer Services – 0.08%			
3,107,300	Grupo Televisa	3,362	0.08
Financials – 0.44%			
3,501,100	Grupo Financiero Banorte SAB CV	17,754	0.44
Industrials – 0.26%			
20,155,900	Cemex	6,416	0.16
221,550	Grupo Aeroportuario del Sureste 'B'	4,018	0.10
<b>Total Mexico</b>		<b>69,204</b>	<b>1.70</b>
<b>Philippines – 0.65% (31/08/21 – 0.64%)</b>			
Consumer Goods – 0.23%			
5,116,203	JG Summit Holdings	4,009	0.10
11,707,300	Monde Nissin	2,917	0.07
1,391,080	Universal Robina	2,597	0.06
Consumer Services – 0.13%			
420,050	SM Investments	5,342	0.13
Financials – 0.26%			
162,970	GT Capital Holdings	1,202	0.03
16,066,000	SM Prime Holdings	9,220	0.23
Telecommunications – 0.03%			
43,990	Globe Telecom	1,412	0.03
<b>Total Philippines</b>		<b>26,699</b>	<b>0.65</b>
<b>Poland – 0.60% (31/08/21 – 0.95%)</b>			
Basic Materials – 0.07%			
183,303	KGHM	2,971	0.07
Financials – 0.33%			
269,954	Bank Pekao	3,222	0.08
1,169,260	PKO Bank Polski	5,037	0.13
653,819	PZU	3,370	0.08
43,695	Santander Bank	1,713	0.04
Oil & Gas – 0.17%			
1,111,380	Polish Oil & Gas	1,137	0.03
496,289	Polski Koncern Naftowy Orlen	5,543	0.14
Technology – 0.03%			
90,359	CD Projekt	1,392	0.03
<b>Total Poland</b>		<b>24,385</b>	<b>0.60</b>
<b>Qatar – 1.03% (31/08/21 – 0.68%)</b>			
Financials – 0.89%			
3,226,673	Commercial Bank of Qatar	5,580	0.14
6,237,639	Qatar National Bank	30,382	0.75
Industrials – 0.09%			
4,077,804	Qatar Gas Transport	3,841	0.09
Oil & Gas – 0.05%			
471,439	Qatar Fuel	2,114	0.05
<b>Total Qatar</b>		<b>41,917</b>	<b>1.03</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Russia – 0.00% (31/08/21 – 2.70%)</b>			
Basic Materials – 0.00%			
2,022,590	Novolipetsk Steel**	–	–
197,861	Phosagro GDR**	–	–
42,464	Polyus Gold**	–	–
Financials – 0.00%			
898,320	Moscow Exchange Micex**	–	–
Oil & Gas – 0.00%			
15,553,020	Gazprom**	–	–
539,080	Lukoil**	–	–
115,725	Novatek**	–	–
Telecommunications – 0.00%			
581,200	Mobile Telesystems ADR**	–	–
<b>Total Russia</b>		<b>–</b>	<b>–</b>
<b>Saudi Arabia – 1.92% (31/08/21 – 1.07%)</b>			
Basic Materials – 0.68%			
1,209,493	Saudi Basic Industries	27,707	0.68
Financials – 0.17%			
607,412	Bank Albilad	7,027	0.17
Healthcare – 0.15%			
133,324	Dr. Sulaiman Al-Habib Medical Group	6,096	0.15
Oil & Gas – 0.76%			
110,000	International Company for Water & Power Projects	4,361	0.11
3,113,472	Saudi Arabian Oil Company	26,693	0.65
Utilities – 0.16%			
1,120,000	Saudi Electricity	6,465	0.16
<b>Total Saudi Arabia</b>		<b>78,349</b>	<b>1.92</b>
<b>Singapore – 0.01% (31/08/21 – 0.02%)</b>			
Consumer Services – 0.01%			
87,200	BOC Aviation	600	0.01
<b>Total Singapore</b>		<b>600</b>	<b>0.01</b>
<b>South Africa – 5.40% (31/08/21 – 4.56%)</b>			
Basic Materials – 0.70%			
69,169	Anglo American Platinum	4,181	0.10
1,226,204	Gold Fields	8,577	0.21
1,149,508	Impala Platinum	10,455	0.26
93,639	Kumba Iron Ore	1,797	0.04
451,035	Northam Platinum	3,662	0.09
Consumer Services – 1.60%			
477,467	Bid Corporation	7,825	0.19
328,475	Clicks Group	4,936	0.12
315,881	Mr. Price Group	2,966	0.07
600,291	Multichoice Group	3,499	0.09
285,364	Naspers	34,903	0.86
715,749	Shoprite	8,398	0.21
302,235	Spar	2,386	0.06
Financials – 1.97%			
1,145,628	Absa Group	10,283	0.25
117,350	Capitec Bank	12,092	0.30
625,794	Discovery Limited	3,876	0.10
6,649,718	FirstRand	21,515	0.53
4,277,517	Growthpoint Properties	2,748	0.07
599,843	Nedbank Group	6,125	0.15
5,777,940	Old Mutual	2,942	0.07
2,434,721	Sanlam	6,546	0.16
1,818,489	Standard Bank	14,049	0.34

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>South Africa – 5.40% (31/08/21 – 4.56%) – continued</b>			
Healthcare – 0.09%			
	519,552 Aspen Pharmacare	3,864	0.09
Industrials – 0.22%			
	382,617 Bidvest Group	4,147	0.10
	742,776 Remgro	4,769	0.12
Oil & Gas – 0.31%			
	766,785 Sasol	12,829	0.31
Telecommunications – 0.51%			
	2,423,918 MTN Group	15,182	0.37
	852,588 Vodacom Group	5,423	0.14
<b>Total South Africa</b>		<b>219,975</b>	<b>5.40</b>

**South Korea – 6.92% (31/08/21 – 7.46%)**

Basic Materials – 1.19%			
	169,190 Hanwha Solutions Corporation	5,718	0.14
	14,333 Korea Zinc	6,189	0.15
	67,518 LG Chemical	27,374	0.67
	10,770 LG Chemical Preference	2,079	0.05
	19,912 Lotte Chemical Corporation	2,233	0.06
	13,931 SK chemicals	873	0.02
	31,574 SK IE Technology	1,686	0.04
	28,785 SKC	2,238	0.06
Consumer Goods – 0.84%			
	29,423 AmorePacific	659	0.02
	36,979 AmorePacific Corporation	2,922	0.07
	16,728 BGF Retail	1,720	0.04
	13,192 CJ Cheiljedang	3,454	0.08
	38,365 CJ Corporation	1,928	0.05
	76,537 Coway	3,123	0.08
	144,380 LG Electronics	9,323	0.23
	11,168 LG Household & Healthcare	5,109	0.12
	2,500 LG Household & Healthcare Preference Shares	589	0.01
	23,074 N C Soft	5,604	0.14
Consumer Services – 0.11%			
	268,369 Korean Airlines	4,621	0.11
Financials – 1.23%			
	391,372 Hana Financial Holdings	9,845	0.24
	524,174 KB Financial	16,654	0.41
	105,656 Samsung Life Insurance	4,202	0.10
	77,842 Samsung Securities	1,695	0.04
	560,710 Shinhan Financial	13,150	0.32
	600,144 Woori Financial Group	4,685	0.12
Healthcare – 0.26%			
	129,737 Celltrion Healthcare	6,010	0.15
	38,245 SK Biopharmaceuticals	1,757	0.04
	73,471 Yuhan Corporation	2,677	0.07
Industrials – 1.43%			
	10,626 CJ Logistics	809	0.02
	60,350 Doosan Bobcat	1,342	0.03
	70,398 GS Engineering & Construction	1,361	0.03
	330,380 HMM	4,723	0.12
	81,391 Hyundai Engineering & Construction	2,518	0.06
	30,574 Hyundai Glovis	3,457	0.09
	140,706 LG Corporation	7,404	0.18
	43,565 POSCO Chemical	4,703	0.12
	26,903 S1 Corporation	1,006	0.02
	165,252 Samsung Engineering	2,485	0.06
	74,831 Samsung SDI	28,704	0.70
Oil & Gas – 0.23%			
	75,995 SK Innovation	9,253	0.23

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Technology – 1.63%			
	434,543 Kakao	20,493	0.50
	404,816 LG Display	4,058	0.10
	180,210 Naver Corporation	27,731	0.68
	28,337 Netmarble Games	1,156	0.03
	46,537 Samsung SDS	3,842	0.10
	60,645 SK Holdings	9,079	0.22
<b>Total South Korea</b>		<b>282,241</b>	<b>6.92</b>

**Taiwan – 19.94% (31/08/21 – 20.46%)**

Basic Materials – 0.63%			
	16,226,000 China Steel	13,263	0.32
	6,493,000 Nan Ya Plastics	12,595	0.31
Consumer Goods – 0.40%			
	4,692,000 Far Eastern New Century	4,339	0.11
	6,415,000 Uni-President Enterprises	11,936	0.29
Consumer Services – 0.45%			
	2,236,000 China Airlines	1,436	0.03
	2,063,000 EVA Airways	1,966	0.05
	377,000 Hotai Motor Company	6,514	0.16
	123,600 Momo.Com	2,548	0.06
	793,000 President Chain Store	6,001	0.15
Financials – 2.83%			
	10,853,076 Cathay Financial	13,652	0.33
	24,574,000 CTBC Financial Holding	16,305	0.40
	16,801,405 E.Sun Financial	13,378	0.33
	13,047,838 First Financial	9,781	0.24
	10,440,441 Fubon Financial	16,921	0.42
	8,697,999 Hua Nan Financial	5,698	0.14
	13,550,500 Mega Financial	13,735	0.34
	4,733,000 Shanghai Commercial & Savings Bank	6,655	0.16
	13,928,910 SinoPac	6,823	0.17
	16,436,656 Taishin Financial	7,054	0.17
	7,035,930 Taiwan Cooperative Financials	5,483	0.13
Industrials – 1.28%			
	2,807,000 Delta Electronic Industry	20,805	0.51
	3,496,313 Evergreen Marine Corporation	8,707	0.21
	7,582,905 Taiwan Cement	8,404	0.21
	1,833,000 Taiwan High Speed Rail Corporation	1,506	0.04
	108,000 Voltronic Power Technology	5,291	0.13
	1,031,895 Wan Hai Lines	2,529	0.06
	2,292,000 Yang Ming Marine Transport Corporation	5,106	0.12
Technology – 13.48%			
	3,873,000 Acer	2,406	0.06
	11,735,000 AU Optronics	5,533	0.14
	2,133,000 MediaTek	40,170	0.99
	33,829,000 Taiwan Semiconductor Manufacturing	481,401	11.81
	16,837,000 United Microelectronics	19,515	0.48
Telecommunications – 0.87%			
	5,721,000 Chunghwa Telecom	19,545	0.48
	3,089,000 Far EasTone Telecommunications	6,515	0.16
	3,376,000 Taiwan Mobile	9,494	0.23
<b>Total Taiwan</b>		<b>813,010</b>	<b>19.94</b>

**Thailand – 2.52% (31/08/21 – 2.08%)**

Basic Materials – 0.12%			
	1,968,900 Indorama Ventures	1,995	0.05
	2,650,600 PTT Global Chemical (foreign)	2,952	0.07
Consumer Goods – 0.18%			
	4,699,500 Charoen Pokphand Foods	2,852	0.07
	1,328,200 Osotspa	970	0.02
	8,426,700 Thai Union	3,476	0.09

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Thailand – 2.52% (31/08/21 – 2.08%) – continued</b>			
Consumer Services – 0.38%			
7,116,100	CP All (foreign)	10,273	0.25
7,952,500	Home Product Center (foreign)	2,605	0.06
3,561,447	Minor International	2,728	0.07
77,338	Minor International Warrants 15/2/2024	7	–
Financials – 0.19%			
2,628,000	Central Pattana (foreign)	4,289	0.11
1,557,900	Krungthai Card	2,203	0.05
926,800	Siam Commercial Bank#	1,308	0.03
Healthcare – 0.28%			
12,799,500	Bangkok Dusit Medical Services (foreign)	8,749	0.22
508,200	Bumrungrad Hospital (foreign)	2,587	0.06
Industrials – 0.62%			
5,141,100	Airports of Thailand	8,785	0.22
1,466,400	B. Grimm Power	1,270	0.03
2,002,600	Berli Jucker	1,569	0.04
12,437,421	BTS	2,448	0.06
567,126	BTS Warrants 5/9/2022*	–	–
1,134,252	BTS Warrants 7/11/2024	6	–
2,268,504	BTS Warrants 20/11/2026	12	–
1,687,500	SCG Packaging PCL	2,247	0.05
1,065,300	Siam Cement (foreign)	8,989	0.22
Oil & Gas – 0.39%			
2,590,500	Energy Absolute	5,175	0.13
2,160,900	PTT Exploration & Production	8,582	0.21
3,459,300	PTT Oil and Retail	2,161	0.05
Telecommunications – 0.36%			
2,034,700	Advanced Info Service (foreign)	9,208	0.23
1,977,200	Intouch	3,390	0.08
16,995,500	True Corporation	1,827	0.05
<b>Total Thailand</b>		<b>102,663</b>	<b>2.52</b>
<b>Turkey – 0.24% (31/08/21 – 0.16%)</b>			
Consumer Goods – 0.08%			
2,631,212	Turk Sise Ve Cam Fabrikalari	3,080	0.08
Consumer Services – 0.02%			
235,773	Turk Hava Yollari	813	0.02
Financials – 0.08%			
1,000,136	KOC	2,155	0.05
3,383,184	Turkiye Is Bankasi	1,266	0.03
Oil & Gas – 0.06%			
138,601	Tupras-Turkiye Petrol Rafine	2,352	0.06
<b>Total Turkey</b>		<b>9,666</b>	<b>0.24</b>
<b>United Arab Emirates – 2.06% (31/08/21 – 1.13%)</b>			
Financials – 1.36%			
3,907,177	Abu Dhabi Commercial Bank	8,292	0.20
2,532,245	Abu Dhabi Islamic Bank	5,243	0.13
4,804,181	Aldar Properties	5,418	0.13
3,050,578	Emirates NBD Bank	9,529	0.24
6,024,624	National Bank of Abu Dhabi	26,924	0.66
Telecommunications – 0.70%			
4,733,473	Emirates Telecommunications Group	28,485	0.70
<b>Total United Arab Emirates</b>		<b>83,891</b>	<b>2.06</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>United States – 0.53% (31/08/21 – 0.46%)</b>			
Consumer Services – 0.60%			
563,900	Yum! China	24,279	0.60
Futures – (0.07)%			
2,437	NYF MSCI Emerging Market September 2022	(2,760)	(0.07)
<b>Total United States</b>		<b>21,519</b>	<b>0.53</b>
<b>Bonds – 0.00% (31/08/21 – 0.01%)</b>			
<b>India – 0.00% (31/08/21 – 0.01%)</b>			
Corporate Bonds – 0.00%			
INR 131,347	Britannia Industries 5.5% 3/6/2024	40	–
<b>Total India</b>		<b>40</b>	<b>–</b>
<b>Total value of investments</b>		<b>3,973,912</b>	<b>97.47</b>
<b>Net other assets</b>		<b>103,289</b>	<b>2.53</b>
<b>Total net assets</b>		<b>4,077,201</b>	<b>100.00</b>

# Suspended

\* Value less than £1,000

- Level 3 asset

\* Unlisted, nil value

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Tencent Holdings	60,755
Taiwan Semiconductor Manufacturing	57,511
NetEase	47,975
Baidu A	42,576
Alibaba Group Holding	28,145
Itau Unibanco Banco Preference	27,815
Saudi Arabian Oil Company	27,225
Meituan Dianping 'B'	20,054
Reliance Industries	18,892
Emirates Telecommunications Group	17,886
<b>Subtotal</b>	<b>348,834</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>1,001,357</b>

### Significant Sales

	Proceeds £'000
Ping An Insurance 'H'	46,189
NIO	24,514
Li-Ning	19,440
B3 Brasil Bolsa Balcao	17,540
Saudi Arabian Mining	14,301
Geely Automobile	13,735
ASE Technology Holding	12,384
Shenzhou International Group	11,532
Titan Industries	10,981
Globant	9,943
<b>Subtotal</b>	<b>180,559</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>437,534</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(608,017)	182,346
Revenue	3	99,174	52,341
Expenses	4	(4,172)	(2,744)
Interest payable and similar charges		(7)	(40)
Net revenue before taxation		94,995	49,557
Taxation	5	(10,057)	(15,859)
Net revenue after taxation		84,938	33,698
Total (deficit)/return before distributions		(523,079)	216,044
Distributions	6	(83,377)	(43,836)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(606,456)</b>	<b>172,208</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		3,976,672	4,004,131
<b>Current assets:</b>			
Debtors	7	13,896	47,900
Cash and bank balances	8	142,651	147,047
<b>Total assets</b>		<b>4,133,219</b>	<b>4,199,078</b>
<b>Liabilities</b>			
Investment liabilities		2,760	5,269
<b>Creditors:</b>			
Other creditors	9	38,608	60,514
Deferred tax liability	9a	14,650	14,001
<b>Total liabilities</b>		<b>56,018</b>	<b>79,784</b>
<b>Net assets attributable to shareholders</b>		<b>4,077,201</b>	<b>4,119,294</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>4,119,294</b>	<b>1,372,419</b>
Amounts receivable on creation of shares	614,379	2,539,094
Amounts payable on cancellation of shares	(141,661)	(41,237)
	472,718	2,497,857
Dilution adjustment charged	5,826	19,957
Change in net assets attributable to shareholders from investment activities	(606,456)	172,208
Retained distribution on accumulation shares	85,819	56,853
<b>Closing net assets attributable to shareholders</b>	<b>4,077,201</b>	<b>4,119,294</b>



## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(592,785)	174,728
Derivative securities	(27,838)	15,103
Currency gains/(losses)	12,606	(7,409)
Activity fees	–	(76)
<b>Net capital (losses)/gains</b>	<b>(608,017)</b>	<b>182,346</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
Overseas dividends	96,229	49,834
Interest on debt securities	26	(21)
Inland Revenue interest received	–	1
Bank interest	622	42
Interest received on amounts held with brokers	14	–
Stock lending income	732	1,880
Stock dividends	1,551	605
<b>Total revenue</b>	<b>99,174</b>	<b>52,341</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	4,135	2,729
<b>Other expenses:</b>		
Revenue collection expenses**	16	15
Tax agent charge	21	–
	37	15
<b>Total expenses</b>	<b>4,172</b>	<b>2,744</b>

\* Audit fee £16,632 (31/08/21: £13,789) inclusive of VAT is paid from the Fund Management Fee.

\*\* These are additional revenue expenses not included within the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Corporation tax	460	879
Double tax relief	(460)	(603)
Indian capital gains tax	(307)	10,700
Irrecoverable overseas tax	10,281	4,861
Reclaimable tax written off	73	277
Windfall overseas tax recoveries	–	(255)
Greek sales tax	10	–
<b>Current tax charge for the year</b>	<b>10,057</b>	<b>15,859</b>

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

The tax assessed for the year is lower (31/08/21: higher) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	94,995	49,557
Corporation tax at 20% (31/08/21: 20%)	18,999	9,911

Effects of:

Revenue not subject to taxation	(18,539)	(9,032)
Indian capital gains tax taken to capital	(307)	10,700
Irrecoverable overseas tax	10,281	4,818
Irrecoverable overseas tax on stock dividends taken to capital	–	43
Double tax relief	(460)	(603)
Reclaimable tax written off	73	277
Windfall overseas tax recoveries	–	(255)
Greek sales tax	10	–
<b>Current tax charge for the year</b>	<b>10,057</b>	<b>15,859</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There is a deferred tax liability as at the balance sheet date of £14,060,523 due to Indian Capital Gains Tax. (31/08/21: £14,000,537).



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Final	85,819	56,853
	85,819	56,853
Add: Amounts deducted on cancellation of shares	2,070	367
Deduct: Amounts received on the creation of shares	(4,512)	(13,384)
<b>Net distributions for the year</b>	<b>83,377</b>	<b>43,836</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	84,938	33,698
Movement in income carried forward	(1)	–
Stock dividend charged to capital	(1,551)	(605)
Indian capital gains tax taken to capital	(307)	10,700
Tax relief on stock dividend	288	43
Greek sales tax	10	–
<b>Net distributions for the year</b>	<b>83,377</b>	<b>43,836</b>

Details of the distribution per share are set out on page 221.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	394	442
Sales awaiting settlement	6,948	41,250
Foreign exchange sales awaiting settlement	–	11
Accrued revenue	5,811	6,077
Overseas withholding tax recoverable	120	120
Corporation tax receivable	174	–
Overseas tax receivable on stock dividends	449	–
<b>Total debtors</b>	<b>13,896</b>	<b>47,900</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	133,117	129,893
Amounts held at futures clearing houses and brokers	9,534	17,154
<b>Total cash and bank balances</b>	<b>142,651</b>	<b>147,047</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	14,570	383
Purchases awaiting settlement	23,688	59,545
Foreign exchange purchases awaiting settlement	3	–
Accrued expenses	347	419
Corporation tax payable	–	146
Overseas tax payable on stock dividends	–	21
<b>Total other creditors</b>	<b>38,608</b>	<b>60,514</b>

### 9a. Deferred tax liability

	31 Aug 2022 £'000	31 Aug 2021 £'000
Deferred tax liability	14,650	14,001

### 10. Reconciliation of number of shares

	Class P Accumulation	Class R Accumulation
Opening shares at 01/09/21	41,427	2,911,407,407
Shares issued	–	450,883,906
Shares cancelled	(23,765)	(111,288,409)
Shares converted	–	–
<b>Closing shares at 31/08/22</b>	<b>17,662</b>	<b>3,251,002,904</b>

	Class S Accumulation	Class Z Accumulation
Opening shares at 01/09/21	25,347,683	28,887,353
Shares issued	1,425,891	34,448,517
Shares cancelled	–	(8,349,751)
Shares converted	–	–
<b>Closing shares at 31/08/22</b>	<b>26,773,574</b>	<b>54,986,119</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £14,523,000 (31/08/21: £287,000).

At the year end, 31 August 2022, 94.67% (31/08/21: 95.84%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £183,000 (Gross: £915,000) (31/08/21: £470,000 (Gross: £2,350,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £184,430,000 (31/08/21: £239,349,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	95,487	113,501
Bonds	104,569	140,947

The aggregate value of collateral held at the balance sheet date was £200,056,000 (31/08/21: £254,448,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Bank of Nova Scotia, Barclays Capital Securities, BNP Paribas Arbitrage, Citigroup Global Markets, Credit Suisse International, Credit Suisse Singapore Branch, Goldman Sachs International, HSBC Bank, JP Morgan Securities, Merrill Lynch International, Morgan Stanley & Co International, and UBS AG.

### 14. Financial Derivatives

Motives and circumstances are used to determine whether returns on derivative contracts should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital and the circumstances support this, the returns are included within net capital gains/losses in the Statement of Total Return. Where they are undertaken for generating or protecting revenue and the circumstances support this, the returns are treated as revenue and are included within the net revenue in the Statement of Total Return. The basis of apportionment is typically made by reference to the yield on the underlying security, index or other appropriate source.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

The types of derivatives held at the year end were index futures which are not classed as OTC derivatives and hence, no counterparty exposure has been disclosed.

Details of the individual contracts are shown on the portfolio statement on pages 207 to 212.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 214. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	9,076	38,303
Brazilian real	160,001	119,700
Chilean peso	31,244	18,840
Chinese yuen	96	90
Columbian peso	6,710	2,239
Czech koruna	4,994	5,185
Egyptian pound	4,228	5,029
Euro	6,043	6,307
Hong Kong dollar	1,169,078	1,302,651
Hungarian forint	9,830	14,455
Indian rupee	556,999	461,910
Indonesian rupiah	77,226	36,532
Korean won	283,161	308,082
Kuwaiti dinar	16,442	8,821
Malaysian ringgit	88,724	79,441
Mexican peso	69,485	52,745
New Taiwanese dollar	832,110	844,150
Philippine peso	26,720	30,950
Polish zloty	25,438	39,368
Qatari rial	41,917	28,078
Russian ruble	–	94,216
Saudi riyal	68,967	44,448
South African rand	224,376	192,693
Thai baht	103,061	89,954
Turkish lira	9,666	6,707
UAE dirham	84,539	46,718
US dollar	167,070	241,682
<b>Total</b>	<b>4,077,201</b>	<b>4,119,294</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £406,813,000 (31/08/21: £408,099,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £406,813,000 (31/08/21: £408,099,000). 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 Fund would have increased by £397,391,000 (31/08/21: £399,886,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £397,391,000 (31/08/21: £399,886,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £133,118,000 (31/08/21: £129,893,000) which earn interest by reference to SONIA or international equivalent. This equates to 3.26% of the current Net Asset Value and 3.15% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	997,733	323	0.03	530	0.05	226	0.02	998,812
Bond transactions	1,155	–	–	–	–	–	–	1,155
Corporate actions	1,390	–	–	–	–	–	–	1,390
<b>Total</b>	<b>1,000,278</b>	<b>323</b>		<b>530</b>		<b>226</b>		<b>1,001,357</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	424,835	113	0.03	574	0.14	38	0.01	424,110
Bond transactions	295	–	–	–	–	–	–	295
Corporate actions	13,129	–	–	–	–	–	–	13,129
<b>Total</b>	<b>438,259</b>	<b>113</b>		<b>574</b>		<b>38</b>		<b>437,534</b>

The Fund had paid £59,000 as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.03%
Other expenses	0.01%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	2,884,317	820	0.03	1,157	0.04	567	0.02	2,886,861
Bond transactions	1,950	1	0.05	–	–	–	–	1,951
Corporate actions	1,710	–	–	–	–	–	–	1,710
<b>Total</b>	<b>2,887,977</b>	<b>821</b>		<b>1,157</b>		<b>567</b>		<b>2,890,522</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	379,369	98	0.03	397	0.10	42	0.01	378,832
Bond transactions	95	–	–	–	–	–	–	95
Corporate actions	1,706	–	–	–	–	–	–	1,706
<b>Total</b>	<b>381,170</b>	<b>98</b>		<b>397</b>		<b>42</b>		<b>380,633</b>

The Fund had paid £46,000 as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.04%
Taxes	0.06%
Other expenses	0.02%

At the balance sheet date the portfolio dealing spread was 0.19% (31/08/21: 0.16%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 17. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	3,975,324	–	1,308	3,976,632
Bonds	–	40	–	40
<b>Total</b>	<b>3,975,324</b>	<b>40</b>	<b>1,308</b>	<b>3,976,672</b>
<b>Investment liabilities</b>				
Derivatives	(2,760)	–	–	(2,760)
<b>Total</b>	<b>(2,760)</b>	<b>–</b>	<b>–</b>	<b>(2,760)</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	4,003,715	–	–	4,003,715
Bonds	–	416	–	416
<b>Total</b>	<b>4,003,715</b>	<b>416</b>	<b>–</b>	<b>4,004,131</b>
<b>Investment liabilities</b>				
Derivatives	(5,269)	–	–	(5,269)
<b>Total</b>	<b>(5,269)</b>	<b>–</b>	<b>–</b>	<b>(5,269)</b>

Russian investments listed on the Moscow stock exchange have been written down to nil value due to trading restrictions in place for overseas holders. Other Russian investments held have been suspended on both the New York and London stock exchanges.

### 18. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £3,922,934,191. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was (4.52)%.

The only significant cancellations on the Fund indicated above during this period were on S Accumulation (38.51)%.

## Distribution Table

For the year ended 31 August 2022

### Distribution in pence per share

#### Final

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class P Accumulation</b>				
Group 1	2.1731	–	2.1731	1.5486
Group 2	2.1731	0.0000	2.1731	1.5486
<b>Class R Accumulation</b>				
Group 1	2.5880	–	2.5880	1.9275
Group 2	1.5438	1.0442	2.5880	1.9275
<b>Class S Accumulation</b>				
Group 1	1.9620	–	1.9620	1.2661
Group 2	1.5839	0.3781	1.9620	1.2661
<b>Class Z Accumulation</b>				
Group 1	2.1056	–	2.1056	1.4321
Group 2	1.2813	0.8243	2.1056	1.4321

# Royal London Global Equity Diversified Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London Global Equity Diversified Fund, Class M Accumulation	2.08	37.82	–
Royal London Global Equity Diversified Fund, Class M Income	2.05	37.73	–
Royal London Global Equity Diversified Fund, Class R Accumulation	2.36	39.01	–
MSCI World Net Total Return Index	0.45	34.70	–

Class R Accumulation launched on 10 October 2017, Class M launched on 5 March 2018 and Class Z Accumulation and Class Z Income launched on 11 November 2022.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The Fund outperformed its benchmark, the MSCI World Net Total Return index, over the period.

The Fund aims to deliver long-term capital growth by investing in a diversified portfolio of global equities and will typically hold 175 to 225 stocks. These equities may be from both developed and emerging market countries and from any sector, industry or market capitalisation. The portfolio is also diversified across the Corporate Life Cycle, which holds that corporate returns on productive capital tend to progress along a cycle that we categorise into five stages: Accelerating, Compounding, Slowing & Maturing, Mature and Turnaround.

### Market and portfolio commentary

The market entered the period under review with key questions around the strength and duration of inflationary pressures and what that would mean for interest rates. There were also obviously also uncertainties about what the trajectory of the Covid pandemic would be, and these concerns flared when a new mutation of the virus, the omicron variant, was identified in November 2021.

The market's performance at the end of 2021 was characterised by higher growth businesses being more in favour, but the turn of the year saw a sharp rotation in markets, with shares in those companies being sold off sharply and more value orientated and cyclical sectors finding favour. This rotation was prompted by persistently higher inflation data being reported, putting paid to the idea that previous higher inflation numbers were merely transitory. This realisation meant that central banks started to increase interest rates, causing bond yields to rise.

Those purely financial concerns were then overtaken by a far more pressing issue – Russia's invasion of Ukraine. The events in Ukraine are first and foremost a humanitarian disaster, but the shock waves from the region continue to cause issues within financial markets. The financial uncertainty and commodity market disruption that is a by-product of the conflict have stoked the upward pressure on inflation already present in the global economy. Consumers around the world are facing significant cost of living squeezes, as a wide range of prices rise, most notably domestic energy bills. Energy prices are also spilling out into other parts of the economy, for example food prices, as energy costs drive up the cost of fertilizer for farmers. In this environment many workers are seeking higher wages to offset their higher living costs. The silver lining for those workers is that labour markets are quite tight, with unemployment running at low levels. Many businesses are seeing their staff costs increase significantly.

## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

During the period under review, Eli Lilly, Steel Dynamics and Reliance Steel & Aluminium contributed to performance. Eli Lilly gained on the back of a positive reception to its recently FDA-approved drug Mounjaro, having demonstrated market leading efficacy in terms of weight loss. Steel Dynamics has performed strongly as steel prices remained elevated. End-market demand is strong, yet domestic US steel production remains constrained, and the company is benefitting from the upswing in pricing. Reliance Steel & Aluminium is reaping the benefits of strong demand across key end markets and a diverse product base and in turn contributed to performance.

Meanwhile, Nvidia and Shopify detracted from performance. Nvidia, in the Compounding phase of the Life Cycle, saw losses on the back of the recent woes in cryptocurrency. Nvidia's graphic cards are popular with gaming fans and have benefitted during the crypto boom because they are an essential component of the systems that generate digital coins. Concerns over the level of ongoing data centre capex and unclear level of crypto exposure will need to be monitored. Shopify and other early Life Cycle businesses have been sharply hit by the increase in bond yields, this is due to the cash flows associated with success in the business are likely to be delivered long into the future.

### Investment outlook

Consumers are facing a significant cost of living squeeze, as inflation is currently at its highest level for decades. This squeeze has probably not yet peaked, as energy costs continue to rise and a weak pound and rising food costs also produce headwinds. Likewise, companies are battling to defend margins, as their own input costs increase significantly, but most recent evidence from company results is that many are so far managing to do this. 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 relative 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.

**Will Kenney**  
**Fund Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.



## Comparative Tables

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	163.08	127.51	120.86
Return before operating charges*	3.24	36.19	7.16
Operating charges	(0.67)	(0.62)	(0.51)
Return after operating charges*	2.57	35.57	6.65
Distributions on accumulation shares	(2.26)	(1.79)	(1.84)
Retained distributions on accumulation shares	2.26	1.79	1.84
<b>Closing net asset value per share</b>	<b>165.65</b>	<b>163.08</b>	<b>127.51</b>
* after direct transaction costs of:	0.05	0.03	0.03
<b>Performance</b>			
Return after charges	1.58%	27.90%	5.50%
<b>Other information</b>			
Closing net asset value (£'000)	5,173	2,201	8
Closing number of shares	3,122,475	1,349,891	6,075
Operating charges	0.41%	0.41%	0.41%
Direct transaction costs	0.03%	0.02%	0.02%
<b>Prices<sup>^</sup></b>			
Highest share price	175.50	163.50	130.80
Lowest share price	149.20	124.80	97.67

### Class M Income

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	154.28	122.03	117.44
Return before operating charges*	3.04	34.56	6.86
Operating charges	(0.64)	(0.62)	(0.49)
Return after operating charges*	2.40	33.94	6.37
Distributions on income shares	(2.13)	(1.69)	(1.78)
<b>Closing net asset value per share</b>	<b>154.55</b>	<b>154.28</b>	<b>122.03</b>
* after direct transaction costs of:	0.05	0.03	0.03
<b>Performance</b>			
Return after charges	1.56%	27.81%	5.42%
<b>Other information</b>			
Closing net asset value (£'000)	314	298	2
Closing number of shares	203,266	192,924	2,023
Operating charges	0.41%	0.41%	0.41%
Direct transaction costs	0.03%	0.02%	0.02%
<b>Prices<sup>^</sup></b>			
Highest share price	166.00	155.70	127.10
Lowest share price	140.50	119.40	94.26

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	164.57	128.27	121.19
Return before operating charges*	3.27	36.43	7.19
Operating charges	(0.15)	(0.13)	(0.11)
Return after operating charges*	3.12	36.30	7.08
Distributions on accumulation shares	(2.82)	(2.25)	(2.25)
Retained distributions on accumulation shares	2.82	2.25	2.25
<b>Closing net asset value per share</b>	<b>167.69</b>	<b>164.57</b>	<b>128.27</b>
* after direct transaction costs of:	0.05	0.03	0.03
<b>Performance</b>			
Return after charges	1.90%	28.30%	5.84%
<b>Other information</b>			
Closing net asset value (£'000)	3,363,321	3,314,138	2,638,585
Closing number of shares	2,005,737,332	2,013,861,444	2,057,009,233
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.03%	0.02%	0.02%
<b>Prices<sup>^</sup></b>			
Highest share price	177.20	165.00	131.40
Lowest share price	150.90	125.60	98.11

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 99.73% (31/08/21 – 99.84%)</b>			
<b>Australia – 2.30% (31/08/21 – 1.90%)</b>			
Basic Materials – 0.99%			
977,263	BHP Group	23,058	0.68
1,219,514	Northern Star Resources	5,604	0.17
510,857	Orica	4,593	0.14
Financials – 0.94%			
149,794	Commonwealth Bank of Australia	8,600	0.26
136,939	Macquarie	14,299	0.42
496,846	National Australia Bank	8,869	0.26
Oil & Gas – 0.11%			
177,788	Woodside Energy Group	3,538	0.11
Technology – 0.26%			
416,762	Altium	8,928	0.26
<b>Total Australia</b>		<b>77,489</b>	<b>2.30</b>
<b>Belgium – 0.00% (31/08/21 – 0.33%)</b>			
<b>Canada – 4.25% (31/08/21 – 2.35%)</b>			
Basic Materials – 0.14%			
371,544	Barrick Gold	4,742	0.14
Consumer Services – 0.44%			
325,792	Metro	14,750	0.44
Financials – 1.55%			
219,991	Bank of Nova Scotia	10,484	0.31
389,106	Brookfield Asset	16,127	0.48
453,084	Great-West Lifeco	9,146	0.27
297,685	Toronto-Dominion Bank	16,488	0.49
Oil & Gas – 1.13%			
236,027	Canadian Natural Resources	11,136	0.33
798,339	MEG Energy	9,603	0.29
619,018	Suncor Energy	17,224	0.51
Technology – 0.99%			
18,349	Constellation Software	23,776	0.71
301,662	Shopify	8,215	0.24
32,247	Topicus.com	1,423	0.04
<b>Total Canada</b>		<b>143,114</b>	<b>4.25</b>
<b>Denmark – 1.64% (31/08/21 – 1.58%)</b>			
Consumer Goods – 0.25%			
164,712	Bakkafrost	8,309	0.25
Healthcare – 0.63%			
233,420	Novo Nordisk 'B'	21,426	0.63
Industrials – 0.76%			
6,546	A.P. Moller-Maersk 'B'	13,501	0.40
95,657	DSV	12,154	0.36
<b>Total Denmark</b>		<b>55,390</b>	<b>1.64</b>
<b>Finland – 0.80% (31/08/21 – 0.80%)</b>			
Basic Materials – 0.50%			
575,322	UPM-Kymmene	16,819	0.50
Financials – 0.30%			
262,064	Sampo Oyj 'A'	10,216	0.30
<b>Total Finland</b>		<b>27,035</b>	<b>0.80</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>France – 3.18% (31/08/21 – 3.77%)</b>			
Basic Materials – 0.36%			
112,742	Air Liquide	12,198	0.36
Consumer Goods – 1.03%			
43,465	LVMH	24,321	0.72
67,091	Pernod-Ricard	10,642	0.31
Financials – 0.84%			
493,433	AXA	10,031	0.30
307,623	BNP Paribas	12,357	0.37
125,827	Unibail-Rodamco	5,589	0.17
Industrials – 0.95%			
196,377	Legrand	12,263	0.36
224,568	Safran	19,767	0.59
<b>Total France</b>		<b>107,168</b>	<b>3.18</b>
<b>Germany – 1.47% (31/08/21 – 2.13%)</b>			
Consumer Goods – 0.62%			
54,053	Adidas	6,935	0.21
281,295	Daimler	13,713	0.41
Financials – 0.12%			
64,025	LEG Immobilien	4,179	0.12
Healthcare – 0.20%			
62,804	Carl Zeiss Meditec	6,749	0.20
Technology – 0.53%			
255,662	Bechtle	8,455	0.25
187,042	Nemetschek	9,537	0.28
<b>Total Germany</b>		<b>49,568</b>	<b>1.47</b>
<b>Hong Kong – 0.18% (31/08/21 – 0.71%)</b>			
Utilities – 0.18%			
804,000	CLP Holdings	5,955	0.18
<b>Total Hong Kong</b>		<b>5,955</b>	<b>0.18</b>
<b>Ireland – 0.46% (31/08/21 – 0.58%)</b>			
Consumer Services – 0.13%			
40,353	Flutter Entertainment	4,344	0.13
Industrials – 0.33%			
353,046	CRH	11,211	0.33
<b>Total Ireland</b>		<b>15,555</b>	<b>0.46</b>
<b>Italy – 0.22% (31/08/21 – 0.51%)</b>			
Financials – 0.04%			
188,287	Mediobanca	1,287	0.04
Utilities – 0.18%			
6,292,926	A2A SpA	6,088	0.18
<b>Total Italy</b>		<b>7,375</b>	<b>0.22</b>

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Japan – 7.41% (31/08/21 – 7.54%)</b>			
Basic Materials – 0.25%			
256,200	NOF	8,418	0.25
Consumer Goods – 1.89%			
186,600	Bandai Namco Entertainment	12,118	0.36
421,300	Bridgestone	13,979	0.42
373,800	Nifco	7,311	0.22
205,600	Sony	14,161	0.42
1,214,900	Toyota Motor	15,813	0.47
Consumer Services – 0.22%			
296,700	Sankyo	7,495	0.22
Financials – 1.19%			
54,500	Daito Trust Construction	4,639	0.14
4,288	Japan Logistics	8,772	0.26
245,700	Sompo Japan Nipponkoa	9,095	0.27
679,800	Sumitomo Mitsui Financial	17,663	0.52
Healthcare – 0.51%			
521,500	Daiichi Sankyo	13,540	0.40
605,800	Santen Pharmaceutical	3,771	0.11
Industrials – 1.72%			
747,300	Itochu	17,799	0.53
579,900	Kubota	7,810	0.23
355,100	Misumi	7,595	0.23
172,400	Okuma	5,654	0.17
368,200	OSG	4,399	0.13
218,300	Sankyu	5,806	0.17
21,300	SMC	8,790	0.26
Technology – 1.12%			
463,800	Capcom	10,941	0.32
99,800	Fujitsu	10,233	0.30
55,900	Lasertec	6,723	0.20
356,600	Otsuka	9,992	0.30
Telecommunications – 0.35%			
444,200	KDDI	11,767	0.35
Utilities – 0.16%			
155,400	Iwatani	5,472	0.16
<b>Total Japan</b>		<b>249,756</b>	<b>7.41</b>
<b>Jersey – 0.68% (31/08/21 – 0.00%)</b>			
Basic Materials – 0.68%			
4,812,824	Glencore	22,779	0.68
<b>Total Jersey</b>		<b>22,779</b>	<b>0.68</b>
<b>Netherlands – 0.68% (31/08/21 – 1.65%)</b>			
Financials – 0.26%			
748,185	ABN AMRO Rights	–	–
1,147,551	ING Groep certificates	8,693	0.26
Technology – 0.42%			
34,071	ASML Holding	14,270	0.42
<b>Total Netherlands</b>		<b>22,963</b>	<b>0.68</b>
<b>New Zealand – 0.36% (31/08/21 – 0.32%)</b>			
Telecommunications – 0.36%			
4,272,869	Spark New Zealand	12,045	0.36
<b>Total New Zealand</b>		<b>12,045</b>	<b>0.36</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Norway – 0.14% (31/08/21 – 0.19%)</b>			
Telecommunications – 0.14%			
504,974	Telenor	4,762	0.14
<b>Total Norway</b>		<b>4,762</b>	<b>0.14</b>
<b>Singapore – 0.46% (31/08/21 – 0.37%)</b>			
Financials – 0.46%			
776,723	DBS	15,589	0.46
<b>Total Singapore</b>		<b>15,589</b>	<b>0.46</b>
<b>South Korea – 0.33% (31/08/21 – 0.42%)</b>			
Technology – 0.33%			
11,898	Samsung Electronics GDR	11,202	0.33
<b>Total South Korea</b>		<b>11,202</b>	<b>0.33</b>
<b>Spain – 0.46% (31/08/21 – 0.57%)</b>			
Financials – 0.13%			
996,046	Bankinter	4,393	0.13
Healthcare – 0.12%			
383,012	Grifols 'A'	3,987	0.12
Utilities – 0.21%			
445,170	Red Electrica de Espana	7,013	0.21
<b>Total Spain</b>		<b>15,393</b>	<b>0.46</b>
<b>Sweden – 0.59% (31/08/21 – 0.69%)</b>			
Basic Materials – 0.19%			
235,620	Boliden	6,556	0.19
Consumer Goods – 0.10%			
304,963	Electrolux	3,340	0.10
Financials – 0.30%			
1,419,117	Svenska Handelsbanken 'A'	10,043	0.30
<b>Total Sweden</b>		<b>19,939</b>	<b>0.59</b>
<b>Switzerland – 3.35% (31/08/21 – 3.32%)</b>			
Basic Materials – 0.33%			
57,638	Sika	11,181	0.33
Consumer Goods – 1.00%			
334,108	Nestlé (registered)	33,705	1.00
Financials – 0.31%			
767,473	UBS (registered)	10,492	0.31
Healthcare – 1.42%			
298,095	Novartis (registered)	20,769	0.62
97,364	Roche Holding	27,037	0.80
Telecommunications – 0.29%			
21,486	Swisscom	9,577	0.29
<b>Total Switzerland</b>		<b>112,761</b>	<b>3.35</b>

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Taiwan – 0.40% (31/08/21 – 0.48%)</b>			
Technology – 0.40%			
185,636	Taiwan Semiconductor Manufacturing ADR	13,296	0.40
<b>Total Taiwan</b>		<b>13,296</b>	<b>0.40</b>
<b>United Kingdom – 3.53% (31/08/21 – 3.60%)</b>			
Basic Materials – 0.56%			
677,400	Anglo American	18,849	0.56
Consumer Goods – 0.23%			
206,596	Berkeley	7,551	0.23
Financials – 1.01%			
290,342	Admiral	6,158	0.18
1,753,461	Aviva	7,340	0.22
999,497	Land Securities	6,503	0.19
32,436,195	Lloyds Banking Group	14,233	0.42
Industrials – 0.28%			
220,616	Ashtead Group	9,376	0.28
Oil & Gas – 1.09%			
1,602,161	Shell	36,673	1.09
Utilities – 0.36%			
1,123,716	National Grid	12,108	0.36
<b>Total United Kingdom</b>		<b>118,791</b>	<b>3.53</b>
<b>United States – 66.84% (31/08/21 – 66.03%)</b>			
Basic Materials – 3.08%			
204,649	Eastman Chemicals	16,006	0.47
386,157	International Paper	13,809	0.41
164,330	Reliance Steel & Aluminium	26,536	0.79
126,203	RPM International	10,105	0.30
424,574	Steel Dynamics	29,442	0.87
213,615	Sylvamo	8,153	0.24
Consumer Goods – 6.04%			
159,162	Church & Dwight	11,449	0.34
150,941	Colgate-Palmolive	10,144	0.30
1,146,667	Ford Motor	15,018	0.45
385,908	General Motors	12,666	0.38
445,060	Kraft Heinz	14,305	0.42
194,355	McCormick	14,040	0.42
184,804	PepsiCo	27,358	0.81
309,719	Philip Morris International	25,422	0.75
147,730	Polaris Industries	14,381	0.43
221,087	Procter & Gamble	26,215	0.78
283,373	Thor Industries	19,738	0.59
190,753	Tyson Foods A	12,359	0.37
Consumer Services – 7.24%			
109,564	Allegiant Travel	9,066	0.27
868,231	Amazon.com	94,576	2.81
304,181	BJ's Wholesale Club	19,475	0.58
128,000	Copart	13,161	0.39
29,165	FactSet Research Systems	10,864	0.32
35,374	Home Depot	8,766	0.26
47,943	Lithia Motors	10,935	0.32
6,814	MercadoLibre	5,004	0.15
23,964	Netflix	4,603	0.14
381,160	New York Times	9,991	0.30

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
259,765	Ollie's Bargain Outlet	12,334	0.37
157,009	PayPal	12,605	0.37
524,471	Sprouts Farmers Market	13,026	0.39
357,620	TJX Companies	19,160	0.57
Financials – 11.26%			
287,047	Aflac	14,658	0.43
44,851	American Tower	9,795	0.29
165,882	Berkshire Hathaway 'B'	40,026	1.19
28,104	BlackRock	16,090	0.48
279,294	Brown & Brown	15,134	0.45
439,374	CareTrust	8,141	0.24
88,537	Chicago Mercantile Exchange	14,884	0.44
216,559	Duke Realty	10,953	0.32
74,910	Goldman Sachs	21,414	0.64
88,738	Jones Lang LaSalle	13,193	0.39
464,974	JP Morgan Chase	45,442	1.35
117,348	PNC Financial Services	15,930	0.47
177,946	Primerica	19,390	0.58
234,528	Progressive	24,721	0.73
56,262	S&P Global	17,035	0.51
258,004	Schwab	15,734	0.47
268,947	Store Capital	6,234	0.18
358,299	Truist Financial	14,417	0.43
352,748	US Bancorp	13,824	0.41
249,370	Visa 'A'	42,585	1.26
Healthcare – 8.59%			
259,174	Abbvie	29,947	0.89
42,002	Biogen IDEC	7,050	0.21
69,535	Elevance Health	28,989	0.86
139,045	Eli Lilly	36,002	1.07
152,463	Gilead Sciences	8,315	0.25
143,386	HCA Holdings	24,382	0.72
22,939	IDEXX Laboratories	6,853	0.20
69,624	Intuitive Surgical	12,310	0.37
249,539	Johnson & Johnson	34,600	1.03
68,520	Moderna	7,788	0.23
105,319	Stryker	18,577	0.55
45,251	Thermo Fisher Scientific	21,214	0.63
119,469	UnitedHealth	53,321	1.58
Industrials – 6.96%			
172,142	AGCO Holdings	16,081	0.48
203,749	Ametek	21,037	0.62
129,373	CoStar Group	7,743	0.23
134,947	Expeditors International	11,933	0.35
109,791	Installed Building Products	8,538	0.25
67,446	Landstar System	8,492	0.25
7,984	Mettler Toledo International	8,328	0.25
35,788	Northrop Grumman	14,703	0.44
69,241	Old Dominion Freight Line	16,142	0.48
224,867	Paccar	16,908	0.50
36,255	Roper Technologies	12,549	0.37
54,249	SAIA	9,643	0.29
365,363	Timken	19,785	0.59
100,108	TopBuild	15,817	0.47
212,613	Trex	8,551	0.25
140,112	TriNet	9,924	0.29
148,239	Union Pacific	28,601	0.85
Oil & Gas – 3.21%			
213,204	Conoco Phillips	20,056	0.59
439,470	Coterra Energy	11,667	0.35
543,647	Exxon Mobil	44,661	1.33
526,699	Kinder Morgan	8,292	0.25
350,101	OGE Energy	12,198	0.36
399,906	Range Resources	11,290	0.33

**Portfolio Statement** (continued)

As at 31 August 2022

<b>Holding</b>	<b>Investment</b>	<b>Bid-market value (£'000)</b>	<b>Total net assets (%)</b>
<b>United States – 66.84% (31/08/21 – 66.03%) – continued</b>			
Technology – 18.48%			
72,089	Adobe	23,136	0.69
1,004,462	Alphabet 'A'	93,394	2.77
33,320	Ansys	7,106	0.21
1,343,268	Apple	181,438	5.39
245,670	Applied Materials	19,859	0.59
7,215	Booking Holdings	11,631	0.34
125,837	CDW Corporation	18,453	0.55
507,576	Cisco Systems	19,494	0.58
210,460	Meta Platforms	29,465	0.87
198,660	Micron Technology	9,650	0.29
627,105	Microsoft	140,899	4.18
330,319	Nvidia	42,845	1.27
51,025	Snowflake	7,930	0.23
58,532	Synopsys	17,399	0.52
Telecommunications – 0.75%			
703,625	Verizon Communications	25,282	0.75
Utilities – 1.23%			
195,759	Eversource Energy	15,087	0.45
152,994	IDACORP	14,367	0.43
176,196	MGE Energy	11,663	0.35
<b>Total United States</b>		<b>2,251,697</b>	<b>66.84</b>
<b>Total value of investments</b>		<b>3,359,622</b>	<b>99.73</b>
<b>Net other assets</b>		<b>9,186</b>	<b>0.27</b>
<b>Total net assets</b>		<b>3,368,808</b>	<b>100.00</b>

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Shell	31,395
Amazon.com	23,027
Meta Platforms	20,280
Timken	19,407
Glencore	19,374
Thor Industries	19,113
Schwab	18,447
Brookfield Asset	17,742
BJ s Wholesale Club	16,359
Metro	14,840
<b>Subtotal</b>	<b>199,984</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>913,382</b>

### Significant Sales

	Proceeds £'000
Costco Wholesale	33,632
Home Depot	29,198
Exxon Mobil	21,383
Honeywell International	20,526
Alphabet 'A'	18,472
Baker Hughes, a GE Company 'A'	18,276
State Street	17,478
Ulta Beauty	16,405
Apple	16,405
Koninklijke DSM	15,717
<b>Subtotal</b>	<b>207,492</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>871,614</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital gains	2	6,156	711,974
Revenue	3	69,450	59,025
Expenses	4	(3,046)	(2,729)
Interest payable and similar charges		(809)	(851)
Net revenue before taxation		65,595	55,445
Taxation	5	(8,152)	(7,050)
Net revenue after taxation		57,443	48,395
Total return before distributions		63,599	760,369
Distributions	6	(57,446)	(47,584)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>6,153</b>	<b>712,785</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		3,359,622	3,311,393
<b>Current assets:</b>			
Debtors	7	48,737	5,448
Cash and bank balances	8	8,978	9,954
Total assets		3,417,337	3,326,795
<b>Liabilities</b>			
<b>Creditors:</b>			
Bank overdraft		108	–
Other creditors	9	48,418	10,156
Distribution payable		3	2
Total liabilities		48,529	10,158
<b>Net assets attributable to shareholders</b>		<b>3,368,808</b>	<b>3,316,637</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>3,316,637</b>	<b>2,638,595</b>
Amounts receivable on creation of shares	308,724	222,278
Amounts payable on cancellation of shares	(320,597)	(303,447)
	(11,873)	(81,169)
Dilution adjustment charged	554	508
Change in net assets attributable to shareholders from investment activities	6,153	712,785
Retained distribution on accumulation shares	57,337	45,918
<b>Closing net assets attributable to shareholders</b>	<b>3,368,808</b>	<b>3,316,637</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital gains during the year comprise:</b>		
Non-derivative securities	7,469	711,833
Currency (losses)/gains	(1,313)	141
<b>Net capital gains</b>	<b>6,156</b>	<b>711,974</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	6,197	5,451
Overseas dividends	62,234	52,416
Property investment income (PID)	389	–
Bank interest	146	–
Stock lending income	484	348
Stock dividends	–	810
<b>Total revenue</b>	<b>69,450</b>	<b>59,025</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	3,045	2,729
<b>Other expenses:</b>		
Revenue Collection Expenses	1	–
<b>Total expenses</b>	<b>3,046</b>	<b>2,729</b>

\* Audit fee £16,160 (31/08/21: £13,789) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	7,208	6,213
Reclaimable tax written off	944	838
Windfall overseas tax recoveries	–	(1)
<b>Current tax charge for the year</b>	<b>8,152</b>	<b>7,050</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	65,595	55,445
Corporation tax at 20% (31/08/21: 20%)	13,119	11,089
Effects of:		
Revenue not subject to taxation	(13,456)	(11,535)
Current year expenses not utilised	369	472
Irrecoverable overseas tax	7,208	6,213
Reclaimable tax written off	944	838
Windfall overseas tax recoveries	–	(1)
Tax relief on overseas tax suffered	(32)	(26)
<b>Current tax charge for the year</b>	<b>8,152</b>	<b>7,050</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/ (losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £991,000 (31/08/21: £622,000) in relation to surplus management expenses of £3,079,000 (31/08/21: £1,897,000) and non-trading deficits of £1,873,000 (31/08/21: £1,210,000). It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	21,327	18,889
Final	36,010	27,029
	57,337	45,918
<b>Income shares</b>		
Interim	1	–
Final	3	2
	4	2
	<b>57,341</b>	<b>45,920</b>
Add: Amounts deducted on cancellation of shares	1,729	1,934
Deduct: Amounts received on the creation of shares	(1,624)	(270)
<b>Net distributions for the year</b>	<b>57,446</b>	<b>47,584</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	57,443	48,395
Movement in income carried forward	1	(1)
Stock dividend charged to capital	–	(810)
Tax relief on stock dividends charged to capital	2	–
<b>Net distributions for the year</b>	<b>57,446</b>	<b>47,584</b>

Details of the distribution per share are set out on page 237.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Sales awaiting settlement	42,066	19
Foreign exchange sales awaiting settlement	23	19
Accrued revenue	5,638	4,606
Overseas withholding tax recoverable	1,010	804
<b>Total debtors</b>	<b>48,737</b>	<b>5,448</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	8,978	9,954
<b>Total cash and bank balances</b>	<b>8,978</b>	<b>9,954</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	30,851	9,820
Purchases awaiting settlement	17,300	–
Accrued expenses	267	336
<b>Total other creditors</b>	<b>48,418</b>	<b>10,156</b>

### 10. Reconciliation of number of shares

	Class M Accumulation	Class M Income
Opening shares at 01/09/21	1,349,891	192,924
Shares issued	1,816,725	21,437
Shares cancelled	(44,141)	(11,095)
<b>Closing shares at 31/08/22</b>	<b>3,122,475</b>	<b>203,266</b>

	Class R Accumulation
Opening shares at 01/09/21	2,013,861,444
Shares issued	184,602,883
Shares cancelled	(192,726,995)
<b>Closing shares at 31/08/22</b>	<b>2,005,737,332</b>

All classes within the Fund have the same rights on winding up.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £31,117,000 (31/08/21: £10,070,000).

At the year end, 31 August 2022, 97.99% (31/08/21: 99.66%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £121,000 (Gross: £605,000) (31/08/21: £87,000 (Gross: £435,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £463,747,000 (31/08/21: £387,723,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	251,931	338,600
Bonds	242,573	73,634

The aggregate value of collateral held at the balance sheet date was £494,504,000 (31/08/21: £412,234,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Bank of Nova Scotia, Barclays Capital Securities, BMO Nesbitt Burns, BNP Paribas Arbitrage, Canadian Imperial Bank of Commerce London Branch, Citigroup Global Markets, HSBC, HSBC Bank, JP Morgan Securities, Morgan Stanley & Co International, Natixis and UBS.

### 14. Financial Derivatives

The Fund has used financial derivatives for hedging and meeting investment objectives including risk reduction and implementation of investment policies.

The use of derivatives can create additional counterparty risks. Details of the policy adopted by the ACD for managing counterparty and other risks are set out in the Notes to the Financial Statements.

There were no derivatives held at the year end.

Eligible collateral types are approved by the ACD and may consist of cash and government bonds only as eligible collateral with respect to derivative transactions.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 230. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	155,556	139,136
Australian dollar	51,079	63,362
Canadian dollar	140,005	75,372
Danish krone	36,361	42,090
Euro	245,334	324,228
Hong Kong dollar	5,956	23,738
Japanese yen	257,462	250,221
New Zealand dollar	12,103	10,462
Norwegian krone	13,217	16,794
Singaporean dollar	15,591	12,356
South African rand	1	–
Swedish krona	20,092	22,669
Swiss franc	113,796	110,238
US dollar	2,302,255	2,225,971
<b>Total</b>	<b>3,368,808</b>	<b>3,316,637</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £321,325,000 (31/08/21: £317,750,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £321,325,000 (31/08/21: £317,750,000). 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 Fund would have increased by £335,962,000 (31/08/21: £331,139,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £335,962,000 (31/08/21: £331,139,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £8,870,000 (31/08/21: £9,954,000) which earn interest by reference to SONIA or international equivalent. This equates to 0.26% of the current Net Asset Value and 0.30% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	911,839	269	0.03	392	0.04	61	0.01	912,561
Corporate actions	821	–	–	–	–	–	–	821
<b>Total</b>	<b>912,660</b>	<b>269</b>		<b>392</b>		<b>61</b>		<b>913,382</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	867,554	255	0.03	23	–	9	–	867,267
Corporate actions	4,347	–	–	–	–	–	–	4,347
<b>Total</b>	<b>871,901</b>	<b>255</b>		<b>23</b>		<b>9</b>		<b>871,614</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.01%
Other expenses	0.00%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	716,792	212	0.03	186	0.03	–	–	717,190
Corporate actions	1,682	–	–	–	–	–	–	1,682
<b>Total</b>	<b>718,474</b>	<b>212</b>		<b>186</b>		<b>–</b>		<b>718,872</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	754,041	205	0.03	8	–	5	–	753,823
Corporate actions	41	–	–	–	–	–	–	41
<b>Total</b>	<b>754,082</b>	<b>205</b>		<b>8</b>		<b>5</b>		<b>753,864</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.01%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.08% (31/08/21: 0.08%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 17. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	3,359,622	–	–	3,359,622
<b>Total</b>	<b>3,359,622</b>	<b>–</b>	<b>–</b>	<b>3,359,622</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	3,311,393	–	–	3,311,393
<b>Total</b>	<b>3,311,393</b>	<b>–</b>	<b>–</b>	<b>3,311,393</b>

### 18. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £3,208,984,741. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was (6.36)%.

The only significant cancellations on the Fund indicated above during this period were on M Accumulation (26.55)%.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>Class M Accumulation</b>				
Group 1	0.7523	–	0.7523	0.6973
Group 2	0.3960	0.3563	0.7523	0.6973
<b>Class M Income</b>				
Group 1	0.7113	–	0.7113	0.6552
Group 2	0.1972	0.5141	0.7113	0.6552
<b>Class R Accumulation</b>				
Group 1	1.0256	–	1.0256	0.9113
Group 2	0.2859	0.7397	1.0256	0.9113

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
<b>Class M Accumulation</b>				
Group 1	1.5111	–	1.5111	1.0891
Group 2	0.4638	1.0473	1.5111	1.0891
<b>Class M Income</b>				
Group 1	1.4220	–	1.4220	1.0307
Group 2	0.8644	0.5576	1.4220	1.0307
<b>Class R Accumulation</b>				
Group 1	1.7930	–	1.7930	1.3414
Group 2	0.9407	0.8523	1.7930	1.3414

# Royal London Global Equity Select Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	2 year total return %	5 year total return %
Royal London Global Equity Select Fund, Class M Accumulation	9.42	60.84	–
Royal London Global Equity Select Fund, Class M Income	9.44	60.89	–
Royal London Global Equity Select Fund, Class R Accumulation	10.15	63.89	–
Royal London Global Equity Select Fund, Class Z Accumulation	9.42	–	–
MSCI World Net Total Return Index	0.45	34.70	–

Class M launched on 5 March 2018 and Class R launched on 10 October 2017. Class A Accumulation launched on 17 December 2021 therefore a one year total return is not available.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The Fund outperformed its benchmark, the MSCI World Net Total Return index.

The Fund aims to deliver long-term capital growth by investing in a concentrated portfolio of global equities and will typically hold 25 to 45 stocks. These equities may be from both developed and emerging market countries and from any sector, industry or market capitalisation. While the Fund is concentrated at the stock level, the Global Equity team seek diversification across the Corporate Life Cycle, which holds that corporate returns on productive capital tend to progress along a cycle with five defined stages: Accelerating, Compounding, Slowing & Maturing, Mature and Turnaround.

### Market and portfolio commentary

The market entered the period under review with key questions around the strength and duration of inflationary pressures and what that would mean for interest rates. There were also obviously uncertainties about what the trajectory of the Covid pandemic would be, and these concerns flared when a new mutation of the virus, the omicron variant, was identified in November 2021.

The market's performance at the end of 2021 was characterised by higher growth businesses being more in favour, but the turn of the year saw a sharp rotation in markets, with shares in those companies being sold off sharply and more value orientated and cyclical sectors finding favour. This rotation was prompted by persistently higher inflation data being reported, putting paid to the idea that previous higher inflation numbers were merely transitory. This realisation meant that central banks started to increase interest rates, causing bond yields to rise.

Those purely financial concerns were then overtaken by a far more pressing issue – Russia's invasion of Ukraine. The events in Ukraine are first and foremost a humanitarian disaster, but the shock waves from the region continue to cause issues within financial markets. The financial uncertainty and commodity market disruption that is a by-product of the conflict have stoked the upward pressure on inflation already present in the global economy. Consumers around the world are facing significant cost of living squeezes, as a wide range of prices rise, most notably domestic energy bills. Energy prices are also spilling out into other parts of the economy, for example food prices, as energy costs drive up the cost of fertilizer for farmers. In this environment many workers are seeking higher wages to offset their higher living costs. The silver lining for those workers is that labour markets are quite tight, with unemployment running at low levels. Many businesses are seeing their staff costs increase significantly.

During the period under review, Eli Lilly, Steel Dynamics and Reliance Steel contributed to performance. Eli Lilly gained on the back of a positive reception to its recently FDA-approved drug Mounjaro, having demonstrated market leading efficacy in terms of weight loss. Steel Dynamics has performed strongly as steel prices remained elevated. End-market demand is strong, yet domestic US steel production remains constrained, and the company is benefitting from the upswing in pricing. Reliance Steel is reaping the benefits of strong demand across key end markets and a diverse product base and in turn contributed to performance.

Online retail giant Ocado detracted as customers continued to revert back to pre-pandemic shopping trends, whilst the solutions business has significant capital requirements as distribution centres are deployed for interational clients. Taiwan Semiconductor also detracted, impacted by increasing geopolitical, combined with increasing risk of a turn in the semiconductor cycle that has been strong.

## Manager's Investment Report (continued)

### Investment outlook

Consumers are facing a significant cost of living squeeze, as inflation is currently at its highest level for decades. This squeeze has probably not yet peaked, as energy costs continue to rise and a weak pound and rising food costs also produce headwinds. Likewise, companies are battling to defend margins, as their own input costs increase significantly, but most recent evidence from company results is that many are so far managing to do this. 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 relative 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.

**Will Kenney**

**Fund Manager**

**Royal London Asset Management**

**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.



## Comparative Tables

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	177.13	131.54	120.59
Return before operating charges*	17.34	46.73	11.82
Operating charges	(1.32)	(1.14)	(0.87)
Return after operating charges*	16.02	45.59	10.95
Distributions on accumulation shares	(1.83)	(1.91)	(1.15)
Retained distributions on accumulation shares	1.83	1.91	1.15
<b>Closing net asset value per share</b>	<b>193.15</b>	<b>177.13</b>	<b>131.54</b>
* after direct transaction costs of:	0.25	0.07	0.08
<b>Performance</b>			
Return after charges	9.04%	34.66%	9.08%
<b>Other information</b>			
Closing net asset value (£'000)	225,674	8,660	1,057
Closing number of shares	116,838,035	4,888,978	803,592
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.13%	0.04%	0.07%
<b>Prices<sup>^</sup></b>			
Highest share price	202.60	178.30	133.70
Lowest share price	169.20	129.30	101.00

### Class M Income

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	169.30	127.16	117.63
Return before operating charges*	16.56	45.06	11.50
Operating charges	(1.26)	(1.08)	(0.85)
Return after operating charges*	15.30	43.98	10.65
Distributions on income shares	(1.74)	(1.84)	(1.12)
<b>Closing net asset value per share</b>	<b>182.86</b>	<b>169.30</b>	<b>127.16</b>
* after direct transaction costs of:	0.24	0.06	0.08
<b>Performance</b>			
Return after charges	9.04%	34.59%	9.05%
<b>Other information</b>			
Closing net asset value (£'000)	19,692	3,471	698
Closing number of shares	10,768,507	2,050,196	548,886
Operating charges	0.71%	0.71%	0.71%
Direct transaction costs	0.13%	0.04%	0.07%
<b>Prices<sup>^</sup></b>			
Highest share price	193.10	171.50	129.90
Lowest share price	161.50	124.90	98.20

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20 (p)
Opening net asset value per share	183.06	135.11	123.07
Return before operating charges*	17.96	48.08	12.14
Operating charges	(0.15)	(0.13)	(0.10)
Return after operating charges*	17.81	47.95	12.04
Distributions on accumulation shares	(3.09)	(2.96)	(1.97)
Retained distributions on accumulation shares	3.09	2.96	1.97
<b>Closing net asset value per share</b>	<b>200.87</b>	<b>183.06</b>	<b>135.11</b>
* after direct transaction costs of:	0.25	0.07	0.08
<b>Performance</b>			
Return after charges	9.73%	35.49%	9.78%
<b>Other information</b>			
Closing net asset value (£'000)	357,491	360,389	232,765
Closing number of shares	177,967,509	196,872,540	172,283,844
Operating charges	0.08%	0.08%	0.08%
Direct transaction costs	0.13%	0.04%	0.07%
<b>Prices<sup>^</sup></b>			
Highest share price	210.60	184.20	137.30
Lowest share price	174.90	133.00	103.50

### Class S Accumulation

Change in net assets per share	31/08/22** (p)
Opening net asset value per share	100.00
Return before operating charges*	4.16
Operating charges	(0.03)
Return after operating charges*	4.13
Distributions on accumulation shares	(1.32)
Retained distributions on accumulation shares	1.32
<b>Closing net asset value per share</b>	<b>104.13</b>
* after direct transaction costs of:	0.13
<b>Performance</b>	
Return after charges	4.13%
<b>Other information</b>	
Closing net asset value (£'000)	68,565
Closing number of shares	65,846,647
Operating charges	0.05%
Direct transaction costs	0.13%
<b>Prices<sup>^</sup></b>	
Highest share price	109.10
Lowest share price	93.47

\*\* Class S Accumulation launched on 17 December 2021.

## Comparative Tables (continued)

### Class Z Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21** (p)
Opening net asset value per share	106.48	100.00
Return before operating charges*	10.43	6.60
Operating charges	(0.73)	(0.12)
Return after operating charges*	9.70	6.48
Distributions on accumulation shares	(1.16)	(0.31)
Retained distributions on accumulation shares	1.16	0.31
<b>Closing net asset value per share</b>	<b>116.18</b>	<b>106.48</b>
* after direct transaction costs of:	0.15	0.04
<b>Performance</b>		
Return after charges	9.11%	6.48%
<b>Other information</b>		
Closing net asset value (£'000)	78,621	5,196
Closing number of shares	67,669,964	4,880,573
Operating charges	0.65%	0.65%
Direct transaction costs	0.13%	0.04%
<b>Prices<sup>^</sup></b>		
Highest share price	121.90	107.10
Lowest share price	101.70	100.70

\*\* Class Z Accumulation launched on 24 June 2021.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 99.58% (31/08/21 – 99.04%)</b>			
<b>Oil &amp; Gas – 7.11% (31/08/21 – 1.93%)</b>			
Oil & Gas Producers – 7.11%			
	830,752 Shell	19,016	2.54
	1,231,509 Suncor Energy	34,266	4.57
<b>Total Oil &amp; Gas</b>		<b>53,282</b>	<b>7.11</b>
<b>Basic Materials – 15.25% (31/08/21 – 16.73%)</b>			
Forestry & Paper – 1.65%			
	423,424 UPM-Kymmene	12,379	1.65
Industrial Metals – 9.27%			
	238,925 Reliance Steel & Aluminium	38,582	5.14
	446,246 Steel Dynamics	30,945	4.13
Mining – 4.33%			
	1,168,154 Anglo American	32,504	4.33
<b>Total Basic Materials</b>		<b>114,410</b>	<b>15.25</b>
<b>Industrials – 10.32% (31/08/21 – 13.92%)</b>			
Aerospace & Defence – 2.98%			
	254,110 Safran	22,368	2.98
Construction & Materials – 0.51%			
	446,800 Sanwa Holding	3,834	0.51
Electronic & Electrical Equipment – 2.07%			
	248,583 Legrand	15,523	2.07
Industrial Transportation – 4.76%			
	322,700 Kamigumi	5,454	0.73
	129,545 Old Dominion Freight Line	30,199	4.03
<b>Total Industrials</b>		<b>77,378</b>	<b>10.32</b>
<b>Consumer Goods – 6.05% (31/08/21 – 3.19%)</b>			
Automobiles & Parts – 3.49%			
	788,500 Bridgestone	26,162	3.49
Leisure Goods – 2.56%			
	275,291 Thor Industries	19,175	2.56
<b>Total Consumer Goods</b>		<b>45,337</b>	<b>6.05</b>
<b>Healthcare – 10.93% (31/08/21 – 11.23%)</b>			
Healthcare Equipment & Services – 7.33%			
	161,517 HCA Holdings	27,465	3.66
	61,715 UnitedHealth	27,544	3.67
Pharmaceuticals & Biotechnology – 3.60%			
	104,377 Eli Lilly	27,025	3.60
<b>Total Healthcare</b>		<b>82,034</b>	<b>10.93</b>
<b>Consumer Services – 11.21% (31/08/21 – 6.42%)</b>			
General Retailers – 11.21%			
	452,554 Amazon.com	49,296	6.57
	122,717 Lithia Motors	27,990	3.73
	143,264 Ollie's Bargain Outlet	6,802	0.91
<b>Total Consumer Services</b>		<b>84,088</b>	<b>11.21</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Financials – 15.01% (31/08/21 – 17.81%)</b>			
Banks – 6.04%			
	729,781 KB Financial	23,187	3.09
	850,300 Sumitomo Mitsui Financial	22,092	2.95
Financial Services – 3.05%			
	134,174 Visa 'A'	22,913	3.05
Non-Life Insurance – 5.92%			
	761,516 Admiral	16,152	2.15
	268,423 Progressive	28,293	3.77
<b>Total Financials</b>		<b>112,637</b>	<b>15.01</b>
<b>Technology – 23.70% (31/08/21 – 27.81%)</b>			
Software & Computer Services – 17.12%			
	253,010 Alphabet 'A'	23,525	3.14
	23,778 Constellation Software	30,810	4.11
	63,884 Meta Platforms	8,944	1.19
	277,506 Microsoft	62,351	8.31
	62,713 Topicus.com	2,768	0.37
Technology Hardware & Equipment – 6.58%			
	139,862 Apple	18,891	2.52
	104,594 Nvidia	13,567	1.81
	235,667 Taiwan Semiconductor Manufacturing ADR	16,879	2.25
<b>Total Technology</b>		<b>177,735</b>	<b>23.70</b>
<b>Total value of investments</b>		<b>746,901</b>	<b>99.58</b>
<b>Net other assets</b>		<b>3,142</b>	<b>0.42</b>
<b>Total net assets</b>		<b>750,043</b>	<b>100.00</b>

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
Microsoft	42,123
Amazon.com	32,014
Lithia Motors	29,253
Anglo American	26,498
Old Dominion Freight Line	23,896
Suncor Energy	22,622
Constellation Software	19,355
Shell	19,328
Progressive	19,093
Steel Dynamics	18,394
<b>Subtotal</b>	<b>252,576</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>542,163</b>

### Significant Sales

	Proceeds £'000
Northrop Grumman	19,400
Steel Dynamics	16,152
Berkshire Hathaway 'B'	15,765
UnitedHealth	10,548
Progressive	10,392
Alphabet 'A'	9,412
Samsung Electronics GDR	8,836
Svenska Handelsbanken 'A'	8,059
Microsoft	7,705
Constellation Software	6,744
<b>Subtotal</b>	<b>113,013</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>211,169</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022		31 Aug 2021	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains	2		41,524		86,735
Revenue	3	9,152		6,710	
Expenses	4	(1,108)		(275)	
Interest payable and similar charges		(3)		(2)	
Net revenue before taxation		8,041		6,433	
Taxation	5	(877)		(687)	
Net revenue after taxation			7,164		5,746
Total return before distributions			48,688		92,481
Distributions	6		(7,164)		(5,747)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>41,524</b>		<b>86,734</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022		31 Aug 2021	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			746,901		374,081
<b>Current assets:</b>					
Debtors	7		21,238		2,340
Cash and bank balances	8		5,019		5,536
Total assets			773,158		381,957
<b>Liabilities</b>					
<b>Creditors:</b>					
Other creditors	9		22,976		4,214
Distribution payable			139		27
Total liabilities			23,115		4,241
<b>Net assets attributable to shareholders</b>			<b>750,043</b>		<b>377,716</b>

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

For the year ended 31 August 2022

	31 Aug 2022		31 Aug 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>377,716</b>		<b>234,520</b>
Amounts receivable on creation of shares	435,284		68,117	
Amounts payable on cancellation of shares	(113,633)		(17,530)	
		321,651		50,587
Dilution adjustment charged		633		118
Change in net assets attributable to shareholders from investment activities		41,524		86,734
Retained distribution on accumulation shares		8,519		5,757
<b>Closing net assets attributable to shareholders</b>		<b>750,043</b>		<b>377,716</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital gains during the year comprise:</b>		
Non-derivative securities	42,119	86,780
Currency losses	(595)	(41)
Activity fees	–	(4)
<b>Net capital gains</b>	<b>41,524</b>	<b>86,735</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	2,636	1,687
Overseas dividends	6,450	4,989
Bank interest	12	1
Stock lending income	54	33
<b>Total revenue</b>	<b>9,152</b>	<b>6,710</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	1,108	275
<b>Total expenses</b>	<b>1,108</b>	<b>275</b>

\* Audit fee £16,160 (31/08/21: £13,789) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	848	654
Windfall overseas tax recoveries	–	(17)
Reclaimable tax written off	29	50
<b>Current tax charge for the year</b>	<b>877</b>	<b>687</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	8,041	6,433
Corporation tax at 20% (31/08/21: 20%)	1,608	1,287
Effects of:		
Revenue not subject to taxation	(1,817)	(1,336)
Current year expenses not utilised	209	49
Irrecoverable overseas tax	848	654
Windfall overseas tax recoveries	–	(17)
Reclaimable tax written off	29	50
<b>Current tax charge for the year</b>	<b>877</b>	<b>687</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/ (losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £305,000 (31/08/21: £96,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	2,070	1,868
Final	6,449	3,889
	8,519	5,757
<b>Income shares</b>		
Interim	18	3
Final	139	27
	157	30
<b>Net distributions for the year</b>	<b>8,676</b>	<b>5,787</b>
Add: Amounts deducted on cancellation of shares	463	132
Deduct: Amounts received on the creation of shares	(1,975)	(172)
<b>Net distributions for the year</b>	<b>7,164</b>	<b>5,747</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	7,164	5,746
Irrecoverable tax on special dividends	–	1
<b>Net distributions for the year</b>	<b>7,164</b>	<b>5,747</b>

Details of the distribution per share are set out on pages 250 and 251.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	1,829	491
Sales awaiting settlement	17,227	446
Accrued revenue	2,058	1,314
Overseas withholding tax recoverable	124	89
<b>Total debtors</b>	<b>21,238</b>	<b>2,340</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	5,019	5,536
<b>Total cash and bank balances</b>	<b>5,019</b>	<b>5,536</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	18,100	4,170
Purchases awaiting settlement	4,662	–
Foreign exchange purchases awaiting settlement	–	10
Accrued expenses	214	34
<b>Total other creditors</b>	<b>22,976</b>	<b>4,214</b>

### 10. Reconciliation of number of shares

	Class M Accumulation	Class M Income
Opening shares at 01/09/21	4,888,978	2,050,196
Shares issued	114,628,469	8,762,643
Shares cancelled	(2,679,412)	(44,332)
<b>Closing shares at 31/08/22</b>	<b>116,838,035</b>	<b>10,768,507</b>

	Class R Accumulation	Class S Accumulation
Opening shares at 01/09/21	196,872,540	–
Shares issued	35,524,589	65,846,647
Shares cancelled	(54,429,620)	–
<b>Closing shares at 31/08/22</b>	<b>177,967,509</b>	<b>65,846,647</b>

	Class Z Accumulation
Opening shares at 01/09/21	4,880,573
Shares issued	66,523,786
Shares cancelled	(3,734,395)
<b>Closing shares at 31/08/22</b>	<b>67,669,964</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £16,484,387 (31/08/21: £3,713,447).

At the year end, 31 August 2022, 42.52% (31/08/21: 94.20%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £13,373 (Gross: £53,492) (31/08/21: £8,141 (Gross: £32,563)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £82,739,000 (31/08/21: £47,397,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022 Collateral Held £'000	31 Aug 2021 Collateral Held £'000
Equity	60,832	33,485
Bonds	28,740	18,548

The aggregate value of collateral held at the balance sheet date was £89,572,000 (31/08/21: £52,033,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were Bank of Nova Scotia, Barclays Capital Securities, HSBC Bank, JP Morgan Securities, Merrill Lynch International, Morgan Stanley, Natixis & UBS.

### 14. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 244. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	52,052	30,786
Canadian dollar	69,541	26,080
Euro	51,703	32,872
Japanese yen	57,999	28,927
Norwegian krone	–	28
Swedish krona	–	7,304
Swiss franc	–	1
South Korean won	23,187	10,550
US dollar	495,561	241,168
<b>Total</b>	<b>750,043</b>	<b>377,716</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £69,799,000 (31/08/21: £34,693,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £69,799,000 (31/08/21: £34,693,000). 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 Fund would have increased by £74,690,000 (31/08/21: £37,408,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £74,690,000 (31/08/21: £37,408,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £5,019,000 (31/08/21: £5,536,000) which earn interest by reference to SONIA or international equivalent. This equates to 0.67% of the current Net Asset Value and 1.47% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).



## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	541,186	201	0.04	294	0.05	84	0.02	541,765
Corporate actions	398	–	–	–	–	–	–	398
<b>Total</b>	<b>541,584</b>	<b>201</b>		<b>294</b>		<b>84</b>		<b>542,163</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	211,238	65	0.03	5	–	1	–	211,167
Corporate actions	2	–	–	–	–	–	–	2
<b>Total</b>	<b>211,240</b>	<b>65</b>		<b>5</b>		<b>1</b>		<b>211,169</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.05%
Taxes	0.06%
Other expenses	0.02%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	142,929	52	0.04	42	0.03	2	–	143,025
Corporate actions	149	–	–	–	–	–	–	149
<b>Total</b>	<b>143,078</b>	<b>52</b>		<b>42</b>		<b>2</b>		<b>143,174</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	89,302	34	0.04	–	–	–	–	89,268
Corporate actions	2	–	–	–	–	–	–	2
<b>Total</b>	<b>89,304</b>	<b>34</b>		<b>–</b>		<b>–</b>		<b>89,270</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.03%
Taxes	0.01%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.13% (31/08/21: 0.08%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	746,901	–	–	746,901
<b>Total</b>	<b>746,901</b>	<b>–</b>	<b>–</b>	<b>746,901</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	374,081	–	–	374,081
<b>Total</b>	<b>374,081</b>	<b>–</b>	<b>–</b>	<b>374,081</b>

### 17. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £756,111,549. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was (2.54)%.

The only significant cancellations on the Fund indicated above during this period were on R Accumulation (10.15)% and S Accumulation (99.78)%.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class M Accumulation</b>				
Group 1	0.4761	–	0.4761	0.5581
Group 2	0.0935	0.3826	0.4761	0.5581
<b>Class M Income</b>				
Group 1	0.4538	–	0.4538	0.5384
Group 2	0.1563	0.2975	0.4538	0.5384
<b>Class R Accumulation</b>				
Group 1	1.0707	–	1.0707	1.0262
Group 2	0.2539	0.8168	1.0707	1.0262
<b>Class S Accumulation*</b>				
Group 1	0.2499	–	0.2499	n/a
Group 2	0.2499	0.0000	0.2499	n/a
<b>Class Z Accumulation**</b>				
Group 1	0.3172	–	0.3172	n/a
Group 2	0.2299	0.0873	0.3172	n/a

\* Class S Accumulation launched on 17 December 2021.

\*\* Class Z Accumulation launched on 24 June 2021.

**Distribution Tables** (continued)

For the year ended 31 August 2022

**Distribution in pence per share****Final**

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 29/10/21
<b>Class M Accumulation</b>				
Group 1	1.3557	–	1.3557	1.3567
Group 2	0.4820	0.8737	1.3557	1.3567
<b>Class M Income</b>				
Group 1	1.2869	–	1.2869	1.3053
Group 2	0.5456	0.7413	1.2869	1.3053
<b>Class R Accumulation</b>				
Group 1	2.0172	–	2.0172	1.9339
Group 2	0.7931	1.2241	2.0172	1.9339
<b>Class S Accumulation*</b>				
Group 1	1.0684	–	1.0684	n/a
Group 2	0.3646	0.7038	1.0684	n/a
<b>Class Z Accumulation**</b>				
Group 1	0.8450	–	0.8450	0.3133
Group 2	0.5130	0.3320	0.8450	0.3133

\* Class S Accumulation launched on 17 December 2021.

\*\* Class Z Accumulation launched on 24 June 2021.

# Royal London Global Equity Income Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London Global Equity Income Fund, Class M Income	5.38	–	–
Royal London Global Equity Income Fund, Class R Income	6.05	–	–
MSCI All Countries World Net Total Return Index	-0.51	–	–

Class M and Class R launched on 25 February 2020.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The Fund performed strongly over a period where global markets struggled against the backdrop of increasing geopolitical tensions with Russia's invasion of Ukraine, rising energy prices and rising inflation, which led to central banks starting to increase interest rates.

Strong performance relative to the Fund's benchmark was driven by a number of factors, including our bias towards pharmaceutical stocks, as well as a number of stock specific contributors.

### Market and portfolio commentary

The 12 month period to 31 August 2022 saw strong relative performance for the Royal London Global Equity Income Fund driven mainly by strong stock selection. The key macro events over the period have been the invasion of Russia by Ukraine and the consequent ramifications for energy markets, particularly in Europe. A huge drop in the supply of Russian gas, has added to already persistent inflationary effects in areas such as labour and housing, to result in inflation being far less transitory than central banks bargained for in mid-2021. Since the only way to dampen inflation is to raise interest rates, we have seen sharp rises in both short and long-term interest rates, which have had profound impacts on the valuation of all assets, including global equities. The major impact has been on valuations for high quality companies at the early stages of their business Life Cycle. These companies trade at high multiples of their current earnings, which means that more of the cashflows that make up their valuations are set to be earned far off in the future. When long-term interest rates rise, the rates at which these future cashflows are discounted also rise, resulting in them and the overall company being worth less. After a long period of falling discount rates, this has been a profound shock for investors. Fortunately, our valuation focused approach, and probabilistic scenario testing, where we factored in the possibility that this may happen, has left our portfolio in good shape to tackle this eventuality, and resulted in strong performance.

The healthcare sector has been the biggest contributor to performance in the last year, thanks to a sizeable overweight allocation to the sector and very strong stock selection effects. Our holdings are typically large, diversified pharmaceutical companies, and these have been strong performers as investors have got more cautious on the macro environment, and therefore valued the defensive cashflows these businesses provide, whilst their valuations are low enough that rising discount rates have not impacted them. Energy stocks were particularly strong over the period, and despite only a neutral weighting to the sector, we outperformed due to Suncor Energy being up 112% in the period, reflecting its high operating leverage to higher oil prices. Steel Dynamics was the largest single stock contributor to the Fund, as it rose 43% and is a large active holding for the Fund. This strong performance can be put down to steel prices in the US remaining higher for longer than the market anticipated, as well as the company benefitting from strong demand and limited supply for their pre-fabricated steel products.

## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

One sector where our stock selection was less successful was in financials. We have several holdings which benefit from strong markets, such as asset managers Blackrock and Intermediate Capital, whilst UK car insurer, Admiral, was also weak, as regulatory pricing reform caused profitability to fall. Adidas was the worst performer during the period, falling 50%. The company initially had difficulty in supplying product from Covid-impacted factories in Vietnam, but latterly has had demand issues, particularly in China, where the company were blocked from using 'influencers' in the country after refusing to use cotton from Xinjiang due to concerns over the human rights of labour. UK media conglomerate, Ascential, were also weak during the period, as consumer downturn started to affect their digital ecommerce data business.

During the period we have made some notable additions to the Fund. We started a position in shipping giant, A.P. Moller Maersk, where we feel there is a credible long-term turnaround plan in place and a balance sheet that has never been stronger following two years of elevated freight rates. We have also taken advantage of significant weakness in the semiconductor industry, due to cyclical and geopolitical concerns, to take a position in semiconductor equipment manufacturer, Applied Materials. Notable sales in the period were Nestle and Costco, both companies we continue to admire, but ones where the valuations resulted in a negative risk reward based on our analysis.

### Investment outlook

The macroeconomic outlook is highly uncertain at the moment, and volatility in markets consequently remains elevated. Valuations of many of the cyclical parts of the market are particularly attractive, especially relative to high quality, defensives, but we are also mindful that there are scenarios where the macroeconomy could be very challenging for corporate profitability. Given this, we continue to strive to achieve balance within the Fund, so that it is our stock picking, rather than particular macro or style outcomes which will drive the majority of our relative performance.

**Niko de Walden**  
**Fund Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class M Income

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20** (p)
Opening net asset value per share	128.86	99.36	100.00
Return before operating charges*	6.95	33.54	1.01
Operating charges	(0.94)	(0.87)	(0.35)
Return after operating charges*	6.01	32.67	0.66
Distributions on income shares	(3.72)	(3.17)	(1.30)
<b>Closing net asset value per share</b>	<b>131.15</b>	<b>128.86</b>	<b>99.36</b>
* after direct transaction costs of:	0.08	0.07	0.04
<b>Performance</b>			
Return after charges	4.66%	32.88%	0.66%
<b>Other information</b>			
Closing net asset value (£'000)	856	97	3
Closing number of shares	652,435	74,893	3,500
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs	0.06%	0.06%	0.05%
<b>Prices<sup>^</sup></b>			
Highest share price	136.70	130.00	101.60
Lowest share price	121.90	98.15	78.18

\*\* Class M Income launched on 25 February 2020.

### Class R Income

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20** (p)
Opening net asset value per share	130.02	99.59	100.00
Return before operating charges*	7.12	33.73	0.93
Operating charges	(0.13)	(0.11)	(0.04)
Return after operating charges*	6.99	33.62	0.89
Distributions on income shares	(3.76)	(3.19)	(1.30)
<b>Closing net asset value per share</b>	<b>133.25</b>	<b>130.02</b>	<b>99.59</b>
* after direct transaction costs of:	0.08	0.07	0.04
<b>Performance</b>			
Return after charges	5.38%	33.76%	0.89%
<b>Other information</b>			
Closing net asset value (£'000)	26,755	26,106	19,997
Closing number of shares	20,078,387	20,078,387	20,078,387
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.06%	0.06%	0.05%
<b>Prices<sup>^</sup></b>			
Highest share price	138.90	131.20	101.80
Lowest share price	123.70	98.48	78.15

\*\* Class R Income launched on 25 February 2020.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 98.80% (31/08/21 – 99.36%)</b>			
<b>Australia – 1.05% (31/08/21 – 1.66%)</b>			
Technology – 1.05%	13,500 Altium	289	1.05
<b>Total Australia</b>		<b>289</b>	<b>1.05</b>
<b>Canada – 3.02% (31/08/21 – 2.01%)</b>			
Financials – 0.56%	7,685 Great-West Lifeco	155	0.56
Oil & Gas – 2.46%	24,428 Suncor Energy	680	2.46
<b>Total Canada</b>		<b>835</b>	<b>3.02</b>
<b>Cayman Islands – 0.97% (31/08/21 – 1.98%)</b>			
Industrials – 0.97%	1,878,000 Lonking Holdings	269	0.97
<b>Total Cayman Islands</b>		<b>269</b>	<b>0.97</b>
<b>Channel Islands – 1.97% (31/08/21 – 0.00%)</b>			
Basic Materials – 1.97%	115,000 Glencore	544	1.97
<b>Total Channel Islands</b>		<b>544</b>	<b>1.97</b>
<b>Chile – 0.53% (31/08/21 – 0.87%)</b>			
Consumer Goods – 0.53%	15,411 CIA Cervecerías Unidas ADR	145	0.53
<b>Total Chile</b>		<b>145</b>	<b>0.53</b>
<b>China – 2.02% (31/08/21 – 2.55%)</b>			
Consumer Goods – 0.71%	48,000 Fuyao Glass Industry 'H'	196	0.71
Technology – 1.31%	241,000 Travelsky Technology 'H'	362	1.31
<b>Total China</b>		<b>558</b>	<b>2.02</b>
<b>Denmark – 3.62% (31/08/21 – 0.00%)</b>			
Industrials – 3.62%	485 A.P. Moller-Maersk 'B'	1,000	3.62
<b>Total Denmark</b>		<b>1,000</b>	<b>3.62</b>
<b>Finland – 2.17% (31/08/21 – 4.23%)</b>			
Basic Materials – 1.26%	11,896 UPM-Kymmene	348	1.26
Financials – 0.91%	6,403 Sampo Oyj 'A'	250	0.91
<b>Total Finland</b>		<b>598</b>	<b>2.17</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>France – 0.00% (31/08/21 – 0.52%)</b>			
<b>Germany – 1.25% (31/08/21 – 2.24%)</b>			
Consumer Goods – 1.25%	2,691 Adidas	345	1.25
<b>Total Germany</b>		<b>345</b>	<b>1.25</b>
<b>India – 0.94% (31/08/21 – 1.75%)</b>			
Technology – 0.94%	16,493 Infosys ADR	259	0.94
<b>Total India</b>		<b>259</b>	<b>0.94</b>
<b>Ireland – 1.13% (31/08/21 – 1.08%)</b>			
Industrials – 1.13%	1,257 Accenture	312	1.13
<b>Total Ireland</b>		<b>312</b>	<b>1.13</b>
<b>Japan – 4.10% (31/08/21 – 6.43%)</b>			
Consumer Goods – 0.75%	3,200 Bandai Namco Entertainment	208	0.75
Financials – 1.61%	3,600 Daito Trust Construction	306	1.11
	5,300 Sumitomo Mitsui Financial	138	0.50
Technology – 0.70%	6,900 Otsuka	193	0.70
Telecommunications – 1.04%	10,800 KDDI	286	1.04
<b>Total Japan</b>		<b>1,131</b>	<b>4.10</b>
<b>Luxembourg – 1.98% (31/08/21 – 0.00%)</b>			
Basic Materials – 1.98%	23,500 Aperam	548	1.98
	23,500 Aperam Rights*	–	–
<b>Total Luxembourg</b>		<b>548</b>	<b>1.98</b>
<b>New Zealand – 0.83% (31/08/21 – 0.78%)</b>			
Telecommunications – 0.83%	81,552 Spark New Zealand	230	0.83
<b>Total New Zealand</b>		<b>230</b>	<b>0.83</b>
<b>Singapore – 0.50% (31/08/21 – 0.43%)</b>			
Financials – 0.50%	6,943 DBS	139	0.50
<b>Total Singapore</b>		<b>139</b>	<b>0.50</b>



## Portfolio Statement (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>South Korea – 3.37% (31/08/21 – 3.62%)</b>			
Financials – 1.33%			
	11,700 KB Financial ADR	368	1.33
Technology – 2.04%			
	598 Samsung Electronics GDR	563	2.04
<b>Total South Korea</b>		<b>931</b>	<b>3.37</b>
<b>Switzerland – 3.92% (31/08/21 – 4.34%)</b>			
Healthcare – 3.92%			
	9,027 Novartis (registered)	629	2.28
	1,632 Roche Holding	453	1.64
<b>Total Switzerland</b>		<b>1,082</b>	<b>3.92</b>
<b>Taiwan – 2.68% (31/08/21 – 3.05%)</b>			
Technology – 2.68%			
	10,335 Taiwan Semiconductor Manufacturing ADR	740	2.68
<b>Total Taiwan</b>		<b>740</b>	<b>2.68</b>
<b>United Kingdom – 13.80% (31/08/21 – 19.03%)</b>			
Basic Materials – 1.70%			
	16,891 Anglo American	470	1.70
Consumer Goods – 0.71%			
	10,267 Imperial Brands	195	0.71
Consumer Services – 2.25%			
	221,099 Ascential	448	1.62
	3,000 Next	174	0.63
Financials – 1.84%			
	11,439 3i Group	139	0.50
	7,633 Admiral	162	0.59
	15,230 Intermediate Capital Group	208	0.75
Industrials – 2.94%			
	19,074 Ashtead Group	811	2.94
Oil & Gas – 3.25%			
	39,203 Royal Dutch Shell	897	3.25
Technology – 1.11%			
	10,933 Aveva Group	306	1.11
<b>Total United Kingdom</b>		<b>3,810</b>	<b>13.80</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>United States – 48.95% (31/08/21 – 42.79%)</b>			
Basic Materials – 5.66%			
	2,000 Reliance Steel & Aluminium	323	1.17
	17,846 Steel Dynamics	1,238	4.49
Consumer Goods – 4.83%			
	2,000 Colgate-Palmolive	134	0.49
	7,500 Kraft Heinz	241	0.87
	14,000 PulteGroup	489	1.77
	6,750 Thor Industries	470	1.70
Financials – 6.51%			
	2,793 American Express	365	1.32
	613 BlackRock	351	1.27
	1,100 Chicago Mercantile Exchange	185	0.67
	2,330 JP Morgan Chase	228	0.82
	9,981 Truist Financial	402	1.46
	6,817 US Bancorp	267	0.97
Healthcare – 16.27%			
	8,575 Abbvie	991	3.59
	1,915 Eli Lilly	496	1.80
	19,638 Gilead Sciences	1,071	3.88
	4,100 HCA Healthcare	697	2.52
	5,142 Johnson & Johnson	713	2.58
	1,175 UnitedHealth	524	1.90
Industrials – 3.92%			
	1,000 Old Dominion Freight Line	233	0.84
	9,027 Paccar	679	2.46
	731 Watsco	171	0.62
Technology – 11.76%			
	4,834 Apple	653	2.36
	19,770 Cisco Systems	759	2.75
	6,494 Cognizant Technology Solutions	353	1.28
	6,598 Microsoft	1,482	5.37
<b>Total United States</b>		<b>13,515</b>	<b>48.95</b>
<b>Total value of investments</b>		<b>27,280</b>	<b>98.80</b>
<b>Net other assets</b>		<b>331</b>	<b>1.20</b>
<b>Total net assets</b>		<b>27,611</b>	<b>100.00</b>

\* Unlisted, nil value

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
A.P. Moller-Maersk 'B'	1,213
Aperam	866
HCA Healthcare	625
Steel Dynamics	577
Glencore	528
PulteGroup	466
Thor Industries	417
Gilead Sciences	356
Next	329
Ascential	324
<b>Subtotal</b>	<b>5,701</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>8,977</b>

### Significant Sales

	Proceeds £'000
Steel Dynamics	755
UPM-Kymmene	560
Sage	499
Eli Lilly	390
Johnson Matthey	344
Anglo American	322
Travelsky Technology 'H'	300
Costco Wholesale	291
3i Group	280
Apple	263
<b>Subtotal</b>	<b>4,004</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>8,369</b>

## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022		31 Aug 2021	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains	2		678		6,131
Revenue	3	863		715	
Expenses	4	(27)		(21)	
Interest payable and similar charges		(1)		–	
Net revenue before taxation		835		694	
Taxation	5	(98)		(73)	
Net revenue after taxation			737		621
Total return before distributions			1,415		6,752
Distributions	6		(762)		(641)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>653</b>		<b>6,111</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022		31 Aug 2021	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			27,280		26,034
<b>Current assets:</b>					
Debtors	7		205		86
Cash and bank balances	8		687		255
Total assets			28,172		26,375
<b>Liabilities</b>					
<b>Creditors:</b>					
Other creditors	9		397		21
Distribution payable			164		151
Total liabilities			561		172
<b>Net assets attributable to shareholders</b>			<b>27,611</b>		<b>26,203</b>

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

For the year ended 31 August 2022

	31 Aug 2022		31 Aug 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>26,203</b>		<b>20,000</b>
Amounts receivable on creation of shares		870		95
Amounts payable on cancellation of shares		(117)		(3)
		753		92
Dilution adjustment charged		2		–
Change in net assets attributable to shareholders from investment activities		653		6,111
<b>Closing net assets attributable to shareholders</b>		<b>27,611</b>		<b>26,203</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital gains during the year comprise:</b>		
Non-derivative securities	656	6,143
Currency gains/(losses)	22	(12)
<b>Net capital gains</b>	<b>678</b>	<b>6,131</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	159	157
Overseas dividends	702	557
Bank interest	1	–
Stock lending income	1	–
Stock dividends	–	1
<b>Total revenue</b>	<b>863</b>	<b>715</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	25	21
<b>Other expenses:</b>		
Revenue collection expenses	2	–
<b>Total expenses</b>	<b>27</b>	<b>21</b>

\* Audit fee £13,340 (31/08/21: £11,078) inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	89	67
Reclaimable tax written off	9	6
<b>Current tax charge for the year</b>	<b>98</b>	<b>73</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	835	694
Corporation tax at 20% (31/08/21: 20%)	167	139

Effects of:

Revenue not subject to taxation	(172)	(143)
Current year expenses not utilised	5	4
Irrecoverable overseas tax	89	67
Reclaimable tax written off	9	6
<b>Current tax charge for the year</b>	<b>98</b>	<b>73</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £11,000 (31/08/21: £6,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income shares</b>		
First Interim	129	130
Second Interim	114	97
Third Interim	358	263
Final	164	151
	<b>765</b>	<b>641</b>
Add: Amounts deducted on cancellation of shares	–	–
Deduct: Amounts received on the creation of shares	(3)	–
<b>Net distributions for the year</b>	<b>762</b>	<b>641</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	737	621
Expenses charged to capital	25	21
Stock dividend charged to capital	–	(1)
<b>Net distributions for the year</b>	<b>762</b>	<b>641</b>

Details of the distribution per share are set out on pages 264 and 265.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	40	–
Sales awaiting settlement	66	–
Accrued revenue	75	76
Overseas withholding tax recoverable	24	10
<b>Total debtors</b>	<b>205</b>	<b>86</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	687	255
<b>Total cash and bank balances</b>	<b>687</b>	<b>255</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Purchases awaiting settlement	376	–
Accrued expenses	21	21
<b>Total other creditors</b>	<b>397</b>	<b>21</b>

### 10. Reconciliation of number of shares

	Class M Income	Class R Income
Opening shares at 01/09/21	74,893	20,078,387
Shares issued	668,032	–
Shares cancelled	(90,490)	–
<b>Closing shares at 31/08/22</b>	<b>652,435</b>	<b>20,078,387</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due from Royal London Unit Trust Managers Limited in respect of these transactions was £38,000 (31/08/21: due to £2,000).

At the year end, 31 August 2022, 96.85% (31/08/21: 99.63%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £nil (Gross: £1,000) (31/08/21: £nil (Gross: £nil)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £478,000 (31/08/21: £nil).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	382	–
Bonds	231	–

The aggregate value of collateral held at the balance sheet date was £613,000 (31/08/21: £nil).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the year end were HSBC Bank and Credit Suisse Singapore Branch.

### 14. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 258. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	4,507	4,948
Australian dollar	295	446
Canadian dollar	757	535
Chinese yuen	2	–
Danish krone	1,014	–
Euro	1,520	1,853
Hong Kong dollar	834	1,189
Japanese yen	1,141	1,697
New Zealand dollar	236	209
Norwegian krone	3	3
Singaporean dollar	144	116
Swedish krona	2	2
Swiss franc	1,089	1,149
US dollar	16,067	14,056
<b>Total</b>	<b>27,611</b>	<b>26,203</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £2,310,000 (31/08/21: £2,126,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £2,310,000 (31/08/21: £2,126,000). 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 Fund would have increased by £2,728,000 (31/08/21: £2,603,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £2,728,000 (31/08/21: £2,603,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £687,000 (31/08/21: £255,000) which earn interest by reference to SONIA or international equivalent. This equates to 2.49% of the current Net Asset Value and 0.97% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	8,965	4	0.04	7	0.08	1	0.01	8,977
<b>Total</b>	<b>8,965</b>	<b>4</b>		<b>7</b>		<b>1</b>		<b>8,977</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	8,374	4	0.05	1	0.01	–	–	8,369
<b>Total</b>	<b>8,374</b>	<b>4</b>		<b>1</b>		<b>–</b>		<b>8,369</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.03%
Taxes	0.03%
Other expenses	0.00%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	6,151	3	0.05	7	0.11	1	0.02	6,162
Corporate actions	71	–	–	–	–	–	–	71
<b>Total</b>	<b>6,222</b>	<b>3</b>		<b>7</b>		<b>1</b>		<b>6,233</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	6,198	3	0.05	–	–	–	–	6,195
<b>Total</b>	<b>6,198</b>	<b>3</b>		<b>–</b>		<b>–</b>		<b>6,195</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.02%
Taxes	0.03%
Other expenses	0.01%

At the balance sheet date the portfolio dealing spread was 0.10% (31/08/21: 0.08%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	27,280	–	–	27,280
<b>Total</b>	<b>27,280</b>	<b>–</b>	<b>–</b>	<b>27,280</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	26,034	–	–	26,034
<b>Total</b>	<b>26,034</b>	<b>–</b>	<b>–</b>	<b>26,034</b>

### 17. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £29,626,187. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 5.99%.

The only significant cancellations on the Fund indicated above during this period were on M Income (11.67%).



## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### First Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 30 November 2021

	Net income	Equalisation	Distribution paid 31/01/22	Distribution paid 31/01/21
<b>Class M Income</b>				
Group 1	0.6421	–	0.6421	0.6460
Group 2	0.2310	0.4111	0.6421	0.6460
<b>Class R Income</b>				
Group 1	0.6396	–	0.6396	0.6481
Group 2	0.6396	0.0000	0.6396	0.6481

#### Second Interim

Group 1: Shares purchased prior to 1 December 2021

Group 2: Shares purchased between 1 December 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
<b>Class M Income</b>				
Group 1	0.5592	–	0.5592	0.4842
Group 2	0.2169	0.3423	0.5592	0.4842
<b>Class R Income</b>				
Group 1	0.5654	–	0.5654	0.4863
Group 2	0.5654	0.0000	0.5654	0.4863

#### Third Interim

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 May 2022

	Net income	Equalisation	Distribution paid 31/07/22	Distribution paid 31/07/21
<b>Class M Income</b>				
Group 1	1.7461	–	1.7461	1.3001
Group 2	0.8023	0.9438	1.7461	1.3001
<b>Class R Income</b>				
Group 1	1.7687	–	1.7687	1.3086
Group 2	1.7687	0.0000	1.7687	1.3086

**Distribution Tables** (continued)

For the year ended 31 August 2022

**Distribution in pence per share****Final**

Group 1: Shares purchased prior to 1 June 2022

Group 2: Shares purchased between 1 June 2022 and 31 August 2022

	<b>Net income</b>	<b>Equalisation</b>	<b>Distribution payable 31/10/22</b>	<b>Distribution paid 31/10/21</b>
<b>Class M Income</b>				
Group 1	0.7772	–	0.7772	0.7412
Group 2	0.3732	0.4040	0.7772	0.7412
<b>Class R Income</b>				
Group 1	0.7900	–	0.7900	0.7474
Group 2	0.7900	0.0000	0.7900	0.7474

# Royal London Global Sustainable Equity Fund

## Manager's Investment Report

### Fund performance

12 months to 31 August 2022

	1 year total return %	3 year total return %	5 year total return %
Royal London Global Sustainable Equity Fund, Class M Accumulation	-10.54	-	-
Royal London Global Sustainable Equity Fund, Class R Accumulation	-9.99	-	-
Royal London Global Sustainable Equity Fund, Class S Accumulation	-9.99	-	-
MSCI All Countries World Index (ACWI)	-0.51	31.97	55.13

Class M Accumulation and Class R Accumulation launched on 25 February 2020.

**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 August 2022. Returns are net of management fees. Investors should note that the total return is calculated on the Fund's official midday price whereas the Fund 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 Fund breakdown information, please refer to the latest factsheet at [www.rlam.com](http://www.rlam.com).

### Performance overview

The Fund underperformed its MSCI All Countries World Index (ACWI) benchmark over the 12 months to 31 August 2022. The period was particularly challenging, given the significant inflation-related market rotation out of 'growth' and into 'value' from November; the derating of long-duration growth stocks through the first half of 2022 as inflation remained persistent and interest rates increased; and the significant strength in oil & gas prices, which were further boosted by the Russian invasion of Ukraine later in February. These factors caused significant volatility in global financial markets and the effects were felt disproportionately by the Fund.

The Fund's underperformance can be attributed to a combination of asset allocation and stock selection. The zero weighting to the energy sector and significant underweights in utilities and financials – which are both driven by the Fund's sustainable mandate – accounted for c. 2.75% of the underperformance. The rest of the underperformance (c. 7.5%) came from stock selection, particularly in consumer discretionary, technology, materials and healthcare sectors, where many holdings were derated, despite solid operational performance.

### Market and portfolio commentary

The review period was an extraordinary one – it started shortly after some European countries had introduced new restrictions as the Delta variant of Covid-19 remained a threat, and ended with inflation running in double digits following the reopening of the global the economy and the Russian invasion of Ukraine.

As 2021 drew to a close, investors increasingly focused on the inflationary pressures that had emerged as the global economy reopened. These were more persistent than initially expected with supply chains being disrupted by the global shutdown, and energy prices in particular rose sharply. Although concerns about inflation had caused some volatility in 2021, investors had seemed relatively sanguine about higher prices as the global economy continued to recover from the impact of Covid-19 and corporate earnings surprised on the upside.

The publication of the minutes of the Federal Reserve's December FOMC meeting in early January indicated, however, that central bankers were prepared to increase interest rates (and withdraw/reverse quantitative easing measures) more quickly and to a greater degree than had previously been expected. This pushed bond yields sharply higher and added considerable volatility to global financial markets. The subsequent invasion of Ukraine by Russia added to the mix. While depressing risk asset prices, the potential for supply chain disruptions and the downstream impact of sanctions on oil and gas supplies pushed energy prices to new all-time highs, adding to the challenges facing central banks.

The Fund's sustainable approach favours companies with products and services that we believe offer a net benefit to society or show ESG leadership. This means that the Fund does not invest in some sectors, such as oil & gas, extractive industries or tobacco. We believe that the exposure to those sectors which offer a net benefit and/or ESG leadership is consistent with outperformance over the medium term.

The Fund performed reasonably well through the first three months of the period, but was adversely impacted by the shift in sentiment at the start of 2022 as investors focused on the persistent nature of the post-Covid-19 inflationary pressures and the likely upward pressure on interest rates. This affected the Fund in two ways. First, oil and gas and other commodity prices surged – as the Fund has no exposure to the oil & gas and mining sectors this notably impacted its relative performance. Secondly, there was a rotation from longer duration, higher-growth sectors, such as technology and healthcare, in favour of less interest rate-sensitive sectors. This also significantly impacted the relative performance: the Fund is overweight technology and healthcare as both sectors comprise lots of innovative companies that are a good fit for our investment framework.

## Manager's Investment Report (continued)

### Market and portfolio commentary – continued

The change in outlook for interest rates also cost us through the financials sector as higher interest rates tend to be beneficial for banks. We are underweight financials, and in particular banks, as they tend not to score well against our environmental, social and governance (ESG) criteria – and the more socially-responsible stocks that we favour also performed less strongly than their sector peers.

Despite the disappointing performance of the portfolio as a whole, a number of our holdings performed strongly, including AstraZeneca, Thermo Fisher Scientific and NVIDIA. Negative contributions came from Adidas, MercadoLibre and Adobe. The Fund also suffered from having zero exposure to Apple as the company performed strongly in the period and has a significant index weighting.

### Investment outlook

There is considerable uncertainty about the outlook for the rest of 2022 and 2023. The Federal Reserve continues to raise interest rates – with inflation rising at its fastest rate since 1981, the 0.75% increases in both June, July and September (after the end of the reporting period) were the largest for nearly 30 years. Some investors fear that this could tip the US into a hard-landing recession. The picture is only marginally different in the UK where the BoE increased rates in June, August and September to 2.25%.

We believe that we're in the middle of a two-legged bear market. The first leg, led by an interest rate-induced derating, is largely over unless inflation genuinely is out of control on a longer-term view. The second leg, led by a recession and earnings downgrades, began in the summer. It is unusual to get this type of bear market. Usually into a recession, interest rates are falling, so decreasing profit expectations are offset by falling interest rates, which helps the future value of profits via lower discount rates – one offsets the other. Equally, rising rates are usually at a time of strong economic growth so the negative valuation effect of rising discount rates is offset by rising corporate profits. The removal of this inverse relationship between interest rates and profit cycles is the key reason why equity markets and other classes have been weak; it is hard to make money at a time of rising interest rates and falling profitability.

How long could this second, earnings-led, bear market go on for? We have no privileged insight to the future, but bear markets come and go – this is a feature of investing. Expecting them beforehand helps you to invest in a way that makes them manageable when they come. Although we can't predict the end of this bear market, we can see the opportunity in it, which for us is to own some great businesses at lower prices than we would have been able to do so otherwise.

Should higher interest rates tip economies into recession, the Fund should be relatively resilient as we favour high return on equity, unlevered larger-cap companies with good pricing power and good earnings growth. We tend to eschew (for sustainable and/or financial reasons) stocks with more cyclical exposure to the global economy, such as energy, commodities and non-core cyclical manufacturing.

In the current environment, it is likely that more companies will miss their earnings targets (or fail to be sufficiently upbeat in their guidance) and face periods in investment purgatory as a result. This will test the resolve of managers as you have to decide if the market is overreacting or whether your investment thesis has failed – and the time you have to decide can be very short. In general, we believe that it is better to be considered in such situations. We know the companies that we hold very well and, our investment process has been developed over many years, through different economic and market conditions. We have faith that it will continue to serve our investors well.

**George Crowdy**  
**Fund Co-Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class M Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20** (p)
Opening net asset value per share	151.23	117.19	100.00
Return before operating charges*	(15.83)	34.99	17.59
Operating charges	(1.01)	(0.95)	(0.40)
Return after operating charges*	(16.84)	34.04	17.19
Distributions on accumulation shares	(0.31)	(0.12)	(0.23)
Retained distributions on accumulation shares	0.31	0.12	0.23
<b>Closing net asset value per share</b>	<b>134.39</b>	<b>151.23</b>	<b>117.19</b>
* after direct transaction costs of:	0.13	0.11	0.03
<b>Performance</b>			
Return after charges	(11.14)%	29.05%	17.19%
<b>Other information</b>			
Closing net asset value (£'000)	46,308	35,714	5,154
Closing number of shares	34,457,801	23,616,613	4,397,734
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs	0.10%	0.09%	0.02%
<b>Prices<sup>^</sup></b>			
Highest share price	160.00	151.80	119.10
Lowest share price	119.30	116.80	82.07

\*\* Class M Accumulation launched on 25 February 2020.

### Class R Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21 (p)	31/08/20** (p)
Opening net asset value per share	152.50	117.47	100.00
Return before operating charges*	(15.99)	35.18	17.53
Operating charges	(0.16)	(0.15)	(0.06)
Return after operating charges*	(16.15)	35.03	17.47
Distributions on accumulation shares	(1.15)	(0.86)	(0.54)
Retained distributions on accumulation shares	1.15	0.86	0.54
<b>Closing net asset value per share</b>	<b>136.35</b>	<b>152.50</b>	<b>117.47</b>
* after direct transaction costs of:	0.13	0.11	0.03
<b>Performance</b>			
Return after charges	(10.59)%	29.82%	17.47%
<b>Other information</b>			
Closing net asset value (£'000)	157,143	129,431	62,223
Closing number of shares	115,247,484	84,874,798	52,971,495
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	0.09%	0.09%	0.02%
<b>Prices<sup>^</sup></b>			
Highest share price	161.60	153.10	119.40
Lowest share price	120.90	117.10	82.07

\*\* Class R Accumulation launched on 25 February 2020.

### Class S Accumulation

Change in net assets per share	31/08/22 (p)	31/08/21** (p)
Opening net asset value per share	106.72	100.00
Return before operating charges*	(11.19)	6.74
Operating charges	(0.11)	(0.02)
Return after operating charges*	(11.30)	6.72
Distributions on accumulation shares	(0.80)	(0.08)
Retained distributions on accumulation shares	0.80	0.08
<b>Closing net asset value per share</b>	<b>95.42</b>	<b>106.72</b>
* after direct transaction costs of:	0.09	0.09
<b>Performance</b>		
Return after charges	(10.59)%	6.72%
<b>Other information</b>		
Closing net asset value (£'000)	57,517	3
Closing number of shares	60,277,602	2,500
Operating charges	0.11%	0.11%
Direct transaction costs	0.09%	0.09%
<b>Prices<sup>^</sup></b>		
Highest share price	113.10	107.10
Lowest share price	84.61	99.73

\*\* Class S Accumulation launched on 19 July 2021.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 98.90% (31/08/21 – 98.77%)</b>			
<b>Channel Islands – 2.97% (31/08/21 – 1.79%)</b>			
Consumer Goods – 1.31%			
42,620	Aptiv	3,422	1.31
Consumer Services – 1.66%			
43,520	Ferguson	4,319	1.66
<b>Total Channel Islands</b>		<b>7,741</b>	<b>2.97</b>
<b>Denmark – 1.96% (31/08/21 – 2.83%)</b>			
Healthcare – 1.96%			
55,744	Novo Nordisk 'B'	5,117	1.96
<b>Total Denmark</b>		<b>5,117</b>	<b>1.96</b>
<b>France – 4.75% (31/08/21 – 4.37%)</b>			
Consumer Goods – 2.07%			
18,180	L'Oreal	5,391	2.07
Industrials – 2.68%			
68,268	Schneider Electric	7,005	2.68
<b>Total France</b>		<b>12,396</b>	<b>4.75</b>
<b>Germany – 1.57% (31/08/21 – 3.81%)</b>			
Consumer Goods – 1.57%			
32,006	Adidas	4,106	1.57
<b>Total Germany</b>		<b>4,106</b>	<b>1.57</b>
<b>Hong Kong – 3.34% (31/08/21 – 2.45%)</b>			
Financials – 3.34%			
1,050,000	AIA	8,726	3.34
<b>Total Hong Kong</b>		<b>8,726</b>	<b>3.34</b>
<b>India – 2.42% (31/08/21 – 2.03%)</b>			
Financials – 2.42%			
120,360	HDFC Bank ADR	6,317	2.42
<b>Total India</b>		<b>6,317</b>	<b>2.42</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Ireland – 2.46% (31/08/21 – 2.10%)</b>			
Industrials – 2.46%			
48,510	Trane Technologies	6,423	2.46
<b>Total Ireland</b>		<b>6,423</b>	<b>2.46</b>
<b>Japan – 0.00% (31/08/21 – 0.92%)</b>			
<b>Netherlands – 2.71% (31/08/21 – 4.42%)</b>			
Technology – 2.71%			
16,910	ASML Holding	7,082	2.71
<b>Total Netherlands</b>		<b>7,082</b>	<b>2.71</b>
<b>Switzerland – 5.31% (31/08/21 – 5.96%)</b>			
Basic Materials – 1.38%			
18,560	Sika	3,601	1.38
Healthcare – 1.31%			
7,390	Lonza	3,405	1.31
Industrials – 2.62%			
62,950	TE Connectivity	6,827	2.62
<b>Total Switzerland</b>		<b>13,833</b>	<b>5.31</b>
<b>Taiwan – 3.46% (31/08/21 – 3.84%)</b>			
Technology – 3.46%			
126,010	Taiwan Semiconductor Manufacturing ADR	9,025	3.46
<b>Total Taiwan</b>		<b>9,025</b>	<b>3.46</b>
<b>United Kingdom – 15.73% (31/08/21 – 9.52%)</b>			
Basic Materials – 2.03%			
78,620	Croda International	5,288	2.03
Consumer Services – 1.11%			
155,710	Compass Group	2,895	1.11
Financials – 3.22%			
103,900	London Stock Exchange	8,418	3.22
Healthcare – 3.51%			
85,950	AstraZeneca	9,149	3.51
Industrials – 3.38%			
82,040	Experian	2,151	0.83
1,279,050	Rentokil Initial	6,664	2.55
Utilities – 2.48%			
392,273	SSE	6,478	2.48
<b>Total United Kingdom</b>		<b>41,043</b>	<b>15.73</b>

**Portfolio Statement** (continued)

As at 31 August 2022

<b>Holding</b>	<b>Investment</b>	<b>Bid-market value (£'000)</b>	<b>Total net assets (%)</b>
<b>United States – 52.22% (31/08/21 – 54.73%)</b>			
Consumer Services – 4.66%			
61,940	Amazon.com	6,747	2.59
7,370	MercadoLibre	5,412	2.07
Financials – 4.86%			
42,270	Prologis	4,523	1.73
47,790	Visa 'A'	8,161	3.13
Healthcare – 9.05%			
17,150	Intuitive Surgical	3,032	1.16
32,760	IQVIA Holding	5,983	2.29
27,190	Stryker	4,796	1.84
20,930	Thermo Fisher Scientific	9,812	3.76
Industrials – 12.91%			
31,360	Agilent Technologies	3,456	1.32
87,330	Ball Corporation	4,189	1.61
255,710	CSX	6,953	2.67
37,740	Nordson Corporation	7,362	2.82
30,300	TopBuild	4,787	1.83
92,230	Wabtec Corporation	6,947	2.66
Technology – 20.74%			
25,210	Adobe	8,091	3.10
80,400	Alphabet 'A'	7,476	2.87
38,870	Autodesk	6,739	2.58
17,850	Intuit	6,623	2.54
55,556	Microsoft	12,482	4.78
33,380	Nvidia	4,330	1.66
59,040	Texas Instruments	8,382	3.21
<b>Total United States</b>		<b>136,283</b>	<b>52.22</b>
<b>Total value of investments</b>		<b>258,092</b>	<b>98.90</b>
<b>Net other assets</b>		<b>2,876</b>	<b>1.10</b>
<b>Total net assets</b>		<b>260,968</b>	<b>100.00</b>

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

## Summary of Material Portfolio Changes

For the year ended 31 August 2022

### Significant Purchases

	Cost £'000
SSE	6,718
Adobe	5,890
Croda International	5,826
Nvidia	5,413
Mercadolibre	5,249
AIA	4,883
Microsoft	4,806
Ferguson	4,796
Schneider Electric	4,779
Taiwan Semiconductor Manufacturing ADR	4,689
<b>Subtotal</b>	<b>53,049</b>
<b>Total cost of purchases, including the above, for the year</b>	<b>155,083</b>

### Significant Sales

	Proceeds £'000
Salesforce.com	3,388
Experian	3,023
Ansys	2,593
Koninklijke Philips	2,447
Symrise	2,346
Illumina	1,966
Systemex	1,693
Orsted	1,678
Novo Nordisk 'B'	1,349
Amazon.com	1,070
<b>Subtotal</b>	<b>21,553</b>
<b>Total proceeds from sales, including the above, for the year</b>	<b>30,833</b>



## Financial Statements

### Statement of Total Return

For the year ended 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Income</b>			
Net capital (losses)/gains	2	(28,959)	30,521
Revenue	3	2,598	1,010
Expenses	4	(525)	(258)
Interest payable and similar charges		(9)	(3)
Net revenue before taxation		2,064	749
Taxation	5	(228)	(105)
Net revenue after taxation		1,836	644
Total (deficit)/return before distributions		(27,123)	31,165
Distributions	6	(1,836)	(644)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(28,959)</b>	<b>30,521</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Assets</b>			
Investments		258,092	163,118
<b>Current assets:</b>			
Debtors	7	2,226	2,093
Cash and bank balances	8	2,639	312
<b>Total assets</b>		<b>262,957</b>	<b>165,523</b>
<b>Liabilities</b>			
<b>Creditors:</b>			
Other creditors	9	1,989	375
<b>Total liabilities</b>		<b>1,989</b>	<b>375</b>
<b>Net assets attributable to shareholders</b>		<b>260,968</b>	<b>165,148</b>

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

For the year ended 31 August 2022

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Opening net assets attributable to shareholders</b>	<b>165,148</b>	<b>67,377</b>
Amounts receivable on creation of shares	151,422	75,472
Amounts payable on cancellation of shares	(28,744)	(8,958)
	122,678	66,514
Dilution adjustment charged	199	19
Change in net assets attributable to shareholders from investment activities	(28,959)	30,521
Retained distribution on accumulation shares	1,902	717
<b>Closing net assets attributable to shareholders</b>	<b>260,968</b>	<b>165,148</b>

## Notes to the Financial Statements

For the year ended 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital (losses)/gains

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>The net capital (losses)/gains during the year comprise:</b>		
Non-derivative securities	(29,275)	30,560
Currency gains/(losses)	316	(39)
<b>Net capital (losses)/gains</b>	<b>(28,959)</b>	<b>30,521</b>

### 3. Revenue

	31 Aug 2022 £'000	31 Aug 2021 £'000
UK dividends	572	165
Overseas dividends	2,004	844
Bank interest	9	–
Stock lending income	13	1
<b>Total revenue</b>	<b>2,598</b>	<b>1,010</b>

### 4. Expenses

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>		
Fund Management Fee*	525	257
<b>Other expenses:</b>		
Revenue collection expenses**	–	1
<b>Total expenses</b>	<b>525</b>	<b>258</b>

\* Audit fee £13,340 (31/08/21: £11,078) inclusive of VAT is paid from the Fund Management Fee.

\*\* These are additional revenue expenses not included within the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Irrecoverable overseas tax	213	97
Reclaimable tax written off	15	8
<b>Current tax charge for the year</b>	<b>228</b>	<b>105</b>

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

The tax assessed for the year is lower (31/08/21: lower) than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%) (31/08/21: 20%).

The differences are explained below:

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue before taxation	2,064	749
Corporation tax at 20% (31/08/21: 20%)	413	150

Effects of:

Revenue not subject to taxation	(500)	(194)
Current year management expenses not utilised	89	45
Tax relief on overseas tax suffered	(2)	(1)
Irrecoverable overseas tax	213	97
Reclaimable tax written off	15	8
<b>Current tax charge for the year</b>	<b>228</b>	<b>105</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/(losses) are not included in the reconciliation above.

#### c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date (31/08/21: same).

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

At the year end, there is a potential deferred tax asset of £139,000 (31/08/21: £50,000) in relation to surplus management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 6. Distributions

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
<b>Accumulation shares</b>		
Interim	459	182
Final	1,443	535
	1,902	717
Add: Amounts deducted on cancellation of shares	52	20
Deduct: Amounts received on the creation of shares	(118)	(93)
<b>Net distributions for the year</b>	<b>1,836</b>	<b>644</b>

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

	31 Aug 2022 £'000	31 Aug 2021 £'000
Net revenue after taxation	1,836	644
<b>Net distributions for the year</b>	<b>1,836</b>	<b>644</b>

Details of the distribution per share are set out on page 278.

### 7. Debtors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts receivable on creation of shares	556	1,960
Sales awaiting settlement	1,233	–
Accrued revenue	403	108
Overseas withholding tax recoverable	34	25
<b>Total debtors</b>	<b>2,226</b>	<b>2,093</b>

### 8. Cash and bank balances

	31 Aug 2022 £'000	31 Aug 2021 £'000
Cash and bank balances	2,639	312
<b>Total cash and bank balances</b>	<b>2,639</b>	<b>312</b>

### 9. Other creditors

	31 Aug 2022 £'000	31 Aug 2021 £'000
Amounts payable on cancellation of shares	40	–
Purchases awaiting settlement	1,882	327
Accrued expenses	67	48
<b>Total other creditors</b>	<b>1,989</b>	<b>375</b>

### 10. Reconciliation of number of shares

	Class M Accumulation	Class R Accumulation
Opening shares at 01/09/21	23,616,613	84,874,798
Shares issued	18,561,902	41,454,829
Shares cancelled	(7,720,714)	(11,082,143)
<b>Closing shares at 31/08/22</b>	<b>34,457,801</b>	<b>115,247,484</b>

	Class S Accumulation
Opening shares at 01/09/21	2,500
Shares issued	63,028,299
Shares cancelled	(2,753,197)
<b>Closing shares at 31/08/22</b>	<b>60,277,602</b>

All classes within the Fund have the same rights on winding up.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31/08/21: same).

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £465,000 (31/08/21: £1,928,000).

At the year end, 31 August 2022, 54.70% (31/08/21: 77.33%) of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £3,000 (Gross: £16,000) (31/08/21: £nil (Gross: £1,000)) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £15,480,000 (31/08/21: £3,838,000).

The collateral held by asset type at the year end is stated below:

Asset class	31 Aug 2022	31 Aug 2021
	Collateral Held £'000	Collateral Held £'000
Equity	10,450	4,106
Bonds	6,164	–

The aggregate value of collateral held at the balance sheet date was £16,614,000 (31/08/21: £4,106,000).

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparty at the year end was HSBC Bank.

### 14. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 272. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A significant proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000	31 Aug 2021 £'000
Sterling	42,266	17,914
Australian dollar	6	5
Canadian dollar	1	1
Danish krone	5,266	4,684
Euro	23,954	20,670
Hong Kong dollar	8,733	4,087
Japanese yen	21	1,530
Swiss franc	7,007	5,642
US dollar	173,714	110,615
<b>Total</b>	<b>260,968</b>	<b>165,148</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £21,870,000 (31/08/21: £14,723,000). If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £21,870,000 (31/08/21: £14,723,000). 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 Fund would have increased by £25,809,000 (31/08/21: £16,312,000). If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £25,809,000 (31/08/21: £16,312,000). These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £2,639,000 (31/08/21: £312,000) which earn interest by reference to SONIA or international equivalent. This equates to 1.01% of the current Net Asset Value and 0.19% of the previous years.

Interest risk is considered insignificant so no sensitivity analysis is required (31/08/21: same).

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 15. Portfolio transaction costs

For the year ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	154,867	52	0.03	150	0.10	14	0.01	155,083
<b>Total</b>	<b>154,867</b>	<b>52</b>		<b>150</b>		<b>14</b>		<b>155,083</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	30,847	14	0.05	–	–	–	–	30,833
<b>Total</b>	<b>30,847</b>	<b>14</b>		<b>–</b>		<b>–</b>		<b>30,833</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.03%
Taxes	0.06%
Other expenses	0.01%

For the year ended 31 August 2021

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	75,945	34	0.04	55	0.07	3	–	76,037
<b>Total</b>	<b>75,945</b>	<b>34</b>		<b>55</b>		<b>3</b>		<b>76,037</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	9,394	5	0.05	–	–	–	–	9,389
<b>Total</b>	<b>9,394</b>	<b>5</b>		<b>–</b>		<b>–</b>		<b>9,389</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the year ended 31/08/21.

Commissions, taxes and fees as % of average net assets

Commissions	0.03%
Taxes	0.06%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.03% (31/08/21: 0.05%).

The Fund is single priced throughout the year and therefore the dealing spread is not indicative of the full year.

## Notes to the Financial Statements (continued)

For the year ended 31 August 2022

### 16. Fair value of investments

The fair values of the Fund'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.

#### As at the year ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	258,092	–	–	258,092
<b>Total</b>	<b>258,092</b>	<b>–</b>	<b>–</b>	<b>258,092</b>

#### As at the year ended 31 August 2021

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	163,118	–	–	163,118
<b>Total</b>	<b>163,118</b>	<b>–</b>	<b>–</b>	<b>163,118</b>

### 17. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £245,901,626. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was (6.55)%.

The only significant cancellations on the Fund indicated above during this period were on R Accumulation (14.13)%.

## Distribution Tables

For the year ended 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 1 September 2021

Group 2: Shares purchased between 1 September 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22	Distribution paid 30/04/21
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#### Class M Accumulation

There was no distribution for the M Accumulation shares for the period ended 28 February 2022 and 28 February 2021.

#### Class R Accumulation

Group 1	0.2978	–	0.2978	0.2673
Group 2	0.1782	0.1196	0.2978	0.2673

#### Class S Accumulation\*

Group 1	0.2082	–	0.2082	n/a
Group 2	0.1727	0.0355	0.2082	n/a

\* The Class S Accumulation launched on 19 July 2021.

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22	Distribution paid 31/10/21
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#### Class M Accumulation

Group 1	0.3099	–	0.3099	0.1225
Group 2	0.1723	0.1376	0.3099	0.1225

#### Class R Accumulation

Group 1	0.8491	–	0.8491	0.5958
Group 2	0.5191	0.3300	0.8491	0.5958

#### Class S Accumulation\*\*

Group 1	0.5942	–	0.5942	0.0836
Group 2	0.5942	0.0000	0.5942	0.0836

\*\* The Class S Accumulation launched on 19 July 2021. Distribution paid 2021 is for the period 19 July 2021 to 31 August 2021.

# Royal London UK Broad Equity Tilt Fund

## Manager's Investment Report

### Performance overview

The tracking error between the Royal London UK Broad Equity Tilt Fund and the FTSE® All-Share Index was 0.23% during the period under review. The Fund will invest at least 70% of its assets in shares of companies that belong to the Index. The Fund's manager, however, will typically invest around 90% of the Fund's asset in companies that belong to the Index.

### Market and portfolio commentary

In August 2021, RLAM started transitioning its passive equity funds from index trackers to ESG and climate 'tilted' funds. The transition to the Royal London UK Broad Equity Tilt Fund from its predecessor, the Royal London UK All Share Tracker, took place in December last year. As a result, performance data covering the 12 months to the end of August this year links the two funds.

The objective of our original passive funds was to simply track an index provided by a third party. We used an optimiser to help construct the portfolio, but the factors we used were mostly based on the market capitalisation of the companies in the index as we tried to replicate the total return of the benchmark.

Our updated investment process continues to deliver a risk and return profile similar to the index, but it now incorporates ESG and climate-related investment criteria, and introduced the ability to 'tilt' the funds towards or against these factors. The Fund's performance target is to deliver the performance, after the deduction of charges, of the FTSE® All-Share Total Return GBP Index over rolling 3-year periods. The Fund will seek to achieve carbon intensity of at least 10% lower than that of the Index whilst also considering a company's ability and willingness to transition and contribute to a lower carbon economy.

**Nils Jungbacke**

**Fund Manager**

**31 August 2022**

**Royal London Asset Management**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.



## Comparative Tables

### Class R Accumulation

Change in net assets per share	31/08/22** (p)
Opening net asset value per share	100.00
Return before operating charges*	1.28
Operating charges	(0.04)
Return after operating charges*	1.24
Distributions on accumulation shares	(2.78)
Retained distributions on accumulation shares	2.78
<b>Closing net asset value per share</b>	<b>101.24</b>
* after direct transaction costs of:	0.02
<b>Performance</b>	
Return after charges	1.24%
<b>Other information</b>	
Closing net asset value (£'000)	597,863
Closing number of shares	590,543,933
Operating charges*	0.11%
Direct transaction costs	0.02%
<b>Prices<sup>^</sup></b>	
Highest share price	105.90
Lowest share price	94.37

\*\* Class R Accumulation launched on 3 December 2021 following the merger in from Royal London UK All Share Tracker Fund.

### Class S Accumulation

Change in net assets per share	31/08/22** (p)
Opening net asset value per share	100.00
Return before operating charges*	3.26
Operating charges	(0.01)
Return after operating charges*	3.25
Distributions on accumulation shares	(0.83)
Retained distributions on accumulation shares	0.83
<b>Closing net asset value per share</b>	<b>103.25</b>
* after direct transaction costs of:	0.02
<b>Performance</b>	
Return after charges	3.25%
<b>Other information</b>	
Closing net asset value (£'000)	16,994
Closing number of shares	16,459,325
Operating charges*	0.11%
Direct transaction costs	0.02%
<b>Prices<sup>^</sup></b>	
Highest share price	107.60
Lowest share price	100.00

\*\* Class S Accumulation launched on 15 July 2022.

### Class Z Accumulation

Change in net assets per share	31/08/22** (p)
Opening net asset value per share	100.00
Return before operating charges*	1.28
Operating charges	(0.08)
Return after operating charges*	1.20
Distributions on accumulation shares	(2.74)
Retained distributions on accumulation shares	2.74
<b>Closing net asset value per share</b>	<b>101.20</b>
* after direct transaction costs of:	0.02
<b>Performance</b>	
Return after charges	1.20%
<b>Other information</b>	
Closing net asset value (£'000)	48,847
Closing number of shares	48,265,640
Operating charges <sup>#</sup>	0.17%
Direct transaction costs	0.02%
<b>Prices<sup>^</sup></b>	
Highest share price	105.90
Lowest share price	94.35

\*\* Class Z Accumulation launched on 3 December 2021.

<sup>#</sup> 0.06% of the operating charge relates to estimated weighted charges in underlying collective investment undertakings.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.

## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 92.71%</b>			
<b>Oil &amp; Gas – 10.62%</b>			
Alternative Energy – 0.09%			
	266,784 Bluefield Solar Income Fund	379	0.06
	10,073 Porvair	53	0.01
	49,115 Volution	171	0.02
Oil & Gas Producers – 10.37%			
	5,232,792 BP	23,103	3.48
	222,545 Capricorn Energy	516	0.08
	94,348 Harbour Energy	450	0.07
	1,955,004 Shell	44,750	6.74
	93,271 SOCO International	22	–
Oil Equipment & Services – 0.16%			
	141,411 Hunting	408	0.06
	339,878 John Wood	440	0.07
	64,106 Lamprell	6	–
	166,070 Petrofac	198	0.03
<b>Total Oil &amp; Gas</b>		<b>70,496</b>	<b>10.62</b>
<b>Basic Materials – 6.91%</b>			
Chemicals – 0.68%			
	33,141 Croda International	2,229	0.33
	108,902 Elementis	121	0.02
	68,710 Johnson Matthey	1,384	0.21
	89,045 Synthomer	175	0.03
	25,595 Treatt	133	0.02
	24,641 Victrex	431	0.06
	14,201 Zotefoams	43	0.01
Forestry & Paper – 0.10%			
	44,324 Mondi	650	0.10
Industrial Metals – 0.00%			
	6,720 Ferrexpo	10	–
Mining – 6.13%			
	315,751 Anglo American	8,786	1.32
	88,607 Antofagasta	976	0.15
	108,253 Capital Limited	90	0.01
	59,680 Endeavour Mining	1,004	0.15
	47,275 Fresnillo	325	0.05
	3,337,622 Glencore	15,797	2.38
	248,680 Hochschild Mining	162	0.02
	32,361 Kenmare Resources	143	0.02
	34,894 Petra Diamonds	34	0.01
	280,356 Rio Tinto	13,376	2.02
<b>Total Basic Materials</b>		<b>45,869</b>	<b>6.91</b>
<b>Industrials – 10.15%</b>			
Aerospace & Defence – 1.73%			
	7,736 Avon Protection	62	0.01
	896,962 BAE Systems	6,962	1.05
	77,156 Chemring	241	0.04
	204,689 Meggitt	1,634	0.25
	172,459 QinetiQ	601	0.09
	2,371,296 Rolls-Royce	1,826	0.27
	129,886 Senior	169	0.02
Construction & Materials – 1.36%			
	361,036 Balfour Beatty	1,137	0.17
	47,229 Boot Henry	132	0.02
	78,650 Costain	31	–
	164,036 CRH	5,209	0.79
	70,743 Forterra	187	0.03
	38,908 Galliford Try	61	0.01
	72,293 Genuit Group	260	0.04

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
	36,819 Ibstock	70	0.01
	22,413 Keller	157	0.02
	170,183 Kier	121	0.02
	66,596 Marshalls	222	0.03
	11,612 MJ Gleeson	53	0.01
	17,214 Morgan Sindall	296	0.04
	23,499 Norcross	47	0.01
	61,401 Redrow	310	0.05
	2,976 RHI Magnesita	54	0.01
	62,914 Travis Perkins	534	0.08
	62,742 Tyman	144	0.02
Electronic & Electrical Equipment – 0.75%			
	100,296 Halma	2,080	0.31
	59,835 Morgan Advanced Materials	159	0.02
	12,318 Oxford Instruments	246	0.04
	13,670 Renishaw	505	0.08
	304,388 Rotork	751	0.11
	36,562 Spectris	1,019	0.15
	67,929 TT Electronics	102	0.02
	20,725 Xaar	43	0.01
	3,796 XP Power	74	0.01
General Industrials – 0.75%			
	398,439 Coats Group	238	0.03
	45,667 Macfarlane Group	48	0.01
	192,747 Smith (DS)	516	0.08
	129,967 Smiths Group	1,937	0.29
	63,294 Smurfit Kappa	1,832	0.28
	57,598 Vesuvius	200	0.03
	13,073 Videndum	183	0.03
Industrial Engineering – 1.03%			
	74,537 Bodycote	410	0.06
	38,444 Hill & Smith	401	0.06
	96,119 IMI	1,102	0.17
	1,144,256 Melrose Industries	1,562	0.23
	82,487 Severfield	49	0.01
	19,321 Spirax-Sarco Engineering	2,035	0.30
	48,734 Trifast	45	0.01
	86,052 Weir	1,254	0.19
Industrial Transportation – 0.17%			
	7,012 Clarkson	211	0.03
	181,532 Esken	9	–
	16,701 Fisher (James) & Sons	57	0.01
	1,117 Ocean Wilsons Holdings	9	–
	242,887 Royal Mail	669	0.10
	28,416 Taylor Maritime Investments	34	0.01
	31,902 Wincanton	107	0.02
Support Services – 4.36%			
	120,639 Ashtead Group	5,127	0.77
	141,624 Babcock International	466	0.07
	16,119 Biffa	65	0.01
	88,832 Bunzl	2,541	0.38
	465,574 Capita	121	0.02
	25,879 CMC Markets	59	0.01
	34,587 DCC	1,717	0.26
	49,215 De La Rue	42	0.01
	33,972 Diploma	853	0.13
	26,317 discoverIE Group	208	0.03
	239,491 Experian	6,279	0.95
	60,683 Grafton	438	0.07
	514,618 Hays	603	0.09
	78,229 Homeserve	928	0.14
	158,354 Howdens Joinery	904	0.14
	71,635 IntegraFin	192	0.03
	212,672 International Workplace	342	0.05
	44,439 Intertek	1,759	0.27
	47,843 Kin and Carta	98	0.01
	15,718 Mears Group	33	–
	324,983 Mitie Group	236	0.04
	87,956 PageGroup	382	0.06
	17,064 Paypoint	110	0.02

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Industrials – 10.15% – continued</b>			
Support Services – 4.36% – continued			
68,119	Redde Northgate	233	0.03
4,478	Renewi	35	–
490,968	Rentokil Initial	2,558	0.38
25,799	Ricardo	119	0.02
17,712	Robert Walters	90	0.01
66,749	RPS	141	0.02
134,805	RS Group	1,463	0.22
321,310	Serco Group	563	0.08
225,261	SIG	76	0.01
35,216	Speedy Hire	14	–
51,506	SThree	181	0.03
<b>Total Industrials</b>		<b>67,383</b>	<b>10.15</b>
<b>Consumer Goods – 15.21%</b>			
Automobiles & Parts – 0.03%			
21,924	Aston Martin Lagonda Global	98	0.01
73,649	TI Fluid Systems	108	0.02
Beverages – 3.83%			
22,661	Barr (AG)	114	0.01
108,434	Britvic	848	0.13
189,017	C&C Group	325	0.05
60,318	Coca-Cola HBC	1,188	0.18
609,655	Diageo	22,947	3.46
Food Producers – 0.47%			
5,738	Anglo-Eastern Plantations	52	0.01
77,629	Associated British Foods	1,184	0.18
29,777	Bakkavör	23	–
15,382	Cranswick	474	0.07
27,249	Devro	51	0.01
244,080	Greencore Group	208	0.03
16,246	Hilton Food	157	0.02
299,883	Premier Foods	321	0.05
298,226	SSP Group	631	0.10
Household Goods – 2.61%			
270,150	Barratt Developments	1,153	0.17
34,753	Bellway	710	0.11
27,517	Berkeley	1,006	0.15
134,650	Countryside Partnerships	326	0.05
68,594	Crest Nicholson	161	0.02
54,759	DFS Furniture	68	0.01
17,352	Headiam	47	0.01
34,002	Made.com	3	–
84,078	Persimmon	1,241	0.19
166,247	Reckitt Benckiser	11,052	1.67
965,379	Taylor Wimpey	1,045	0.16
12,785	UP Global Sourcing Holdings	15	–
62,113	Vistry Group	478	0.07
Leisure Goods – 0.11%			
9,064	Games Workshop	642	0.10
54,961	Photo-Me International	48	0.01
Personal Goods – 4.40%			
98,108	Burberry	1,715	0.26
155,337	Dr. Martens	367	0.06
51,290	PZ Cussons	99	0.01
28,554	Ted Baker	31	–
688,874	Unilever	27,042	4.07
Tobacco – 3.76%			
596,593	British American Tobacco	20,591	3.10
229,907	Imperial Brands	4,359	0.66
<b>Total Consumer Goods</b>		<b>100,928</b>	<b>15.21</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Healthcare – 10.28%</b>			
Healthcare Equipment & Services – 1.15%			
452,950	ConvaTec	986	0.15
1,305,450	Haleon	3,379	0.51
24,957	Medica Group	38	0.01
102,303	Mediclinic International	513	0.08
26,121	NMC Health**	–	–
248,643	Smith & Nephew	2,524	0.38
72,571	Spire Healthcare	168	0.02
Pharmaceuticals & Biotechnology – 9.13%			
409,436	AstraZeneca	43,580	6.57
27,587	Dechra Pharmaceuticals	959	0.14
18,260	Genus	459	0.07
1,044,359	GSK	14,404	2.17
38,242	Hikma Pharmaceuticals	502	0.08
168,587	Indivior	488	0.07
17,190	Oxford Biomedica	78	0.01
42,750	PureTech Health	106	0.02
<b>Total Healthcare</b>		<b>68,184</b>	<b>10.28</b>
<b>Consumer Services – 9.19%</b>			
Food & Drug Retailers – 1.12%			
27,864	Greggs	514	0.08
126,616	Ocado	917	0.14
464,399	Sainsbury (J)	945	0.14
2,024,509	Tesco	5,033	0.76
General Retailers – 1.43%			
60,446	AO World	27	–
6,301	ASOS	44	0.01
254,970	B&M European Value Retail	943	0.14
91,472	Card Factory	37	0.01
301,901	Currys	192	0.03
12,016	Dignity	51	0.01
31,833	Dunelm	219	0.03
37,112	DWF Group	36	0.01
51,850	Frasers Group	417	0.06
55,210	Halfords	72	0.01
109,323	Inchcape	831	0.12
716,614	JD Sports Fashion	809	0.12
546,245	Kingfisher	1,267	0.19
9,406	Lookers	8	–
549,053	Marks & Spencer	669	0.10
18,903	Motorpoint	37	0.01
33,744	Next	1,961	0.30
432,382	Pendragon	96	0.01
132,621	Pets at Home	420	0.06
29,723	Superdry	37	0.01
48,474	Topps Tiles	23	–
63,787	Watches of Switzerland Group	500	0.08
47,543	WH Smith	679	0.10
106,851	Wickes Group	127	0.02
Media – 3.08%			
5,098	4imprint	194	0.03
120,289	Ascential	244	0.04
23,916	Bloomsbury Publishing	100	0.01
37,949	Euromoney Institutional Investor	550	0.08
32,378	Future	504	0.08
112,655	Hye Group	78	0.01
391,361	Informa	2,140	0.32
1,107,282	ITV	712	0.11
167,753	Moneysupermarket.com	331	0.05
228,814	Pearson	1,974	0.30
76,049	Reach	56	0.01
489,653	RELX	11,076	1.67
12,872	STV	35	–
326,247	WPP	2,428	0.37

## Portfolio Statement (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Consumer Services – 9.19% – continued</b>			
Travel & Leisure – 3.56%			
164,283	888 Holdings	203	0.03
381,135	Cineworld	13	–
497,276	Compass Group	9,244	1.39
152,349	Domino's Pizza	360	0.05
14,592	easyJet	52	0.01
170,754	Entain	2,173	0.33
179,122	Firstgroup	205	0.03
48,921	Flutter Entertainment	5,266	0.79
16,316	Fuller Smith & Turner	92	0.01
10,388	Go-Ahead	160	0.02
70,635	Gym Group	102	0.02
68,921	Hollywood Bowl	119	0.02
53,743	Hostelworld	45	0.01
26,214	Intercontinental Hotels	1,230	0.19
201,153	International Consolidated Airlines (IAG)	218	0.03
230,995	Marston's	84	0.01
109,868	Mitchells & Butlers	170	0.03
151,804	National Express	266	0.04
138,224	On The Beach	176	0.03
6,112	PPHE Hotel	86	0.01
66,061	Rank Group	50	0.01
392,556	Restaurant Group	161	0.03
49,255	Saga	74	0.01
9,529	TEN Entertainment Group	20	–
303,497	TUI	402	0.06
39,022	Wetherspoon (JD)	188	0.03
72,886	Whitbread	1,825	0.27
31,761	Wizz Air Holdings	679	0.10
<b>Total Consumer Services</b>		<b>60,996</b>	<b>9.19</b>
<b>Telecommunications – 1.87%</b>			
Fixed Line Telecommunications – 0.59%			
293,744	Airtel Africa	388	0.06
1,983,756	BT Group	2,990	0.45
208,933	Helios Towers	259	0.04
15,754	Telecom Plus	307	0.04
Mobile Telecommunications – 1.28%			
7,332,879	Vodafone	8,483	1.28
<b>Total Telecommunications</b>		<b>12,427</b>	<b>1.87</b>
<b>Utilities – 3.20%</b>			
Electricity – 0.78%			
8,109	ContourGlobal	21	–
79,836	Drax	508	0.08
17,942	Luceco	14	–
282,482	SSE	4,665	0.70
Gas, Water & Multiutilities – 2.42%			
1,869,554	Centrica	1,416	0.21
962,720	National Grid	10,373	1.56
71,487	Pennon Group	667	0.10
60,503	Severn Trent	1,684	0.26
181,492	United Utilities	1,917	0.29
<b>Total Utilities</b>		<b>21,265</b>	<b>3.20</b>
<b>Financials – 23.52%</b>			
Banks – 7.85%			
3,058	Bank of Georgia	61	0.01
4,474,959	Barclays	7,360	1.11
5,359,392	HSBC	28,340	4.27
18,821,994	Lloyds Banking Group	8,259	1.24
99,261	Metro Bank	80	0.01
1,290,153	NatWest Group	3,180	0.48
857	Secure Trust Bank	8	–
699,581	Standard Chartered	4,183	0.63
7,217	TBC Bank	128	0.02
339,783	Virgin Money UK	508	0.08

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Equity Investment Instruments – 5.66%			
167,717	3i Infrastructure	571	0.09
102,780	Aberdeen Diversified Income and Growth	101	0.02
20,366	Aberdeen New India Investment Trust	120	0.02
40,225	Aberdeen Standard Asia Focus	107	0.02
15,960	Aberforth Smaller Companies Trust	188	0.03
26,790	Aberforth Split Level Income	17	–
57,611	Abrdn Asian Income Fund	126	0.02
1,739	Abrdn China Investment Company	10	–
17,369	Abrdn Equity Income Trust	56	0.01
81,414	Abrdn European Logistic Income	79	0.01
26,322	Abrdn New Dawn Investment Trust	75	0.01
30,274	Abrdn Private Equity Opportunities Trust	130	0.02
17,378	Abrdn UK Smaller Companies Growth Trust	83	0.01
114,650	Allianz Technology Trust	265	0.04
8,575	Artemis Alpha Trust	26	–
32,647	Asia Dragon Trust	145	0.02
13,053	Aurora Investment Trust	26	–
139,639	AVI Global Trust	261	0.04
29,339	AVI Japan Opportunity Trust	33	–
24,442	Baillie Gifford China Growth Trust	70	0.01
94,723	Baillie Gifford European Growth Trust	82	0.01
26,247	Baillie Gifford Japan Investment Trust	202	0.03
82,505	Baillie Gifford Shin Nippon	133	0.02
11,671	Baillie Gifford UK Growth Fund	18	–
83,798	Baillie Gifford US Growth Trust	141	0.02
146,989	BB Healthcare Trust	251	0.04
198,044	BBGI Global Infrastructure	323	0.05
8,390	BH Macro	388	0.06
14,136	Biotech Growth Trust	137	0.02
69,223	BlackRock Frontiers Investment Trust	93	0.01
12,455	BlackRock Greater European Investment Trust	57	0.01
34,721	BlackRock Latin American Investment Trust	132	0.02
10,272	BlackRock Smaller Companies Investment Trust	138	0.02
31,990	BlackRock Sustainable American Income Trust	64	0.01
13,135	BlackRock Throgmorton Investment Trust	74	0.01
64,780	BlackRock World Mining Investment Trust	406	0.06
3,189	Brown Advisory US Smaller	40	0.01
7,973	Brunner Investment Trust	77	0.01
9,766	Caledonia Investments	348	0.05
3,009	Capital Gearing Trust	155	0.02
135,635	City of London Investment Trust 'A'	541	0.08
38,650	Coupland Cardiff Japan Income & Growth Trust	54	0.01
5,651	Coupland Cardiff Japan Income & Growth Trust Rights*	–	–
224,293	CQS New City High Yield Fund	118	0.02
28,907	CT Private Equity Trust	119	0.02
25,005	CT UK Capital and Income Investment Trust	75	0.01
42,095	CVC Income & Growth	39	0.01
118,577	Diverse Income Trust	113	0.02
37,784	Dunedin Income Growth Investment Trust	107	0.02
22,716	Ecofin Global Utilities & Infrastructure Trust	53	0.01
49,216	Edinburgh Investment Trust	287	0.04
113,335	Edinburgh Worldwide Investment Trust	211	0.03
7,838	EP Global Opportunities Trust	22	–
128,615	European Assets Trust	110	0.02
26,290	European Opportunities Trust	184	0.03
152,177	F&C Investment Trust	1,325	0.20
26,127	Fidelity Asian Values Investment Trust	125	0.02
108,948	Fidelity China Special Situations Investment Trust	268	0.04
27,444	Fidelity Emerging Markets	170	0.03
117,175	Fidelity European Values	333	0.05
29,713	Fidelity Japanese Values Investment Trust	50	0.01
52,500	Fidelity Special Values	137	0.02
62,297	Finsbury Growth & Income Trust	518	0.08
150,959	Foresight Solar Fund	184	0.03
7,162	Fundsmith Emerging Equities Trust	87	0.01
25,090	Gabelli Value Plus Trust*#	–	–
148,068	GCP Asset Backed Income Fund	135	0.02
278,928	GCP Infrastructure Investments	302	0.05
58,780	Gore Street Energy Storage Fund	71	0.01
20,077	Graphite Enterprise Investment Trust	216	0.03

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)	Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Financials – 23.52% – continued</b>							
Equity Investment Instruments – 5.66% – continued							
646,711	Greencoat UK Wind	1,064	0.16	68,389	Real Estate Credit Investments	98	0.01
22,160	HarbourVest Global Private Equity	485	0.07	615,570	Renewables Infrastructure	893	0.13
8,605	Henderson Alternative Strategies Trust*#	–	–	36,167	RIT Capital Partners	826	0.12
79,639	Henderson Diversified Income	56	0.01	20,210	Riverstone Energy	133	0.02
64,010	Henderson European Focus Trust	88	0.01	48,364	Schroder Asia Pacific Fund	254	0.04
47,874	Henderson Eurotrust	56	0.01	32,111	Schroder Asian Total Return Investment Company	137	0.02
71,340	Henderson Far East Income	200	0.03	19,534	Schroder Income Growth Fund	56	0.01
27,888	Henderson High Income	46	0.01	26,796	Schroder Japan Growth Investment Trust	54	0.01
47,179	Henderson International Income Trust	81	0.01	72,680	Schroder Oriental Income Fund	191	0.03
22,273	Henderson Smaller Companies Investment Trust	180	0.03	8,109	Schroder UK Mid Cap Fund	43	0.01
17,318	Herald Investment Trust	290	0.04	305,049	Schroder UK Public Private Trust	55	0.01
116,886	HG Capital Trust	437	0.07	47,479	Scottish American Investment Trust	229	0.03
536,494	HICL Infrastructure	925	0.14	398,378	Scottish Mortgage Investment Trust	3,209	0.48
323,591	Hipgnosis Songs Fund	364	0.06	6,696	Scottish Oriental Smaller Companies	79	0.01
8,349	Honeycomb Investment Trust	72	0.01	197,485	SDCL Energy Efficiency Income Trust	233	0.04
78,348	Impax Environmental Markets	349	0.05	22,639	Securities Trust of Scotland	53	0.01
4,358	Independent Investment Trust	20	–	494,711	Sequoia Economic Infrastructure Income Fund	445	0.07
9,668	International Biotechnology Investment Trust	63	0.01	43,444	Smithson Investment Trust	557	0.08
15,612	Invesco Asia Trust	53	0.01	140,335	Starwood European Real Estate	131	0.02
58,719	Invesco Bond Income	92	0.01	12,024	Strategic Equity Capital	35	0.01
7,169	Invesco Perpetual UK Smaller Companies Investment Trust	32	0.01	117,350	Temple Bar Investment Trust	255	0.04
35,438	Invesco Select Trust	57	0.01	343,974	Templeton Emerging Markets Investment Trust	524	0.08
102,456	JLEN Environmental Assets	137	0.02	92,240	The Alliance Trust	896	0.13
52,937	JPMorgan American Investment Trust	395	0.06	162,946	The Global Smaller Companies Trust	230	0.03
40,099	JPMorgan Asian Growth and Income Trust	149	0.02	220,418	The Mercantile Investment Trust	405	0.06
45,478	JPMorgan China Growth and Income Trust	161	0.02	88,978	TR Property Investment Trust	320	0.05
15,469	JPMorgan Claverhouse Investment Trust	104	0.02	77,535	Troy Income & Growth Trust	55	0.01
339,627	JPMorgan Emerging Markets Investment Trust	368	0.06	129,931	TwentyFour Income	133	0.02
40,246	JPMorgan European Discovery Trust	154	0.02	49,809	Twentyfour Select Monthly Income Fund	39	0.01
160,733	JPMorgan European Growth & Income	127	0.02	80,621	Utilico Emerging Markets	178	0.03
109,573	JPMorgan Global Emerging Markets Fund	137	0.02	9,892	Value & Income Trust	24	–
72,280	JPMorgan Global Growth and Income	317	0.05	54,218	Vietnam Enterprise Investments	378	0.06
19,329	JPMorgan Indian Investment Trust	160	0.02	43,516	VinaCapital Vietnam Opportunity Fund	220	0.03
43,786	JPMorgan Japanese Investment Trust	206	0.03	220,279	Witan Investments	482	0.07
16,696	JPMorgan Japanese Smaller Companies Investment Trust	56	0.01	18,016	Worldwide Healthcare Trust	586	0.09
4,618	JPMorgan Mid Capital Investment Trust	40	0.01	<b>Financial Services – 3.97%</b>			
11,222	JPMorgan Smaller Companies Trust	32	0.01	265,941	3i Group	3,231	0.49
14,203	JPMorgan US Smaller Companies Trust	55	0.01	79,389	AJ Bell	233	0.03
163,224	Jupiter Fund Management	159	0.02	117,723	Apax Global Alpha	209	0.03
2,623	Keystone Positive Change Investment Trust	5	–	129,843	Ashmore	264	0.04
35,325	Law Debenture	260	0.04	38,821	Argumentum Fintech	43	0.01
59	Lindsell Train Investment Trust	62	0.01	401,932	Bankers Investment Trust	416	0.06
75,182	Lowland Investment Company	89	0.01	83,636	Brewin Dolphin	428	0.06
33,207	M&G Credit Income Investment Trust	32	0.01	66,083	Bridgepoint	165	0.02
11,032	Majedie Investment Trust	20	–	19,743	Carr's Milling Industries	25	–
6,446	Manchester & London Investment Trust	25	–	154,139	Chrysalis Investments	111	0.02
25,373	Martin Currie Global Portfolio	80	0.01	7,533	City of London Investment	31	–
21,325	Merchants Trust	115	0.02	41,797	Close Brothers	427	0.06
16,702	Mid Wynd International Investment Trust	119	0.02	50,563	Finabl*#	–	–
39,567	Middlefield Canadian Income Trust	50	0.01	16,737	Foresight Group Holdings	67	0.01
66,839	Monks Investment Trust	688	0.10	41,443	Funding Circle	13	–
24,536	Montanaro European Smaller Companies Trust	31	–	14,847	Georgia	102	0.02
32,662	Montanaro UK Smaller Companies Trust	36	0.01	103,539	Hargreaves Lansdown	846	0.13
31,067	Murray Income Trust	253	0.04	101,412	IG Group	830	0.12
35,469	Murray International Investment Trust	445	0.07	77,702	Intermediate Capital Group	1,061	0.16
73,776	NB Global Floating Rate Income Fund	59	0.01	38,040	International Personal Finance	38	0.01
14,038	NB Private Equity Partners	223	0.03	509,705	International Public Partnership	837	0.13
242,606	NextEnergy Solar Fund	296	0.04	208,614	Investec	866	0.13
34,805	North American Income Trust	105	0.02	278,439	IP	195	0.03
2,324	North Atlantic Smaller Companies	85	0.01	42,844	JPMorgan Global Core Real Assets	46	0.01
45,020	Pacific Assets Trust	155	0.02	30,735	JTC	235	0.03
34,863	Pacific Horizon Investment Trust	220	0.03	15,039	Liontrust Asset Management	138	0.02
148,070	Pantheon International	400	0.06	96,196	London Stock Exchange	7,794	1.17
96,600	Personal Assets Trust	474	0.07	689,329	M&G	1,349	0.20
316,429	Picton Property Income	286	0.04	471,565	Man Group	1,151	0.17
99,248	Polar Capital Global Financials Trust	144	0.02	38,384	Mobius Investment Trust	48	0.01
39,432	Polar Capital Global Healthcare Growth & Income Trust	125	0.02	33,437	Molten Ventures	125	0.02
38,142	Polar Capital Technology Trust	769	0.12	133,608	Network International Holdings	321	0.05
				124,688	Ninety One	246	0.04
				65,921	Octopus Renewables	75	0.01
				26,277	Odyssean Investment Trust	43	0.01
				105,472	OSB Group	580	0.09
				73,548	Paragon Banking Group	395	0.06



## Portfolio Statement (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Financials – 23.52% – continued</b>			
Financial Services – 3.97% – continued			
7,217	Petershill Partners	16	–
27,302	Plus500	463	0.07
68,326	Provident Financial	118	0.02
395,462	Quilter	415	0.06
17,291	Rathbones Group	311	0.05
39,014	Record	28	–
63,180	Ruffer	190	0.03
1,046	S & U	21	–
29,063	Schroders	781	0.12
127,638	Syncona	251	0.04
251,093	TP ICAP	385	0.06
123,758	TR European Growth Trust	171	0.03
91,119	VH Global Sustainable Energy Opportunities	102	0.02
71,488	VPC Specialty Lending Investments	56	0.01
51,788	XPS Pension Group	71	0.01
Life Insurance – 2.72%			
649,177	Abrdn	953	0.14
789,421	Aviva	3,304	0.50
40,536	Chesnara	121	0.02
334,902	Just Group	241	0.04
1,610,604	Legal & General	4,065	0.61
189,892	Phoenix Group	1,144	0.17
748,846	Prudential	6,765	1.02
131,239	St James's Place Capital	1,453	0.22
Non-Life Insurance – 0.64%			
55,697	Admiral	1,181	0.18
161,042	Beazley	938	0.14
394,622	Direct Line Insurance	813	0.12
101,561	Hiscox	912	0.14
71,135	Lancashire	351	0.05
61,612	Sabre Insurance	71	0.01
Real Estate Investment Services – 0.45%			
57,178	AEW UK	64	0.01
1,113	Alcentra European Floating Rate Income Fund**	–	–
153,458	Foxtons	56	0.01
193,382	Grainger	518	0.08
54,379	Harworth Group	77	0.01
24,554	Helical Bar	94	0.02
36,996	LSL Property Services	120	0.02
10,573	Palace Capital	29	–
42,973	Pershing Square Holdings	1,199	0.18
37,384	Savills	354	0.05
264,020	Sirius Real Estate	215	0.03
207,001	Target Healthcare	229	0.04
Real Estate Investment Trusts – 2.23%			
151,450	Abrdn Property Income Trust	116	0.02
702,237	Assura	457	0.07
47,873	Big Yellow	636	0.10
184,875	BMO Commercial Property Trust	197	0.03
243,759	British Land	1,050	0.16
291,605	Capital & Counties Properties	350	0.05
11,097	Capital and Regional	7	–
159,815	Civitas Social Housing	114	0.02
35,647	CLS	67	0.01
135,611	CT Property Trust	120	0.02
154,777	Custodian	158	0.02
28,138	Derwent London	685	0.10
113,443	Ediston Property Investment Company	83	0.01
110,250	Empiric Student Property	106	0.02
70,818	Great Portland Estates	353	0.05
1,228,506	Hammerson	268	0.04
156,703	Home	184	0.03
116,614	Impact Healthcare	134	0.02
222,161	Intu Properties**	–	–
177,264	Land Securities	1,153	0.17
279,573	LondonMetric Property	607	0.09
213,622	LXI	314	0.05
64,931	NewRiver Retail	54	0.01
25,725	Phoenix Spree	76	0.01

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
353,544	Primary Health Properties	483	0.07
245,439	PRS	252	0.04
95,630	Regional	66	0.01
44,754	Residential Secure	47	0.01
57,538	Safestore	635	0.09
34,167	Schroder European	35	–
153,658	Schroder Real Estate Investment Trust	82	0.01
321,584	Segro	3,033	0.46
78,380	Shafesbury	323	0.05
90,768	Supermarket Income REIT	109	0.02
134,469	Triple Point Social Housing	111	0.02
528,047	Tritax Big Box	879	0.13
165,268	Tritax EuroBox	136	0.02
187,757	UK Commercial Property Trust	133	0.02
88,747	Unite Group	933	0.14
27,933	Urban Logistics REIT	47	0.01
41,449	Workspace	216	0.03
<b>Total Financials</b>		<b>156,102</b>	<b>23.52</b>
<b>Technology – 1.76%</b>			
Software & Computer Services – 1.69%			
23,285	Alfa Financial Software	40	0.01
22,325	Aptitude Software	89	0.01
26,235	Auction Technology	216	0.03
250,076	Auto Trader	1,630	0.25
149,567	Avast	1,057	0.16
31,284	Aveva Group	876	0.13
57,159	Baltic Classifieds Group	83	0.01
52,462	Bytes Technology Group	219	0.03
22,060	Computacenter	544	0.08
87,056	Darktrace	445	0.07
19,852	FDM	151	0.02
14,185	Kainos	193	0.03
96,683	Micro Focus	501	0.08
77,325	Moonpig Group	151	0.02
103,946	NCC	204	0.03
110,462	Playtech	495	0.07
213,703	Rightmove	1,298	0.20
273,474	Sage	1,955	0.29
34,950	Softcat	453	0.07
176,943	Trainline	611	0.09
88,822	Trustpilot	57	0.01
Technology Hardware & Equipment – 0.07%			
167,457	Sprint Communications	432	0.07
<b>Total Technology</b>		<b>11,700</b>	<b>1.76</b>
<b>Futures – 0.07%</b>			
672	ICF FTSE® 100 Index Future September 2022	457	0.07
<b>Total Futures</b>		<b>457</b>	<b>0.07</b>
<b>Total value of investments</b>		<b>615,807</b>	<b>92.78</b>
<b>Net other assets</b>		<b>47,897</b>	<b>7.22</b>
<b>Total net assets</b>		<b>663,704</b>	<b>100.00</b>

\* Unlisted, nil value

# Suspended

~ Level 3 asset

+ Value less than £1,000

As the Fund launched on 3 December 2021, there are no comparatives.

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

## Summary of Material Portfolio Changes

For the period 3 December 2021 to 31 August 2022

### Significant Purchases

	Cost £'000
Shell	35,053
AstraZeneca	34,629
Unilever	26,722
HSBC	23,775
Diageo	23,695
GSK	19,845
BP	18,265
British American Tobacco	15,958
Rio Tinto	13,945
Glencore	12,653
<b>Subtotal</b>	<b>224,540</b>
<b>Total cost of purchases, including the above, for the period</b>	<b>667,089</b>

### Significant Sales

	Proceeds £'000
BHP Group	11,697
Ferguson Newco	5,005
Shell	2,028
CRH	1,459
Mondi	1,369
Intercontinental Hotels	1,144
Rio Tinto	1,069
Glencore	1,014
Aviva	954
International Consolidated Airlines (IAG)	893
<b>Subtotal</b>	<b>26,632</b>
<b>Total proceeds from sales, including the above, for the period</b>	<b>41,344</b>

## Financial Statements

### Statement of Total Return

For the period 3 December 2021 to 31 August 2022

	Note	31 Aug 2022*	
		£'000	£'000
<b>Income</b>			
Net capital losses	2		(8,302)
Revenue	3	17,342	
Expenses	4	(229)	
Net revenue before taxation		17,113	
Taxation	5	(56)	
Net revenue after taxation			17,057
Total return before distributions			8,755
Distributions	6		(16,923)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(8,168)</b>

\* As the Fund launched on 3 December 2021, there are no comparatives.

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

For the period 3 December 2021 to 31 August 2022

	31 Aug 2022*	
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		–
Amounts transferred from other funds**		675,034
Amounts receivable on creation of shares	56,069	
Amounts payable on cancellation of shares	(77,170)	
		(21,101)
Dilution adjustment charged		331
Change in net assets attributable to shareholders from investment activities		(8,168)
Retained distribution on accumulation shares		17,608
<b>Closing net assets attributable to shareholders</b>		<b>663,704</b>

\* As the Fund launched on 3 December 2021, there are no comparatives.

\*\* On 3 December 2021 £610,414,471 and on 22 July 2022 £64,619,255 was transferred via in-specie from Royal London UK All Share Tracker Fund.

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022*
		£'000
<b>Assets</b>		
Investments		615,807
<b>Current assets:</b>		
Debtors	7	5,674
Cash and bank balances	8	42,521
Total assets		664,002
<b>Liabilities</b>		
<b>Creditors:</b>		
Other creditors	9	298
Total liabilities		298
<b>Net assets attributable to shareholders</b>		<b>663,704</b>

\* As the Fund launched on 3 December 2021, there are no comparatives.



## Notes to the Financial Statements

For the period 24 May 2022 to 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital losses

	31 Aug 2022* £'000
<b>The net capital losses during the period comprise:</b>	
Non-derivative securities	(10,493)
Derivative securities	2,183
Currency gains	8
<b>Net capital losses</b>	<b>(8,302)</b>

### 3. Revenue

	31 Aug 2022* £'000
UK dividends	15,992
Overseas dividends	801
Interest on debt securities	5
Property investment income (PID)	256
Bank interest	135
Interest received on amounts held with brokers	1
Stock lending income	19
Stock dividends	133
<b>Total revenue</b>	<b>17,342</b>

### 4. Expenses

	31 Aug 2022* £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>	
Fund Management Fee**	229
<b>Total expenses</b>	<b>229</b>

\*\* Audit fee £13,340 inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022* £'000
Corporation tax	37
Irrecoverable overseas tax	19
<b>Current tax charge for the period</b>	<b>56</b>

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

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%).

The differences are explained below:

	31 Aug 2022* £'000
Net revenue before taxation	17,113
Corporation tax at 20%	3,423
Effects of:	
Revenue not subject to taxation	(3,386)
Irrecoverable overseas tax	19
<b>Current tax charge for the period</b>	<b>56</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/ (losses) are not included in the reconciliation above.

\* The Fund launched on 24 May 2022, there are no comparatives.

## Notes to the Financial Statements (continued)

For the period 24 May 2022 to 31 August 2022

### 6. Distributions

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

	31 Aug 2022* £'000
<b>Accumulation shares</b>	
Interim	2,848
Final	14,760
	17,608
Add: Amounts deducted on cancellation of shares	571
Deduct: Amounts received on the creation of shares	(1,256)
<b>Net distributions for the period</b>	<b>16,923</b>

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

	31 Aug 2022* £'000
Net revenue after taxation	17,057
Movement in income carried forward	(1)
Stock dividend charged to capital	(133)
<b>Net distributions for the period</b>	<b>16,923</b>

Details of the distribution per share are set out on page 293.

### 7. Debtors

	31 Aug 2022* £'000
Amounts receivable on creation of shares	500
Accrued revenue	5,174
<b>Total debtors</b>	<b>5,674</b>

### 8. Cash and bank balances

	31 Aug 2022* £'000
Cash and bank balances	40,236
Amounts held at futures clearing houses and brokers	2,285
<b>Total cash and bank balances</b>	<b>42,521</b>

### 9. Other creditors

	31 Aug 2022* £'000
Amounts payable on cancellation of shares	229
Accrued expenses	32
Corporation tax payable	37
<b>Total other creditors</b>	<b>298</b>

### 10. Reconciliation of number of shares

	Class R Accumulation	Class S Accumulation**
Opening shares at 03/12/21	–	–
Shares issued	665,126,327	16,459,325
Shares cancelled	(74,582,394)	–
<b>Closing shares at 31/08/22</b>	<b>590,543,933</b>	<b>16,459,325</b>

	Class Z Accumulation
Opening shares at 03/12/21	–
Shares issued	49,381,628
Shares cancelled	(1,115,988)
<b>Closing shares at 31/08/22</b>	<b>48,265,640</b>

All classes within the Fund have the same rights on winding up.

\* As the Fund launched on 3 December 2021, there are no comparatives.

\*\* Class S Accumulation launched on 15 July 2022.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the period end the balance due from Royal London Unit Trust Managers Limited in respect of these transactions was £239,000.

At the period end, 31 August 2022, 42.20% of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.

## Notes to the Financial Statements (continued)

For the period 24 May 2022 to 31 August 2022

### 13. Stock lending activities

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 3 and is net of bank and agents fees amounting to £4,000 (Gross: £23,000) payable to HSBC Bank plc.

The value of stock on loan at the balance sheet date was £20,728,000.

The collateral held by asset type at the period end is stated below:

Asset class	31 Aug 2022 Collateral Held £'000
Equity	15,892
Bonds	6,196

The aggregate value of collateral held at the balance sheet date was £22,088,000.

Collateral may be in the form of cash, UK gilts, certificates of deposit, treasury bills, sovereign debt, eurosterling bonds and equities; where the ACD approves the asset it will be held to reduce counterparty exposure.

The value of the collateral held is greater than the value of the securities on loan and is monitored as part of the efficient portfolio management process.

The counterparties at the period end were Banco Santander, Bank of Nova Scotia, Barclays Capital Securities, HSBC Bank and JP Morgan Securities.

### 14. Financial Derivatives

Motives and circumstances are used to determine whether returns on derivative contracts should be treated as capital or revenue. Where positions are undertaken to protect or enhance capital and the circumstances support this, the returns are included within net capital gains/losses in the Statement of Total Return. Where they are undertaken for generating or protecting revenue and the circumstances support this, the returns are treated as revenue and are included within the net revenue in the Statement of Total Return. The basis of apportionment is typically made by reference to the yield on the underlying security, index or other appropriate source.

The types of derivatives held at the period end were index futures which are not classed as OTC derivatives and hence, no counterparty exposure has been disclosed.

### 15. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 287. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A small proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000
Sterling	661,928
Euro	53
Canadian dollar	11
US dollar	1,712
<b>Total</b>	<b>663,704</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £178,000. If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £178,000. 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 Fund would have increased by £61,581,000. If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £61,581,000. These calculations assume all other variables remain constant.

The only interest bearing assets are cash balances of £40,236,000 which earn interest by reference to SONIA or international equivalent. This equates to 6.06% of the current Net Asset Value.

Interest risk is considered insignificant so no sensitivity analysis is required.

## Notes to the Financial Statements (continued)

For the period 24 May 2022 to 31 August 2022

### 16. Portfolio transaction costs

For the period ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	21,343	1	–	36	0.17	61	0.29	21,441
In specie transactions	645,524	–	–	–	–	–	–	645,524
Corporate actions	124	–	–	–	–	–	–	124
<b>Total</b>	<b>666,991</b>	<b>1</b>		<b>36</b>		<b>61</b>		<b>667,089</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	37,696	1	–	–	–	–	–	37,695
Corporate actions	3,649	–	–	–	–	–	–	3,649
<b>Total</b>	<b>41,345</b>	<b>1</b>		<b>–</b>		<b>–</b>		<b>41,344</b>

The Fund had paid £4,272 as commission on purchases and sales derivative transactions for the period ended 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.00%
Taxes	0.01%
Other expenses	0.01%

At the balance sheet date the portfolio dealing spread was 0.09%.

The Fund is single priced throughout the period and therefore the dealing spread is not indicative of the full period.

## Notes to the Financial Statements (continued)

For the period 24 May 2022 to 31 August 2022

### 17. Fair value of investments

The fair values of the Fund'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.

#### As at the period ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	615,350	–	–	615,350
Derivatives	457	–	–	457
<b>Total</b>	<b>615,807</b>	<b>–</b>	<b>–</b>	<b>615,807</b>

Alcentra European Floating Rate Income Fund, Finabl, Gabelli Value Plus Trust, Henderson Alternative Strategies Trust, Intu Properties and NMC Health are classified as level 3 assets with nil value.

### 18. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £695,938,696. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was 4.97%.

There have been no significant redemptions during this period.

## Distribution Tables

For the period 3 December 2021 to 31 August 2022

### Distribution in pence per share

#### Interim

Group 1: Shares purchased prior to 3 December 2021

Group 2: Shares purchased between 3 December 2021 and 28 February 2022

	Net income	Equalisation	Distribution paid 30/04/22*
<b>Class R Accumulation</b>			
Group 1	0.4890	–	0.4890
Group 2	0.4866	0.0024	0.4890
<b>Class Z Accumulation</b>			
Group 1	0.4703	–	0.4703
Group 2	0.4703	0.0000	0.4703

#### Final

Group 1: Shares purchased prior to 1 March 2022

Group 2: Shares purchased between 1 March 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22*
<b>Class R Accumulation</b>			
Group 1	2.2911	–	2.2911
Group 2	1.3483	0.9428	2.2911
<b>Class S Accumulation**</b>			
Group 1	0.8254	–	0.8254
Group 2	0.7707	0.0547	0.8254
<b>Class Z Accumulation</b>			
Group 1	2.2678	–	2.2678
Group 2	0.7882	1.4796	2.2678

\* As the Fund launched on 3 December 2021, there are no comparatives.

\*\* Class S Accumulation launched on 15 July 2022.

# Royal London Sustainable Growth Fund

## Manager's Investment Report

### Performance overview

As the Fund was only launched on 24 May 2022, full-year performance figures are not available.

### Market and portfolio commentary

Launched on 24 May 2022, the Fund is the eighth fund in our sustainable range and the fourth multi-asset fund. These Funds provide investors with a choice of investments mapped against potential risk and returns.

The Fund's investment objective is to achieve capital growth over the medium term, which should be considered as a period of 3-5 years, by investing in a diverse range of equity and fixed income assets. Investments in the Fund will adhere to the Investment Manager's ethical and sustainable investment policy.

The Fund's portfolio breakdown is approximately weighted to 72.5% in equities, 27.5% in fixed income, primarily invested in UK corporate bonds. It invests in securities that are deemed to make a positive contribution to society.

In the period between launch and 31 August 2022, the Fund was being built out.

### Investment outlook

There is considerable uncertainty about the outlook for the rest of 2022 and 2023. The Federal Reserve continues to raise interest rates – with inflation rising at its fastest rate since 1981, the 0.75% increases in both June, July and September (after the end of the reporting period) were the largest for nearly 30 years. Some investors fear that this could tip the US into a hard-landing recession. The picture is only marginally different in the UK where the Bank of England increased rates in June, August and September to 2.25%.

We believe that we are in the middle of a two-legged bear market. The first leg, led by an interest rate-induced derating, is largely over unless inflation genuinely is out of control on a longer-term view. The second leg, led by a recession and earnings downgrades, began in the summer. It is unusual to get this type of bear market. Usually into a recession, interest rates are falling, so decreasing profit expectations are offset by falling interest rates, which helps the future value of profits via lower discount rates – one offsets the other. Equally, rising rates are usually at a time of strong economic growth so the negative valuation effect of rising discount rates is offset by rising corporate profits. The removal of this inverse relationship between interest rates and profit cycles is the key reason why equity markets and other classes have been weak; it is hard to make money at a time of rising interest rates and falling profitability.

How long could this second, earnings-led, bear market go on for? We have no privileged insight to the future, but bear markets come and go – this is a feature of investing. Expecting them beforehand helps you to invest in a way that makes them manageable when they come. Although we can't predict the end of this bear market, we can see the opportunity in it, which for us is to own some great businesses at lower prices than we would have been able to do so otherwise.

Should higher interest rates tip economies into recession, the Fund should be relatively resilient as we favour high return on equity, unlevered larger-cap companies with good pricing power and good earnings growth. We tend to eschew (for sustainable and/or financial reasons) stocks with more cyclical exposure to the global economy, such as energy, commodities and non-core cyclical manufacturing.

In the current environment, it is likely that more companies will miss their earnings targets (or fail to be sufficiently upbeat in their guidance) and face periods in investment purgatory as a result. This will test the resolve of managers as you have to decide if the market is overreacting or whether your investment thesis has failed – and the time you have to decide can be very short. In general, we believe that it is better to be considered in such situations. We know the companies that we hold very well and, our investment process has been developed over many years, through different economic and market conditions. We have faith that it will continue to serve our investors well.

**Mike Fox**  
**Fund Co-Manager**  
**Royal London Asset Management**  
**31 August 2022**

Please note that this commentary is written as at 31 August 2022. For further insights on market 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 Fund, our Annual Value Assessment report is available at [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 Fund performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management, unless otherwise stated.

## Comparative Tables

### Class M Accumulation

Change in net assets per share	31/08/22** (p)
Opening net asset value per share	100.00
Return before operating charges*	2.61
Operating charges	(0.21)
Return after operating charges*	2.40
Distributions on accumulation shares	(0.28)
Retained distributions on accumulation shares	0.28
<b>Closing net asset value per share</b>	<b>102.40</b>
* after direct transaction costs of:	0.08
<b>Performance</b>	
Return after charges	2.40%
<b>Other information</b>	
Closing net asset value (£'000)	10
Closing number of shares	9,625
Operating charges	0.77%
Direct transaction costs	0.08%
<b>Prices<sup>^</sup></b>	
Highest share price	109.70
Lowest share price	95.17

\*\* Class M Accumulation launched on 24 May 2022.

### Class R Accumulation

Change in net assets per share	31/08/22** (p)
Opening net asset value per share	100.00
Return before operating charges*	2.56
Operating charges	(0.02)
Return after operating charges*	2.54
Distributions on accumulation shares	(0.43)
Retained distributions on accumulation shares	0.43
<b>Closing net asset value per share</b>	<b>102.54</b>
* after direct transaction costs of:	0.08
<b>Performance</b>	
Return after charges	2.54%
<b>Other information</b>	
Closing net asset value (£'000)	102,539
Closing number of shares	100,000,000
Operating charges	0.09%
Direct transaction costs	0.08%
<b>Prices<sup>^</sup></b>	
Highest share price	109.80
Lowest share price	95.20

\*\* Class R Accumulation launched on 24 May 2022.

### Class Z Accumulation

Change in net assets per share	31/08/22** (p)
Opening net asset value per share	100.00
Return before operating charges*	2.59
Operating charges	(0.17)
Return after operating charges*	2.42
Distributions on accumulation shares	(0.31)
Retained distributions on accumulation shares	0.31
<b>Closing net asset value per share</b>	<b>102.42</b>
* after direct transaction costs of:	0.08
<b>Performance</b>	
Return after charges	2.42%
<b>Other information</b>	
Closing net asset value (£'000)	5
Closing number of shares	5,000
Operating charges	0.62%
Direct transaction costs	0.08%
<b>Prices<sup>^</sup></b>	
Highest share price	109.70
Lowest share price	95.17

\*\* Class Z Accumulation launched on 24 May 2022.

\*\* The Fund launched on 24 May 2022, there are no comparatives.

<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 share price is based on the net asset value in the published financial statements 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 shares, and the income derived from them, can vary.



## Portfolio Statement

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Equities – 72.14%</b>			
<b>Channel Islands – 4.19%</b>			
Consumer Goods – 1.21%			
15,429	Aptiv	1,239	1.21
Consumer Services – 1.16%			
11,966	Ferguson	1,188	1.16
Industrials – 1.82%			
71,417	Experian	1,873	1.82
<b>Total Channel Islands</b>		<b>4,300</b>	<b>4.19</b>
<b>Denmark – 1.79%</b>			
Healthcare – 1.79%			
20,025	Novo Nordisk 'B'	1,838	1.79
<b>Total Denmark</b>		<b>1,838</b>	<b>1.79</b>
<b>France – 4.16%</b>			
Consumer Goods – 2.02%			
6,983	L'Oreal	2,071	2.02
Industrials – 2.14%			
21,392	Schneider Electric	2,195	2.14
<b>Total France</b>		<b>4,266</b>	<b>4.16</b>
<b>Germany – 0.96%</b>			
Consumer Goods – 0.96%			
7,691	Adidas	987	0.96
<b>Total Germany</b>		<b>987</b>	<b>0.96</b>
<b>Hong Kong – 2.14%</b>			
Financials – 2.14%			
263,800	AIA	2,192	2.14
<b>Total Hong Kong</b>		<b>2,192</b>	<b>2.14</b>
<b>Ireland – 2.86%</b>			
Healthcare – 0.91%			
5,406	Steris	935	0.91
Industrials – 1.95%			
15,054	Trane Technologies	1,993	1.95
<b>Total Ireland</b>		<b>2,928</b>	<b>2.86</b>
<b>Netherlands – 3.20%</b>			
Basic Materials – 1.44%			
12,449	IMCD Group	1,481	1.44
Technology – 1.76%			
4,309	ASML Holding	1,805	1.76
<b>Total Netherlands</b>		<b>3,286</b>	<b>3.20</b>
<b>Switzerland – 3.98%</b>			
Basic Materials – 1.22%			
6,470	Sika	1,255	1.22
Healthcare – 0.90%			
2,000	Lonza	921	0.90

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
Industrials – 1.86%			
17,554	TE Connectivity	1,904	1.86
<b>Total Switzerland</b>		<b>4,080</b>	<b>3.98</b>
<b>Taiwan – 1.98%</b>			
Technology – 1.98%			
28,413	Taiwan Semiconductor Manufacturing ADR	2,035	1.98
<b>Total Taiwan</b>		<b>2,035</b>	<b>1.98</b>
<b>United Kingdom – 10.51%</b>			
Basic Materials – 1.54%			
23,451	Croda International	1,577	1.54
Financials – 3.07%			
27,417	London Stock Exchange	2,221	2.17
98,344	Segro	927	0.90
Healthcare – 2.69%			
25,916	AstraZeneca	2,760	2.69
Industrials – 1.73%			
340,103	Rentokil Initial	1,772	1.73
Utilities – 1.48%			
91,937	SSE	1,518	1.48
<b>Total United Kingdom</b>		<b>10,775</b>	<b>10.51</b>
<b>United States – 36.37%</b>			
Consumer Services – 2.42%			
6,961	Amazon.com	758	0.74
1,203	MercadoLibre	883	0.86
10,473	PayPal	841	0.82
Financials – 2.72%			
16,334	Visa 'A'	2,789	2.72
Healthcare – 8.82%			
17,577	Edwards Lifesciences	1,361	1.33
7,276	Intuitive Surgical	1,286	1.25
11,981	IQVIA Holding	2,188	2.13
7,340	Stryker	1,295	1.26
6,223	Thermo Fisher Scientific	2,917	2.85
Industrials – 9.21%			
19,363	Agilent Technologies	2,134	2.08
17,915	Ball Corporation	859	0.84
96,937	CSX	2,636	2.57
11,904	Nordson Corporation	2,322	2.26
19,876	Wabtec Corporation	1,497	1.46
Technology – 13.20%			
7,218	Adobe	2,317	2.26
21,440	Alphabet 'A'	1,994	1.94
7,020	Autodesk	1,217	1.19
4,629	Intuit	1,718	1.68
13,219	Microsoft	2,970	2.90
6,796	Nvidia	882	0.86
17,127	Texas Instruments	2,431	2.37
<b>Total United States</b>		<b>37,295</b>	<b>36.37</b>

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Bonds – 25.51%</b>			
<b>Australia – 0.25%</b>			
Corporate Bonds – 0.25%			
£300,000	National Australia Bank 1.699% variable 15/9/2031	252	0.25
<b>Total Australia</b>		<b>252</b>	<b>0.25</b>
<b>Cayman Islands – 0.59%</b>			
Corporate Bonds – 0.59%			
£200,000	Lunar Funding 5.75% 18/10/2033	225	0.22
£100,000	Phoenix Group 5.625% 28/4/2031	91	0.09
£270,000	South East Water 5.5834% 29/3/2029	285	0.28
<b>Total Cayman Islands</b>		<b>601</b>	<b>0.59</b>
<b>Channel Islands – 1.00%</b>			
Corporate Bonds – 1.00%			
£170,000	AA Bond 6.269% 2/7/2043	170	0.16
£125,000	CPUK Finance 3.588% 28/2/2042	119	0.12
£400,000	HSBC 5.844% variable perpetual	439	0.43
£300,000	Porterbrook Rail Finance 4.625% 4/4/2029	294	0.29
<b>Total Channel Islands</b>		<b>1,022</b>	<b>1.00</b>
<b>Finland – 0.14%</b>			
Corporate Bonds – 0.14%			
£155,000	OP Corporate Bank 3.375% 14/1/2026	148	0.14
<b>Total Finland</b>		<b>148</b>	<b>0.14</b>
<b>France – 0.89%</b>			
Corporate Bonds – 0.89%			
£200,000	AXA 6.6862% variable perpetual	205	0.20
£200,000	BNP Paribas 2% variable 24/5/2031	172	0.17
£200,000	BNP Paribas 2.875% 24/2/2029	175	0.17
£200,000	BPCE 2.5% variable 30/11/2032	166	0.16
£200,000	Credit Agricole 7.5% variable perpetual	197	0.19
<b>Total France</b>		<b>915</b>	<b>0.89</b>
<b>Ireland – 0.82%</b>			
Corporate Bonds – 0.43%			
£170,000	Freshwater Finance 4.556% 3/4/2036	160	0.16
£176,000	Freshwater Finance 5.182% 20/4/2035	180	0.17
£112,000	Zurich Finance 5.125% variable 23/11/2052	104	0.10
Commercial Mortgage Backed Securities – 0.39%			
£100,000	Deco 2019-RAM DAC FRN 7/8/2030	84	0.08
£142,000	Frost CMBS 2021 1 DAC FRN 22/11/26	138	0.13
£139,000	Taurus 2018 FRN 22/5/2028	81	0.08
£100,000	Taurus 2019-3 FRN 22/6/2029	98	0.10
<b>Total Ireland</b>		<b>845</b>	<b>0.82</b>
<b>Japan – 0.21%</b>			
Corporate Bonds – 0.21%			
£200,000	East Japan Railway 5.25% 22/4/2033	216	0.21
<b>Total Japan</b>		<b>216</b>	<b>0.21</b>

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>Netherlands – 0.38%</b>			
Corporate Bonds – 0.38%			
£200,000	ING Groep NV 5% variable 30/8/2026	198	0.19
£200,000	Rabobank Nederland 4.625% 23/5/2029	188	0.19
<b>Total Netherlands</b>		<b>386</b>	<b>0.38</b>
<b>Sweden – 0.18%</b>			
Corporate Bonds – 0.18%			
£100,000	Akelius Residential Property 2.375% 15/8/2025	92	0.09
£100,000	Svenska Handelsbanken 4.625% variable 23/8/2032	95	0.09
<b>Total Sweden</b>		<b>187</b>	<b>0.18</b>
<b>United Kingdom – 20.14%</b>			
Corporate Bonds – 19.02%			
£250,000	3i Group 5.75% 3/12/2032	260	0.25
£500,000	Abrdn 5.5% variable 4/12/2042	500	0.49
£150,000	Annington Funding 3.685% 12/7/2034	126	0.12
£100,000	Annington Funding 3.935% 12/7/2047	77	0.08
£100,000	Annington Funding 4.75% 9/8/2033	92	0.09
£250,000	Aviva 6.125% variable 14/11/2036	251	0.25
£100,000	Aviva 6.875% variable 20/5/2058	105	0.10
£114,000	Bazalgette Finance 2.375% 29/11/2027	104	0.10
£100,000	Bazalgette Finance 2.75% 10/3/2034	84	0.08
£150,000	BBC Pacific Quay Finance 5.5653% 25/7/2034	130	0.13
£300,000	Blend Funding 3.459% 21/9/2049	250	0.24
£101,000	Blend Funding 3.508% 4/5/2059	82	0.08
£100,000	British Land 5.357% 31/3/2028	104	0.10
£200,000	Broadgate Finance 4.821% 5/7/2036	209	0.20
£100,000	BUPA Finance 4.125% 14/6/2035	80	0.08
£100,000	Close Brothers Finance 1.625% 3/12/2030	78	0.08
£300,000	Community Finance 5.017% 31/7/2034	326	0.32
£299,000	Dignity Finance 3.5456% 31/12/2034	197	0.19
£200,000	Direct Line Insurance 4% 5/6/2032	166	0.16
£250,000	Equity Release Funding No.3 5.05% 26/4/2033	256	0.25
£200,000	Eskmuir Group Finance 4.255% 12/12/2047	139	0.14
£127,000	Eversholt Funding 2.742% 30/6/2040	99	0.10
£100,000	Eversholt Funding 3.529% 7/8/2042	81	0.08
£218,000	Eversholt Funding 6.697% 22/2/2035	213	0.21
£301,000	Exchequer Partnership 5.396% 13/7/2036	252	0.25
£100,000	Experian Finance 3.25% 7/4/2032	91	0.09
£250,000	GB Social Housing 5.193% 12/2/2038	261	0.25
£100,000	Genfinance II 6.064% 21/12/2039	115	0.11
£146,000	GlaxoSmithKline Capital 1.625% 12/05/2035	107	0.10
£147,000	Go-Ahead Group 2.5% 6/7/2024	140	0.14
£78,260	Great Portland Estates 5.625% 31/1/2029	83	0.08
£250,000	Great Rolling Stock 6.5% 5/4/2031	208	0.20
£100,000	Great Rolling Stock 6.875% 27/7/2035	65	0.06
£216,000	Greater Gabbard OFTO 4.137% 29/11/2032	156	0.15
£250,000	Grosvenor UK Finance 6.5% 29/9/2026	270	0.26
£140,000	Gwynt y Môr OFTO 2.778% 17/2/2034	94	0.09
£100,000	Harbour Funding 5.28% 31/3/2044	104	0.10
£100,000	Hexagon Housing Association 3.625% 22/4/2048	83	0.08
£100,000	Home Group 3.125% 27/3/2043	80	0.08
£310,000	Housing and Care 3.288% 8/11/2049	248	0.24
£186,548	Housing Finance 8.625% 13/11/2023	194	0.19
£205,000	Hyde Housing Association 1.75% 18/8/2055	111	0.11
£127,000	International Finance Facility for Immunisation 2.75% 7/6/2025	124	0.12
£442,000	Investec 1.875% variable 16/7/2028	358	0.35
£200,000	Investec 2.625% variable 4/1/2032	164	0.16
£200,000	Just Group 7% variable 15/4/2031	198	0.19

**Portfolio Statement** (continued)

As at 31 August 2022

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
<b>United Kingdom – 20.14% – continued</b>			
Corporate Bonds – 19.02% – continued			
£300,000	Leeds Building Society 3.75% variable 25/4/2029	266	0.26
£100,000	Lloyds Bank 0% Step 22/3/2032	67	0.07
£132,000	Lloyds Bank 1.875% variable 15/1/2026	122	0.12
£200,000	Lloyds Banking Group 2.707% variable 3/12/2035	153	0.15
£500,000	Longstone Finance 4.791% 19/4/2036	219	0.21
£600,000	M&G 5.7% variable 19/12/2063	537	0.52
£155,000	M&G 6.25% variable 20/10/2068	136	0.13
£350,000	Meadowhall Finance 4.986% 12/1/2032	202	0.20
£157,000	MIELI London 4.82% 12/8/2027-	146	0.14
£270,000	Morhomes 3.4% 19/2/2040	229	0.22
£200,000	National Express 4.25% variable perpetual	179	0.17
£200,000	NatWest 3.619% variable 29/3/2029	180	0.18
£200,000	NGG Finance 5.625% variable 18/6/2073	191	0.19
£100,000	Northern Powergrid Northeast 3.25% 1/4/2052	79	0.08
£180,000	Northumbrian Water Finance 2.375% 5/10/2027	164	0.16
£150,000	Notting Hill Housing Trust 3.25% 12/10/2048	118	0.11
£100,000	Orbit Capital 2% 24/11/2038	71	0.07
£150,000	Peabody Capital 5.25% 17/3/2043	161	0.16
£100,000	Peabody Capital No Two 2.75% 2/3/2034	84	0.08
£200,000	Penarian Housing Finance 3.212% 7/6/2052	159	0.16
£400,000	Pension Insurance 3.625% 21/10/2032	304	0.30
£150,000	Places for People Homes 3.625% 22/11/2028	143	0.14
£200,000	Places for People Homes 6.625% 30/9/2038	172	0.17
£100,000	Poplar Housing & Regeneration Community 4.843% 30/9/2043	96	0.09
£300,000	Principality Building Society 2.375% 23/11/2023	288	0.28
£200,000	Prudential 6.125% 19/12/2031	204	0.20
£100,000	Reassure Group 5.867% 13/6/2029	96	0.09
£100,000	Rentokil Initial 5% 27/6/2032	99	0.10
£200,000	Rothsay Life 6.875% variable perpetual	185	0.18
£200,000	RSA Insurance 5.125% variable 10/10/2045	193	0.19
£152,000	Sage 2.875% 8/2/2034	125	0.12
£100,000	Sanctuary Capital 2.375% 14/4/2050	65	0.06
£150,000	Saxon Weald Capital 5.375% 6/6/2042	158	0.15
£100,000	Scottish Power 6.375% Step 31/5/2041	119	0.12
£450,000	Scottish Widows 5.5% 16/6/2023	452	0.44
£200,000	Scottish Widows 7% 16/6/2043	211	0.21
£170,000	Severn Trent 6.25% 7/6/2029	188	0.18
£100,000	Shaftesbury Carnaby 2.487% 30/9/2031	85	0.08
£350,000	Shaftesbury Chinatown 2.348% 30/9/2027	318	0.31
£100,000	South Eastern Power Networks 1.75% 30/9/2034	74	0.07
£147,000	South Eastern Power Networks 6.375% 12/11/2031	168	0.16
£350,000	South West Water 5.875% 16/7/2040	387	0.38
£230,000	Southern Electric Power Distribution 5.5% 7/6/2032	246	0.24
£100,000	Southern Housing Group 2.375% 8/10/2036	76	0.07
£100,000	SSE 3.74% variable perpetual	92	0.09
£100,000	St. James Oncology Financing 2.804% 31/3/2037	74	0.07
£200,000	Swan Housing Capital 3.625% 5/3/2048	163	0.16
£200,000	Telereal Secured Finance 4.01% 10/12/2033	118	0.12
£100,000	Telereal Securitisation 1.3657% 10/12/2033	75	0.07
£113,600	Telereal Securitisation 3.5625% 10/12/2036	107	0.10
£113,600	Telereal Securitisation 3.5625% 10/12/2036	107	0.10
£400,000	Telereal Securitisation 4.9741% 10/12/2033	190	0.19
£200,000	Telereal Securitisation 6.1645% 10/12/2033	183	0.18
£100,000	Thames Water Kemble Finance 4.625% 19/5/2026	88	0.09
£150,000	Thames Water Utilities Finance 7.738% 9/4/2058	216	0.21
£101,000	THFC Funding No. 3 5.2% 11/10/2043	108	0.11
£125,000	Uliving@essex3 LLP NEW ISSUE 2.72% 31/8/2066 FIX	89	0.09
£200,000	University of Oxford 2.544% 8/12/2117	127	0.12
£200,000	UPP Bond Issuer 4.9023% 28/2/2040	172	0.17
£200,000	Virgin Money 3.375% variable 24/4/2026	186	0.18
£300,000	Virgin Money 5.125% variable 11/12/2030	283	0.28
£100,000	Vodafone 3.375% 8/8/2049	74	0.07

Holding	Investment	Bid-market value (£'000)	Total net assets (%)
£250,000	Wellcome Trust 2.517% 7/2/2118	156	0.15
£200,000	Wessex Water Services 1.5% 17/9/2029	164	0.16
£200,000	Western Power Distribution 1.625% 7/10/2035	136	0.13
£179,000	Western Power Distribution 5.75% 16/4/2032	192	0.19
£98,000	Western Power Distribution 5.875% 25/3/2027	103	0.10
£100,000	Westfield Stratford City Finance 1.642% 4/8/2031	91	0.09
£250,000	Wods Transmission 3.446% 24/8/2034	182	0.18
£200,000	Yorkshire Building Society 3.375% variable 13/9/2028	174	0.17
£235,000	Yorkshire Housing Financial 4.125% 31/10/2044	215	0.21
£100,000	Yorkshire Water Finance 1.75% 27/10/2032	79	0.08
£125,000	Yorkshire Water Services 6.454% 28/05/2027	136	0.13
Commercial Mortgage Backed Securities – 1.12%			
£112,000	Brass No. 7 FRN 16/10/2059	52	0.05
£150,000	Castell 2020-1 FRN 25/3/2053	67	0.07
£320,000	Finance for Residence Social Housing 'A1' 8.369% 4/10/2058-	270	0.26
£100,000	Gosforth Funding FRN 19/12/2059	78	0.08
£189,000	Gosforth Funding FRN 25/8/2060	71	0.07
£110,000	Income Contingent Student Loan 2.5% 24/7/2056	71	0.07
£259,000	Income Contingent Student Loan 2.5% 24/7/2058	173	0.17
£330,000	Income Contingent Student Loan FRN 24/7/2056	52	0.05
£150,000	Silverstone Master Issuer FRN 21/1/2070	115	0.11
£200,000	Transport for London 4.5% 31/3/2031	199	0.19
<b>Total United Kingdom</b>		<b>20,658</b>	<b>20.14</b>
<b>United States – 0.91%</b>			
Corporate Bonds – 0.91%			
£150,000	AT&T 7% 30/4/2040	177	0.17
£100,000	Fidelity National Information Services 3.36% 21/5/2031	89	0.09
£100,000	Metropolitan Life Global Funding 0.625% 08/12/2027	83	0.08
£207,000	Metropolitan Life Global Funding 1.625% 21/9/2029	175	0.17
£149,000	Metropolitan Life Global Funding 4.125% 2/9/2025	148	0.14
£137,000	New York Life Global Funding 0.75% 14/12/2028	112	0.11
£150,000	Welltower 4.8% 20/11/2028	148	0.15
<b>Total United States</b>		<b>932</b>	<b>0.91</b>
<b>Total value of investments</b>		<b>100,144</b>	<b>97.65</b>
<b>Net other assets</b>		<b>2,410</b>	<b>2.35</b>
<b>Total net assets</b>		<b>102,554</b>	<b>100.00</b>

~ Level 3 Investment

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

## Summary of Material Portfolio Changes

For the period ended 31 August 2022

### Significant Purchases

	Cost £'000
AstraZeneca	2,765
Thermo Fisher Scientific	2,706
Microsoft	2,689
Visa 'A'	2,614
Alphabet 'A'	2,433
CSX	2,370
Texas Instruments	2,359
Schneider Electric	2,285
Adobe	2,263
Taiwan Semiconductor Manufacturing ADR	2,082
<b>Subtotal</b>	<b>24,566</b>
<b>Total cost of purchases, including the above, for the period</b>	<b>102,094</b>

### Significant Sales

	Proceeds £'000
Alphabet 'A'	713
Symrise	666
MercadoLibre	411
Illumina	352
Autodesk	257
Stryker	195
Trane Technologies	184
Amazon.com	163
TE Connectivity	151
Agilent Technologies	148
<b>Subtotal</b>	<b>3,240</b>
<b>Total proceeds from sales, including the above, for the period</b>	<b>4,133</b>

## Financial Statements

### Statement of Total Return

For the period 24 May 2022 to 31 August 2022

	Note	31 Aug 2022*	
		£'000	£'000
<b>Income</b>			
Net capital gains	2		2,112
Revenue	3	520	
Expenses	4	(25)	
Net revenue before taxation		495	
Taxation	5	(68)	
Net revenue after taxation			427
Total return before distributions			2,539
Distributions	6		(427)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,112</b>

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

For the period 24 May 2022 to 31 August 2022

	31 Aug 2022*	
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>-</b>
Amounts receivable on creation of shares	100,015	
		100,015
Change in net assets attributable to shareholders from investment activities		2,112
Retained distribution on accumulation shares		427
<b>Closing net assets attributable to shareholders</b>		<b>102,554</b>

### Balance Sheet

As at 31 August 2022

	Note	31 Aug 2022*
		£'000
<b>Assets</b>		
Investments		100,144
<b>Current assets:</b>		
Debtors	7	838
Cash and bank balances	8	1,900
Total assets		102,882
<b>Liabilities</b>		
Other creditors	9	328
Total liabilities		328
<b>Net assets attributable to shareholders</b>		<b>102,554</b>

\* The Fund launched on 24 May 2022, there are no comparatives.

## Notes to the Financial Statements

For the period 24 May 2022 to 31 August 2022

### 1. Accounting policies

The accounting policies are set out in note 1 on pages 9 and 10.

### 2. Net capital gains

	31 Aug 2022* £'000
<b>The net capital gains during the period comprise:</b>	
Non-derivative securities	2,206
Currency losses	(94)
<b>Net capital gains</b>	<b>2,112</b>

### 3. Revenue

	31 Aug 2022* £'000
UK dividends	100
Overseas dividends	138
Interest on debt securities	275
Bank interest	7
<b>Total revenue</b>	<b>520</b>

### 4. Expenses

	31 Aug 2022* £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and agents of either of them:</b>	
Fund Management Fee**	25
<b>Total expenses</b>	<b>25</b>

\*\* Audit fee £13,340 inclusive of VAT is paid from the Fund Management Fee.

### 5. Taxation

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

	31 Aug 2022* £'000
Corporation tax	51
Irrecoverable overseas tax	17
<b>Current tax charge for the period</b>	<b>68</b>

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

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Open Ended Investment Company (20%).

The differences are explained below:

	31 Aug 2022* £'000
Net revenue before taxation	495
Corporation tax at 20%	99
Effects of:	
Revenue not subject to taxation	(48)
Irrecoverable overseas tax	17
<b>Current tax charge for the period</b>	<b>68</b>

Authorised Open Ended Investment Companies are exempt from UK tax on capital gains, therefore any capital gains/ (losses) are not included in the reconciliation above.

### 6. Distributions

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

	31 Aug 2022* £'000
<b>Accumulation shares</b>	
Final	427
<b>Net distributions for the period</b>	<b>427</b>

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

	31 Aug 2022* £'000
Net revenue after taxation	427
<b>Net distributions for the period</b>	<b>427</b>

Details of the distribution per share are set out on page 306.

\* The Fund launched on 24 May 2022, there are no comparatives.

## Notes to the Financial Statements (continued)

For the period 24 May 2022 to 31 August 2022

### 7. Debtors

	31 Aug 2022* £'000
Sales awaiting settlement	316
Accrued revenue	521
Overseas withholding tax recoverable	1
<b>Total debtors</b>	<b>838</b>

### 8. Cash and bank balances

	31 Aug 2022* £'000
Cash and bank balances	1,900
<b>Total cash and bank balances</b>	<b>1,900</b>

### 9. Other creditors

	31 Aug 2022* £'000
Purchases awaiting settlement	267
Foreign exchange purchases awaiting settlement	1
Accrued expenses	8
Corporation tax payable	52
<b>Total other creditors</b>	<b>328</b>

### 10. Reconciliation of number of shares

	Class M Accumulation	Class R Accumulation
Opening shares at 24/05/22		
Shares issued	9,625	100,000,000
<b>Closing shares at 31/08/22</b>	<b>9,625</b>	<b>100,000,000</b>

	Class Z Accumulation
Opening shares at 24/05/22	
Shares issued	5,000
<b>Closing shares at 31/08/22</b>	<b>5,000</b>

All classes within the Fund have the same rights on winding up.

\* The Fund launched on 24 May 2022, there are no comparatives.

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

### 12. Related party transactions

The Fund's Authorised Corporate Director, Royal London Unit Trust Managers Limited, is a related party to the Fund as defined by Financial Reporting Standard 102 'Related Party Disclosures'.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 4 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Change in Net Assets Attributable to Shareholders and note 6.

At the period end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £8,000.

At the period end, 31 August 2022, 99.99% of the shares in issue were held by The Royal London Mutual Insurance Society Limited. Royal London Unit Trust Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited.



## Notes to the Financial Statements (continued)

For the period 24 May 2022 to 31 August 2022

### 13. Risk disclosures

The policies applied to the management of risk disclosures are set out on pages 11 and 12.

The fair values of the Fund's assets and liabilities are represented by the values shown in the balance sheet on page 300. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

A small proportion of the Fund's assets are denominated in currencies other than sterling. The value of the Fund's assets may be affected by currency movements.

Currency	31 Aug 2022 £'000
Sterling	40,281
Danish krone	1,841
Euro	9,012
Hong Kong dollar	2,208
Swiss franc	2,177
US dollar	47,035
<b>Total</b>	<b>102,554</b>

If sterling to foreign currency exchange rates had increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £6,227,000. If sterling to foreign currency exchange rates had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £6,227,000. 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 Fund would have increased by £10,014,000. If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £10,014,000. These calculations assume all other variables remain constant.

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets and liabilities at 31 August 2022 :

Currency	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>31 Aug 2022</b>				
Sterling	8,496	18,859	13,134	40,489
Danish krone	2	–	1,839	1,841
Euro	474	–	8,538	9,012
Hong Kong dollar	16	–	2,192	2,208
Swiss franc	–	–	2,177	2,177
US dollar	215	–	46,940	47,155
<b>Total</b>	<b>9,203</b>	<b>18,859</b>	<b>74,820</b>	<b>102,882</b>

Currency	Floating rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>31 Aug 2022</b>			
Sterling	–	(208)	(208)
US dollar	–	(120)	(120)
<b>Total</b>	<b>–</b>	<b>(328)</b>	<b>(328)</b>

If the coupon rate of floating rate instruments was to change by 1.00%, the income attributable to these investments at the period end 31/08/22, would change by £8,000. A change of 1.00% in the prevailing interest rates would result in a change of 2.90% to the value of the Fund.

Interest rates and bond prices have an inverse relationship. As interest rates rise the value of bonds will decrease and vice versa.

	31 Aug 2022	
Credit breakdown*	Bid-Market value £'000	Total net assets %
Investments of investment grade	23,172	22.60
Investments of below investment grade	267	0.26
Unrated bonds	2,723	2.65
<b>Total bonds</b>	<b>26,162</b>	<b>25.51</b>
Equities	73,982	72.14
<b>Investments as shown in the balance sheet</b>	<b>100,144</b>	<b>97.65</b>

\* Ratings supplied by S&P, followed by Moody's.



## Notes to the Financial Statements (continued)

For the period 24 May 2022 to 31 August 2022

### 14. Portfolio transaction costs

For the period ended 31 August 2022

Analysis of total purchases costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	73,168	9	0.01	69	0.09	–	–	73,246
Bond transactions	28,848	–	–	–	–	–	–	28,848
<b>Total</b>	<b>102,016</b>	<b>9</b>		<b>69</b>		<b>–</b>		<b>102,094</b>

Analysis of total sales costs	Value £'000	Commissions £'000	%	Taxes £'000	%	Other Expenses £'000	%	Total £'000
Equity transactions	3,881	2	0.05	–	–	–	–	3,879
Bond transactions	254	–	–	–	–	–	–	254
<b>Total</b>	<b>4,135</b>	<b>2</b>		<b>–</b>		<b>–</b>		<b>4,133</b>

The Fund had paid £nil as commission on purchases and sales derivative transactions for the period 31/08/22.

Commissions, taxes and fees as % of average net assets

Commissions	0.01%
Taxes	0.07%
Other expenses	0.00%

At the balance sheet date the portfolio dealing spread was 0.24%.

The Fund is single priced throughout the period and therefore the dealing spread is not indicative of the full period.

## Notes to the Financial Statements (continued)

For the period 24 May 2022 to 31 August 2022

### 15. Fair value of investments

The fair values of the Fund'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.

#### As at the period ended 31 August 2022

Category	1 £'000	2 £'000	3 £'000	Total £'000
<b>Investments</b>				
Equities	73,982	–	–	73,982
Bonds	–	25,518	644	26,162
<b>Total</b>	<b>73,982</b>	<b>25,518</b>	<b>644</b>	<b>100,144</b>

At the current period end, the level 3 assets held were the following debt securities: Eskmuir Group Finance 4.255% 12/12/2047, Finance for Residence Social Housing 'A1' 8.369% 4/10/2058, MIELI London 4.82% 12/8/2027, and Uliving@essex3 LLP NEW ISSUE 2.72% 31/8/2066 FIX.

Eskmuir Group Finance 4.255% 12/12/2047 is priced by the Investment Adviser using an internal pricing model. In order to estimate a fair value price for this illiquid asset the model uses several buckets of debenture peer groups. These are comprised of rated and unrated property debentures and are deemed to be the closest comparators to Eskmuir based on perceived risk. The assets spreads of the peer groups are reviewed monthly to evaluate an appropriate spread for Eskmuir. Spreads are also compared against larger, higher quality issuers. The estimated spread is then applied to the calculation based on the issue price. The remaining assets are priced using a single broker quote.

### 16. Events after the balance sheet date

Factors such as recent domestic political turmoil, inflation, the ongoing Coronavirus pandemic and the Ukraine situation could cause the Fund 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 Fund as at 5 December 2022 was £102,907,380. The impact of the market movements on the Fund's NAV between the end of the reporting period 31 August 2022 and 5 December 2022 was (0.39)%.

There have been no significant redemptions during this period.

## Distribution Table

For the period 24 May 2022 to 31 August 2022

### Distribution in pence per share

#### Final

Group 1: Shares purchased on 24 May 2022

Group 2: Shares purchased between 24 May 2022 and 31 August 2022

	Net income	Equalisation	Distribution payable 31/10/22*
<b>Class M Accumulation</b>			
Group 1	0.2793	–	0.2793
Group 2	0.1226	0.1567	0.2793
<b>Class R Accumulation</b>			
Group 1	0.4269	–	0.4269
Group 2	0.4269	0.0000	0.4269
<b>Class Z Accumulation</b>			
Group 1	0.3102	–	0.3102
Group 2	0.3102	0.0000	0.3102

\* The Fund was launched on 24 May 2022, there are no comparatives.

## Fact File

### Constitution

#### Royal London UK Mid Cap Growth Fund

<b>Launch date</b>	30 October 2009		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
<b>Minimum investment</b>	Class M	£100,000 (thereafter £1,000)	
	Class N	£5,000,000 (thereafter £50,000)	
	Class R	n/a	
	Class Z	£25,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class M	nil
		Class N	nil
		Class R	nil
		Class Z	nil
	<b>Annual</b>	Class M	0.77%
		Class N	0.70%
		Class R	0.06%
		Class Z	0.62%

#### Royal London Japan Equity Tilt Fund

<b>Launch date</b>	26 February 2010		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final) 30 April (interim)		
<b>Minimum investment</b>	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class P	0.17%
		Class R	0.05%
		Class S	0.05%
		Class Z	0.14%

#### Royal London UK Opportunities Fund

<b>Launch date</b>	30 October 2009		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
<b>Minimum investment</b>	Class C	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£25,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class C	nil
		Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class C	1.45%
		Class M	0.77%
		Class R	0.04%
		Class S	0.07%
		Class Z	0.60%

#### Royal London UK Core Equity Tilt Fund

<b>Launch date</b>	26 February 2010		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final) 30 April (interim)		
<b>Minimum investment</b>	Class P	n/a	
	Class R	n/a	
	Class Z Acc	£3,000,000 (thereafter £50,000)	
	Class Z Inc	£3,000,000 (thereafter £100)	
<b>Management charges:</b>	<b>Initial</b>	Class P	nil
		Class R	nil
		Class Z Acc	nil
		Class Z Inc	nil
	<b>Annual</b>	Class P	0.07%
		Class R	0.03%
		Class Z Acc	0.10%
		Class Z Inc	0.10%

**Fact File** (continued)**Constitution** (continued)**Royal London UK All Share Tracker Fund**

<b>Launch date</b>	26 February 2010		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final) 30 April (interim)		
<b>Minimum investment</b>	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class P	0.10%
		Class R	0.05%
		Class S	0.05%
		Class Z	0.15%

**Royal London US Equity Tilt Fund**

<b>Launch date</b>	26 February 2010		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
<b>Minimum investment</b>	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class X	£100,000,000 (thereafter £50,000)	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class P	nil
		Class R	nil
		Class S	nil
		Class X	nil
		Class Z	nil
	<b>Annual</b>	Class P	0.11%
		Class R	0.04%
		Class S	0.05%
		Class X	0.07%
		Class Z	0.14%

**Royal London European Growth Fund**

<b>Launch date</b>	30 April 2010		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final) 30 April (interim)		
<b>Minimum investment</b>	Class A	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
<b>Management charges:</b>	<b>Initial</b>	Class A	nil
		Class M	nil
		Class R	nil
	<b>Annual</b>	Class A	1.10%
		Class M	0.70%
		Class R	0.05%

**Royal London UK Dividend Growth Fund**

<b>Launch date</b>	30 April 2010		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final) 31 January (interim) 30 April (interim) 31 July (interim)		
<b>Minimum investment</b>	Class A	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class A	nil
		Class M	nil
		Class R	nil
		Class Z	nil
	<b>Annual</b>	Class A	1.15%
		Class M	0.71%
		Class R	0.03%
		Class Z	0.58%

**Fact File** (continued)**Constitution** (continued)**Royal London UK Equity Income Fund**

<b>Launch date</b>	05 November 2010		
<b>Accounting end dates</b>	31 August (final)		
	Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
	31 January (interim)		
	30 April (interim)		
	31 July (interim)		
<b>Minimum investment</b>	Class A	£1,000 (thereafter £100)	
	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£25,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class A	nil
		Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class A	1.13%
		Class M	0.72%
		Class R	0.06%
		Class S	0.09%
		Class Z	0.64%

**Royal London UK Equity Fund**

<b>Launch date</b>	05 November 2010		
<b>Accounting end dates</b>	31 August (final)		
	Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
	30 April (interim)		
<b>Minimum investment</b>	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
<b>Management charges:</b>	<b>Initial</b>	Class M	nil
		Class R	nil
	<b>Annual</b>	Class M	0.67%
		Class R	0.04%

**Royal London UK Smaller Companies Fund**

<b>Launch date</b>	05 November 2010		
<b>Accounting end dates</b>	31 August (final)		
	Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
	30 April (interim)		
<b>Minimum investment</b>	Class M	£100,000 (thereafter £1,000)	
	Class N	£5,000,000 (thereafter £50,000)	
	Class R	n/a	
<b>Management charges:</b>	<b>Initial</b>	Class M	nil
		Class N	nil
		Class R	nil
	<b>Annual</b>	Class M	0.77%
		Class N	0.70%
		Class R	0.04%

**Royal London Asia Pacific ex Japan Tilt Fund**

<b>Launch date</b>	05 November 2010		
<b>Accounting end dates</b>	31 August (final)		
	Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
	30 April (interim)		
<b>Minimum investment</b>	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class P	0.24%
		Class R	0.07%
		Class S	0.10%
Class Z	0.19%		

**Fact File** (continued)**Constitution** (continued)**Royal London Europe ex UK Equity Tilt Fund**

<b>Launch date</b>	04 June 2013		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final) 30 April (interim)		
<b>Minimum investment</b>	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class P	0.20%
		Class R	0.06%
		Class S	0.06%
		Class Z	0.14%

**Royal London Global Equity Diversified Fund**

<b>Launch date</b>	10 October 2017		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final) 30 April (interim)		
<b>Minimum investment</b>	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class M	0.41%
		Class R	0.09%
		Class S	0.11%
		Class Z	0.30%

**Royal London Emerging Markets ESG Leaders Equity Tracker Fund**

<b>Launch date</b>	12 June 2017		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
<b>Minimum investment</b>	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class P	0.32%
		Class R	0.10%
		Class S	0.10%
		Class Z	0.35%

**Royal London Global Equity Select Fund**

<b>Launch date</b>	10 October 2017		
<b>Accounting end dates</b>	31 August (final) Last day of February (interim)		
<b>Distribution dates</b>	31 October (final) 30 April (interim)		
<b>Minimum investment</b>	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class M	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class M	0.71%
		Class R	0.08%
		Class S	0.05%
		Class Z	0.65%

**Fact File** (continued)**Constitution** (continued)**Royal London Global Equity Income Fund**

<b>Launch date</b>	25 February 2020		
<b>Accounting end dates</b>	31 August (final)		
	Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
	31 January (interim)		
	30 April (interim)		
	31 July (interim)		
<b>Minimum investment</b>	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
<b>Management charges:</b>	<b>Initial</b>	Class M	nil
		Class R	nil
		Class S	nil
	<b>Annual</b>	Class M	0.72%
		Class R	0.09%
		Class S	0.09%

**Royal London UK Broad Equity Tilt Fund**

<b>Launch date</b>	03 December 2021		
<b>Accounting end dates</b>	31 August (final)		
	Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
	30 April (interim)		
<b>Minimum investment</b>	Class P	n/a	
	Class R	n/a	
	Class S	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class P	nil
		Class R	nil
		Class S	nil
		Class Z	nil
	<b>Annual</b>	Class P	0.10%
		Class R	0.05%
		Class S	0.05%
		Class Z	0.11%

**Royal London Global Sustainable Equity Fund**

<b>Launch date</b>	25 February 2020		
<b>Accounting end dates</b>	31 August (final)		
	Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
	30 April (interim)		
<b>Minimum investment</b>	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class S	n/a	
<b>Management charges:</b>	<b>Initial</b>	Class M	nil
		Class R	nil
		Class S	nil
	<b>Annual</b>	Class M	0.72%
		Class R	0.11%
		Class S	0.11%

**Royal London Sustainable Growth Fund**

<b>Launch date</b>	24 May 2022		
<b>Accounting end dates</b>	31 August (final)		
	Last day of February (interim)		
<b>Distribution dates</b>	31 October (final)		
	30 April (interim)		
<b>Minimum investment</b>	Class M	£100,000 (thereafter £1,000)	
	Class R	n/a	
	Class Z	£3,000,000 (thereafter £50,000)	
<b>Management charges:</b>	<b>Initial</b>	Class M	nil
		Class R	nil
		Class Z	nil
	<b>Annual</b>	Class M	0.77%
		Class R	0.09%
		Class Z	0.62%



## Fact File (continued)

### Investment Objective and Policies

#### Royal London UK Mid Cap Growth Fund

The Fund'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 medium-sized companies listed on the London Stock Exchange.

The Fund's performance target is to outperform the FTSE® 250 ex-IT (investment trust) Index (the "Index") over rolling 5-year periods. This Index represents the 250 medium-sized companies among the approximately 600 that make up the FTSE® All-Share Index (these are the 600 largest UK-listed 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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective.

The Fund may hold transferable securities, Exchange Traded Funds, and cash. It may also hold derivatives and forward transactions for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London UK Opportunities Fund

The Fund'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 listed on the London Stock Exchange.

The Fund's performance target is to outperform the FTSE® All-Share Index (the "Index") over rolling 5-year periods. The FTSE® All-Share Index is regarded as a good measure of the share-price performance of the approximately 600 largest UK 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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective.

The Fund may hold transferable securities and cash (for the purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London Japan Equity Tilt Fund

The Fund's investment objective is to deliver capital and income over the medium term (3 to 5 years), by primarily investing in the largest companies listed on the Japanese Stock Exchange, and incorporating responsible investment and environmental, social & governance insights into the investment process.

The Fund may hold transferable securities, collective investment schemes (including Exchange Traded Funds), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

## Fact File (continued)

### Investment Objective and Policies (continued)

#### Royal London UK Core Equity Tilt Fund

The Fund's investment objective is to deliver capital growth and income over the medium term (3–5 years), by primarily investing in shares of the 350 largest companies by market capitalisation listed on the London Stock Exchange, and incorporating responsible investment and environmental, social & governance insights into the investment process.

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 purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London UK All Share Tracker Fund

The Fund's investment objective is to achieve over the long term, which should be considered as a period of 7-plus years, the capital growth and income of the FTSE® All-Share Total Return GBP Index (the "Index").

The Fund may hold transferable securities (including Exchange Traded Funds which are closed ended funds), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London US Equity Tilt Fund

The Fund's investment objective is to deliver capital and income over the medium term (3 to 5 years), by primarily investing in the largest companies listed on the New York Stock Exchange, and incorporating responsible investment and environmental, social & governance insights into the investment process.

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 purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

## Fact File (continued)

### Investment Objective and Policies (continued)

#### Royal London European Growth Fund

The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3–5 years, by predominantly investing in the shares of European companies, not including the UK, listed on European stock exchanges.

The Fund's performance target is to outperform the FTSE® Europe ex-UK Index (the "Index") over rolling 5-year periods. The Index is regarded as a good measure of the share-price performance of large-and medium-sized companies listed on public stock exchanges in Continental Europe.

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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective.

The Fund may hold transferable securities, collective investment schemes (including Exchange Traded Funds), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London UK Dividend Growth Fund

The Fund's investment objective is to achieve a growing income with some capital growth over the medium term, which should be considered as a period of 3–5 years, by predominantly investing in the shares of medium-sized and larger UK companies listed on the London Stock Exchange.

The Fund's performance target is to outperform the FTSE® All-Share Index (the "Index") over rolling 5-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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective.

The Fund may hold transferable securities, including Exchange Traded Funds (but not those that are collective investment schemes), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

## Fact File (continued)

### Investment Objective and Policies (continued)

#### Royal London UK Equity Income Fund

The Fund's investment objective is to achieve a total return over the medium term, which should be considered as a period of 3–5 years, by predominantly investing in the shares of UK companies listed on the London Stock Exchange.

The Fund's performance target is to outperform the FTSE® All-Share 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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the 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 purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London UK Equity Fund

The Fund'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.

The Fund's performance target is to outperform the FTSE® All-Share Index (the "Index") over rolling 5-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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective.

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

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

## Fact File (continued)

### Investment Objective and Policies (continued)

#### Royal London UK Smaller Companies Fund

The Fund'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 smaller companies listed on the London Stock Exchange.

The Fund's performance target is to outperform the FTSE® Small Cap ex-IT (Investment Trusts) Index (the "Index") over rolling 5-year periods.

This Index represents the approximately 250 smallest companies of the 600 in the FTSE® All-Share Index (these are the 600 largest UK-listed 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.

The Fund is actively managed, meaning that the manager will use their expertise to select investments to meet the objective.

The Fund may hold transferable securities, including Exchange Traded Funds (including those that are closed ended funds, but not those which are collective investment schemes), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares).

The Fund may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London Asia Pacific ex Japan Tilt Fund

The Fund's investment objective is to deliver capital and income over the medium term (3 to 5 years) primarily investing in companies within the developed and emerging markets of Asia Pacific, excluding Japan, and incorporating responsible investment and environmental, social & governance insights into the investment process.

The Fund may hold transferable securities, collective investment schemes (including Exchange Traded Funds), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 5 because its share price has shown a medium to high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London Europe ex UK Equity Tilt Fund

The Fund's investment objective is to deliver capital and income over the medium term (3 to 5 years), by primarily investing in shares of companies from developed countries in Europe (excluding the UK), and incorporating responsible investment and environmental, social & governance insights into the investment process.

The Fund may hold transferable securities, collective investment schemes (including Exchange Traded Funds), government and public securities, deposits and cash (for the purpose of Efficient Portfolio Management and redemption of shares). It may also hold derivatives for the purpose of Efficient Portfolio Management only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

## Fact File (continued)

### Investment Objective and Policies (continued)

#### Royal London Emerging Markets ESG Leaders Equity Tracker Fund

The Fund's investment objective is to deliver over the long term, which should be considered as a period of 7-plus years, the capital growth and income of the MSCI Emerging Markets ESG Leaders Net Return Index (expressed in GBP).

The Fund will invest primarily in the securities that make up the MSCI Emerging Markets ESG Index and instruments that provide exposure to these securities.

The Fund may obtain this indirect exposure to emerging markets by investing in American Depositary Receipts, American Depositary Shares, Global Depositary Receipts and Global Depositary Shares, which are listed or traded on stock exchanges and regulated markets outside emerging markets. The Fund may also obtain exposure to emerging markets by investing in Participatory Notes. The Fund may also invest in cash and near cash, money market instruments, government and public securities, other transferable securities and other collective investment schemes (including Exchange Traded Funds). The Fund may hold derivatives for the purposes of EPM only.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London Global Equity Diversified Fund

The Fund's investment objective is to achieve capital growth over the long term, which should be considered as a period of 7-plus years, by investing predominantly in the shares of companies globally that are listed on stock exchanges.

The Fund will aim to outperform the MSCI World Net Total Return Index by 0.4–0.8% p.a. over rolling three year periods (net of fees). The Fund will invest at least 90% in a diversified portfolio of global equities. The Fund's holdings will be diversified by country and by sector. The equities in which the Fund invests may be from both developed and emerging market countries and from any sector or industry and of any market capitalisation. Country and sector exposures within the Fund will be broadly in line with the index weights.

The Fund may also invest in other transferable securities, money market instruments collective investment schemes, exchange traded funds, deposits and cash. The collective investment schemes invested in may include those operated by the ACD. The Fund may also use derivatives for efficient portfolio management.

#### Risk and reward profile



The Fund is ranked in risk category 5 because its share price has shown a medium to high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

## Fact File (continued)

### Investment Objective and Policies (continued)

#### Royal London Global Equity Select Fund

The Fund's investment objective is to achieve capital growth over the long term, which should be considered as a period of 7-plus years, by predominantly investing in the shares of companies globally that are listed on a stock exchange.

The Fund will aim to outperform the MSCI World Net Total Return Index by 2.5% p.a. over rolling three year periods (net of fees). The Fund will invest predominantly in a concentrated portfolio of global equities. The Fund is actively managed and is not constrained by the constituents or weightings of the benchmark Index. The equities in which the Fund invests may be from both developed and emerging market countries, from any sector or industry and of any market capitalisation.

The investment manager expects that the Fund will generally hold between 25–45 equities at any one time.

The Fund may also invest in other transferable securities, money market instruments, collective investment schemes, exchange traded funds, deposits and cash. The collective investment schemes invested in may include those operated by the ACD. The Fund may also use derivatives for efficient portfolio management.

#### Risk and reward profile



The Fund is ranked in risk category 5 because its share price has shown a medium to high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London Global Equity Income Fund

The Fund's investment objective is to achieve a combination of income and capital growth (a total return) over the medium term, which should be considered as a period of 3–5 years, by predominantly investing in shares of companies globally.

The Fund will aim to outperform the MSCI All Countries World Net Total Return Index by 2% p.a. over rolling three year periods (net of fees). The Fund will invest predominantly in a concentrated portfolio of global equities. At least 80% of the Fund will be invested the shares of companies globally. The Fund is actively managed and is not constrained by the constituents or weightings of the benchmark Index. The equities in which the Fund invests may be from both developed and emerging market countries, from any sector or industry and of any market capitalisation.

The Fund may also invest in other transferable securities, money market instruments, collective investment schemes, exchange traded funds, deposits and cash. The collective investment schemes invested in may include those operated by the ACD. The Fund may also use derivatives for efficient portfolio management.

#### Risk and reward profile



The Fund is ranked in risk category 5 because its share price has shown a medium to high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.



## Fact File (continued)

### Investment Objective and Policies (continued)

#### Royal London Global Sustainable Equity Fund

The Fund'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 globally in the shares of companies listed on stock exchanges that are deemed to make a positive contribution to society. Investments in the Fund will adhere to the Investment Manager's ethical and sustainable investment policy.

The Fund will aim to outperform the MSCI All Countries World Net Total Return Index by 2.5% p.a. over rolling three year periods (net of fees). The Fund will invest predominantly in a concentrated portfolio of global equities. The Fund is actively managed and is not constrained by the constituents or weightings of the benchmark Index. The equities in which the Fund invests may be from both developed and emerging market countries, from any sector or industry and of any market capitalisation.

The investment manager expects that the Fund will generally hold between 30–50 equities at any one time.

The Fund may also invest in other transferable securities, money market instruments, collective investment schemes, exchange traded funds, deposits and cash. The collective investment schemes invested in may include those operated by the ACD. The Fund may also use derivatives for efficient portfolio management.

#### Risk and reward profile



The Fund is ranked in risk category 6 because its share price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

#### Royal London UK Broad Equity Tilt Fund

The Fund's investment objective is to deliver capital growth and income over the medium term, which should be considered as a period of 3–5 years, by primarily investing in the 600 largest UK companies by market capitalisation listed on the London Stock Exchange, and incorporating responsible investment ("RI") and environmental, social & governance ("ESG") insights into the investment process.

The Fund's performance target is to deliver the performance, after the deduction of charges, of the FTSE® All-Share Total Return GBP Index (the "Index") over rolling 3-year periods.

The Investment Manager will seek to achieve carbon intensity for the Fund of at least 10% lower than that of the Index whilst also considering a company's ability and willingness to transition and contribute to a lower carbon economy.

The Fund will invest at least 70% of its assets in shares of companies that belong to the Index. The Fund's manager, however, will typically invest around 90% of the Fund's assets in companies that belong to the Index. Up to 30% of the Fund's assets may be invested in the shares of companies that are listed in the UK but which are not UK companies (UK companies being defined for this purpose as companies domiciled in the UK, or which have significant UK business operations).

#### Risk and reward profile



The Fund is ranked in risk category 6 because its simulated price has shown a high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.



## Fact File (continued)

### Investment Objective and Policies (continued)

#### Royal London Sustainable Growth Fund

The Fund's investment objective is to achieve capital growth over the medium term, which should be considered as a period of 3–5 years, by investing in a diverse range of equity and fixed income assets. Investments in the Fund will adhere to the Investment Manager's ethical and sustainable investment policy. The Fund focuses on the sustainability of the products and services of the companies it invests in, as well as their standards of environmental, social & governance (ESG) management, alongside financial analysis. The Fund is actively managed, meaning that the Investment Manager will use their expertise to select investments to meet the objective. The IA Mixed Investments 40–85% Shares sector is considered an appropriate benchmark for performance comparison.

At least 50%, up to a maximum of 75%, of the Fund's assets will be invested in the shares of companies. These will be businesses that are listed on stock exchanges in their respective countries. The Fund has no particular geographic focus and the companies in which it invests may be based anywhere in the world. The Fund may also invest up to 50% of its assets in investment grade corporate bonds. Subinvestment grade bonds are limited to a maximum of 5% of the Fund's assets. The Fund may also use derivatives for efficient portfolio management.

#### Risk and reward profile



The Fund is ranked in risk category 5 because its simulated price has shown a medium to high level of volatility historically. As an investment, shares are more volatile than money market instruments and bonds.

The indicators have been calculated using some synthetic data and may not be a reliable indication of the future risk profile of the funds. The indicators are calculated using standard methodology that is used by all companies offering such funds in Europe.

The risk/reward indicators are an estimate and not a guarantee. Going forward, the funds' actual volatility could be higher or lower, and their rated risk/reward profile could change. The lowest category does not mean the investment is risk free.

## **Appendix – Additional Information (unaudited)**

### **Securities Financing Transactions**

The Funds engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Funds' involvement in and exposures related to securities lending for the period ended 31 August 2022 are detailed on the following pages.

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London UK Opportunities Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	1.81%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£13,457,753	1.78%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT )

Issuer	Collateral	
	Holding	Fair value £'000
Government of Japan 1.5% 20/6/2034	178,150,000	1,252
Government of Japan 0.6% 20/9/2037	201,150,000	1,252
Government of Japan 25/1/2023	201,800,000	1,252
Stellantis	87,255	1,027
JD Sports Fashion	909,069	1,021
Standard Chartered	171,866	1,021
Imperial Tobacco	54,360	1,021
Whitbread	40,770	1,021
Auto Trader	157,446	1,021
Diageo	26,925	1,021

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Natixis	9,549
Morgan Stanley & Co International	3,909
	<b>13,458</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	10,214
Bonds	Investment grade	4,174
		<b>14,388</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	14,388
	<b>14,388</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	7,146
Euro	1,028
Japanese yen	4,174
Swiss franc	1,020
US dollar	1,020
	<b>14,388</b>

##### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	13,458
	<b>13,458</b>

##### Country in which counterparties are established

Counterparty
All counterparties are UK based

#### Return and cost

	£'000	% of overall returns
Fund gross return	25	
Agents fee	(5)	20.00%
<b>Fund net return</b>	<b>20</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Japan Equity Tilt Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	8.66%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£103,477,152	8.74%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Japan 2% 20/9/2041	921,150,000	6,924
Government of Japan 0.8% 20/3/2042	1,125,000,000	6,923
Government of Japan 0.4% 20/9/2040	1,194,400,000	6,923
Bundesrepublik Deutschland 0% 4/7/2028	7,504,959	5,908
Government of Austria 0% 20/10/2022	6,836,000	5,907
Government of Japan 1% 20/12/2035	886,700,000	5,881
UK Treasury 1.25% IL 22/11/2027	2,847,507	5,871
US Treasury 1.125% 15/5/2040	9,949,800	5,868
Government of Japan 0.4% 20/3/2050	584,300,000	2,998
Fanuc	20,900	2,920

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	27,972
The Hong Kong & Shanghai Banking Corporation	27,513
Goldman Sachs International	22,116
Natixis	13,911
BNP Paribas Arbitrage	7,101
HSBC Bank	3,343
JP Morgan Securities	1,141
Merrill Lynch	197
Credit Suisse AG Singapore Branch	183
	<b>103,477</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	54,640
Bonds	Investment grade	55,570
		<b>110,210</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	110,210
	<b>110,210</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	13,591
Euro	13,860
Hong Kong dollar	11,654
Japanese yen	50,531
Swiss franc	1,473
US dollar	19,101
	<b>110,210</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Japan Equity Tilt Fund – continued

##### Aggregate transaction data– continued

##### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	103,477
	<b>103,477</b>

##### Country in which counterparties are established

Counterparty	
UK	103,294
Singapore	183
	<b>103,477</b>

##### Return and cost

	£'000	% of overall returns
Fund gross return	263	
Agents fee	(53)	20.00%
<b>Fund net return</b>	<b>210</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London UK Core Equity Tilt Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	5.27%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£337,275,038	5.10%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT )

Issuer	Collateral	
	Holding	Fair value £'000
DBV Unstripped BGS Equity Participant	22,862,364	22,862
Government of Germany 0% 15/8/2031	21,906,744	16,696
Government of Austria 0.90% 20/2/2032	21,499,000	16,696
Government of Japan 1.70% 20/6/2032	2,338,950,000	16,622
UK Treasury 1.25% IL 22/11/2027	8,047,701	16,592
US Treasury 1.125% 15/5/2040	28,120,400	16,585
Government of Japan 0% 10/1/2023	1,809,900,000	11,227
Government of Japan 1.80% 20/9/2031	1,573,350,000	11,227
Government of Japan 0% 31/10/2022	1,810,550,000	11,227
Government of Japan 1.80% 20/3/2032	963,200,000	6,915

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	78,595
Banco Santander	49,044
HSBC Bank	43,555
Natixis	42,480
Morgan Stanley & Co International	35,201
JP Morgan Securities	33,062
Merrill Lynch International	17,989
Citigroup Global Markets	15,051
BNP Paribas Arbitrage	7,900
UBS	6,067
Societe Generale	4,350
Bank of Nova Scotia	3,346
Skandinaviska Enskilda Banken	635
	<b>337,275</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	189,239
Bonds	Investment grade	171,789
		<b>361,028</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	361,028
	<b>361,028</b>

**Appendix – Additional Information (unaudited)** (continued)**Securities Financing Transactions** (continued)**Royal London UK Core Equity Tilt Fund – continued****Aggregate transaction data – continued****Currency of collateral**

Currency	Fair value £'000
Sterling	102,634
Euro	76,255
Hong Kong dollar	2,074
Japanese yen	75,188
Swiss franc	4,553
US dollar	100,324
	<b>361,028</b>

**Maturity tenor of SFTs**

Maturity	Fair value £'000
Rolling Maturity	337,275
	<b>337,275</b>

**Country in which counterparties are established**

Counterparty	
All counterparties are UK based	337,275

**Return and cost**

	£'000	% of overall returns
Fund gross return	870	
Agents fee	(174)	20.00%
<b>Fund net return</b>	<b>696</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London US Equity Tilt Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	10.47%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£817,721,828	10.40%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
UK Treasury 0.125% 22/3/2029	42,558,363	68,677
Diageo	1,476,048	55,964
Alphabet	597,702	55,959
Rio Tinto	1,133,861	54,595
UK Treasury 0.375% 22/3/2062	20,678,573	40,889
UK Treasury 2.875% 15/5/2028	47,641,700	40,291
UK Treasury 2.750% 15/11/2047	51,698,600	39,223
UK Treasury 1.625% 15/5/2031	49,317,500	37,575
Experian	883,692	23,444
Flutter Entertainment	176,733	18,725

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
HSBC Bank	527,019
UBS	91,757
Barclays Capital Securities	88,012
Natixis	78,862
BMO Nesbitt Burns	22,337
Bank of Nova Scotia Houston Branch	3,427
RBC Dominion Securities	2,407
Bank of Nova Scotia	2,379
Citigroup Global Markets	1,384
Canadian Imperial Bank of Commerce London Branch	138
	<b>817,722</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	531,143
Bonds	Investment grade	335,470
		<b>866,613</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	866,613
	<b>866,613</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	425,972
Canadian dollar	2,830
Euro	71,286
Hong Kong dollar	47,333
Japanese yen	37,698
Swiss franc	10,117
US dollar	271,377
	<b>866,613</b>



**Appendix – Additional Information (unaudited)** (continued)**Securities Financing Transactions** (continued)**Royal London US Equity Tilt Fund – continued****Aggregate transaction data – continued****Maturity tenor of SFTs**

Maturity	Fair value £'000
Rolling Maturity	817,722
	<b>817,722</b>

**Country in which counterparties are established**

Counterparty
All counterparties are UK based

**Return and cost**

	£'000	% of overall returns
Fund gross return	876	
Agents fee	(175)	20.00%
<b>Fund net return</b>	<b>701</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London European Growth Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	14.78%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£270,874,773	14.55%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Austria 0.9% 20/2/2032	47,400,000	36,811
Government of Japan 2.2% 20/3/2041	4,732,800,000	36,648
UK Treasury 4.25% 7/12/2040	31,222,269	36,582
Netherlands 0.25% 15/7/2025	28,842,748	24,199
Shell	789,279	18,465
GSK	1,140,362	15,974
Meggitt	1,228,583	9,811
UK Treasury 0.125% 22/3/2044	3,104,586	5,182
Netherlands 3.75% 15/1/2023	5,149,272	4,616
Fincobank	384,604	3,590

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	173,566
JP Morgan Securities	33,189
Natixis	28,614
HSBC Bank	24,876
Citigroup Global Markets	8,156
Merrill Lynch	1,762
BNP Paribas Arbitrage	712
	<b>270,875</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	134,060
Bonds	Investment grade	153,259
		<b>287,319</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	287,319
	<b>287,319</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	103,043
Euro	101,904
Hong Kong dollar	4,628
Japanese yen	59,447
US dollar	18,297
	<b>287,319</b>

##### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	270,875
	<b>270,875</b>

##### Country in which counterparties are established

###### Counterparty

All counterparties are UK based

#### Return and cost

	£'000	% of overall returns
Fund gross return	404	
Agents fee	(81)	20.00%
<b>Fund net return</b>	<b>323</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London UK Dividend Growth Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	6.92%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£68,077,450	6.84%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT )

Issuer	Collateral	
	Holding	Fair value £'000
DBV Unstripped BGS Equity Participant	12,168,548	12,169
Citigroup	80,941	3,414
Domino's Pizza	10,444	3,414
Medtronic	45,531	3,414
Procter & Gamble	28,339	3,414
Johnson & Johnson	24,457	3,414
AMD	45,693	3,414
Meta Platforms	25,277	3,414
Eaton	28,530	3,414
Microsoft	15,106	3,414

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Banco Santander	32,463
Natixis	16,557
HSBC Bank	11,515
Barclays Capital Securities	5,803
Credit Suisse International	1,274
Citigroup Global Markets	465
	<b>68,077</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	66,758
Bonds	Investment grade	5,363
		<b>72,121</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	72,121
	<b>72,121</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	25,660
Euro	4,456
Hong Kong dollar	1,352
Japanese yen	530
US dollar	40,123
	<b>72,121</b>

##### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	68,077
	<b>68,077</b>

##### Country in which counterparties are established

###### Counterparty

All counterparties are UK based

#### Return and cost

	£'000	% of overall returns
Fund gross return	65	
Agents fee	(13)	20.00%
<b>Fund net return</b>	<b>52</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London UK Equity Income Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	5.07%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£51,111,012	5.00%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
DBV Unstripped BGS Equity Participant	8,913,539	8,914
Government of Austria 26/1/2023	5,519,000	4,761
UK Treasury 4.75% 7/12/2038	3,847,698	4,732
US Treasury 0.50% 30/4/2027	6,260,200	4,730
US Treasury IL 0.75% 15/2/2045	4,703,600	4,730
Meggitt	299,085	2,388
Government of Japan 0.60% 20/6/2050	416,900,000	2,247
Government of Japan 1.30% 20/6/2052	353,600,000	2,247
Government of Japan 0.005% IL 10/3/2031	330,800,000	2,247
Anglo American	73,127	2,038

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	22,448
HSBC Bank	10,839
Morgan Stanley & Co International	7,147
Natixis	6,797
Goldman Sachs	3,880
	<b>51,111</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	21,610
Bonds	Investment grade	32,191
		<b>53,801</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	53,801
	<b>53,801</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	23,332
Euro	5,383
Hong Kong dollar	23
Japanese yen	13,677
US dollar	11,386
	<b>53,801</b>

##### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	51,111
	<b>51,111</b>

##### Country in which counterparties are established

Counterparty	Fair value £'000
All counterparties are UK based	51,111

#### Return and cost

	£'000	% of overall returns
Fund gross return	70	
Agents fee	(14)	20.00%
<b>Fund net return</b>	<b>56</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London UK Equity Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	4.15%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£27,889,913	4.03%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Japan 1.8% 20/9/2031	623,200,000	4,447
Government of Japan 28/11/2022	717,100,000	4,447
Government of Japan 0.7% 20/6/2051	636,600,000	3,502
Government of Japan 1.3% 20/6/2052	382,100,000	2,428
DBV Unstripped BGS Equity Participant	1,905,120	1,905
Government of Austria 0% 26/1/2023	1,107,000	955
UK Treasury 1.25% 26/1/2051	1,421,477	949
US Treasury 2% 15/11/2041	1,397,100	949
US Treasury 0.125% 15/1/2031	1,008,500	949
STMicroelectronics	20,704	631

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Morgan Stanley & Co International	14,012
Natixis	5,824
Barclays Capital Securities	4,511
HSBC Bank	1,812
Goldman Sachs International	1,017
Banco Santander	714
	<b>27,890</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	9,747
Bonds	Investment grade	19,690
		<b>29,437</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	29,437
	<b>29,437</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	6,950
Euro	2,670
Japanese yen	16,516
Swiss franc	627
US dollar	2,674
	<b>29,437</b>

##### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	27,890
	<b>27,890</b>

##### Country in which counterparties are established

Counterparty	Fair value £'000
All counterparties are UK based	27,890

#### Return and cost

	£'000	% of overall returns
Fund gross return	35	
Agents fee	(7)	20.00%
<b>Fund net return</b>	<b>28</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Asia Pacific ex Japan Tilt Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	8.88%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£105,817,980	8.61%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Japan 2% 20/3/2052	1,084,900,000	8,136
Government of Japan 0.5% 20/3/2060	1,668,700,000	8,136
Government of Japan 2% 20/9/2041	1,082,350,000	8,135
Government of Japan 2.3% 20/3/2039	521,550,000	4,070
Government of Japan 28/11/2022	650,550,000	4,034
Government of Japan 1% 20/3/2052	679,200,000	4,034
Government of Japan 0.6% 20/9/2037	648,050,000	4,034
UK Treasury 1.5% 22/11/2055	1,225,548	3,578
US Treasury 0.5% 15/1/2028	3,480,300	3,574
Government of Austria 0% 26/1/2023	3,106,000	2,679

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Goldman Sachs International	26,975
HSBC Bank	17,592
Barclays Capital Securities	13,914
Morgan Stanley & Co International	11,193
JP Morgan Securities	6,796
Credit Suisse AG Singapore Branch	5,474
Macquarie Bank	4,919
Merrill Lynch International	4,325
Citigroup Global Markets	4,276
BNP Paribas Arbitrage	4,140
Natixis	2,820
UBS AG	2,040
Credit Suisse International	908
Bank of Nova Scotia	446
	<b>105,818</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	39,937
Bonds	Investment grade	74,148
		<b>114,085</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

#### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	114,085
	<b>114,085</b>

**Appendix – Additional Information (unaudited)** (continued)**Securities Financing Transactions** (continued)**Royal London Asia Pacific ex Japan Tilt Fund  
– continued****Aggregate transaction data – continued****Currency of collateral**

Currency	Fair value £'000
Sterling	12,590
Euro	14,441
Hong Kong dollar	12,718
Japanese yen	53,055
Swiss franc	1,808
US dollar	19,473
	<b>114,085</b>

**Maturity tenor of SFTs**

Maturity	Fair value £'000
Rolling Maturity	105,818
	<b>105,818</b>

**Country in which counterparties are established**

Counterparty	
UK	100,344
Singapore	5,474
	<b>105,818</b>

**Return and cost**

	£'000	% of overall returns
Fund gross return	717	
Agents fee	(143)	20.00%
<b>Fund net return</b>	<b>574</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Europe ex UK Equity Tilt Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	14.32%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£112,794,091	14.22%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
Government of Japan 0% 28/11/2022	1,592,200,000	9,873
Government of Japan 0.1% 20/3/2025	1,427,550,000	8,897
Government of Japan 1.9% 20/3/2025	1,294,800,000	8,505
Government of Austria 0% 20/10/2022	9,562,000	8,262
UK Treasury Gilt 3.5% 22/1/2045	7,700,234	8,212
UK Treasury Gilt 1.75% 15/8/2041	12,723,800	8,208
UK Treasury Gilt 2.125% 15/5/2025	9,839,400	8,208
Government of Japan 2.2% 20/9/2039	916,300,000	7,061
Meggitt	726,218	5,800
Sandvik	275,149	3,819

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	54,757
Goldman Sachs	32,504
HSBC Bank	9,243
Natixis	7,826
Banco Santander	2,532
Morgan Stanley & Co International	2,525
Merrill Lynch	1,439
BNP Paribas Arbitrage	715
JP Morgan Securities	714
UBS	364
Societe Generale	99
Skandinaviska Enskilda Banken	76
	<b>112,794</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	30,668
Bonds	Investment grade	88,719
		<b>119,387</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	119,387
	<b>119,387</b>



**Appendix – Additional Information (unaudited)** (continued)**Securities Financing Transactions** (continued)**Royal London Europe ex UK Equity Tilt Fund**  
– continued

## Aggregate transaction data – continued

## Currency of collateral

Currency	Fair value £'000
Sterling	27,811
Canadian dollar	1
Euro	14,916
Hong Kong dollar	138
Japanese yen	41,772
Swedish krona	3,880
Swiss franc	998
US dollar	29,871
	<b>119,387</b>

## Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	112,794
	<b>112,794</b>

## Country in which counterparties are established

Counterparty	
All counterparties are UK based	112,794

## Return and cost

	£'000	% of overall returns
Fund gross return	223	
Agents fee	(45)	20.00%
<b>Fund net return</b>	<b>178</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Emerging Markets ESG Leaders Equity Tracker Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	4.64%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£184,430,123	4.52%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT )

Issuer	Collateral	
	Holding	Fair value £'000
Government of Japan 1.8% 20/3/2032	2,262,850,000	16,245
US Treasury 2.25% 15/8/2046	16,317,100	11,050
Ageas	160,870	5,615
3i Group	461,530	5,580
UK Treasury 0.125% IL 22/3/2026	3,848,437	5,498
AstraZeneca	49,101	5,386
Government of Austria 0% 26/1/2023	6,238,000	5,381
UK Treasury 4% 22/1/2060	4,203,374	5,348
US Treasury 0.375% 31/12/2025	6,888,600	5,346
US Treasury 1.375% 15/8/2050	9,670,300	5,346

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
HSBC Bank	56,896
JP Morgan Securities	30,693
Barclays Capital Securities	25,247
Merrill Lynch	23,348
Credit Suisse Singapore Branch	13,047
BNP Paribas Arbitrage	11,173
UBS	9,670
Citigroup Global Markets	6,322
Morgan Stanley & Co International	4,898
Goldman Sachs	2,779
Bank of Nova Scotia	291
Credit Suisse International	66
	<b>184,430</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	95,487
Bonds	Investment grade	104,569
		<b>200,056</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	200,056
	<b>200,056</b>

**Appendix – Additional Information (unaudited)** (continued)**Securities Financing Transactions** (continued)**Royal London Emerging Markets ESG  
Leaders Equity Tracker Fund – continued****Aggregate transaction data****Currency of collateral**

<b>Currency</b>	<b>Fair value £'000</b>
Sterling	39,021
Euro	43,532
Hong Kong dollar	13,458
Japanese yen	57,883
Swiss franc	62
US dollar	46,100
	<b>200,056</b>

**Maturity tenor of SFTs**

<b>Maturity</b>	<b>Fair value £'000</b>
Rolling Maturity	184,430
	<b>184,430</b>

**Country in which counterparties are established**

<b>Counterparty</b>	
United Kingdom	171,383
Singapore	13,047
	<b>184,430</b>

**Return and cost**

	<b>£'000</b>	<b>% of overall returns</b>
Fund gross return	915	
Agents fee	(183)	20.00%
<b>Fund net return</b>	<b>732</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Global Equity Diversified Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	13.80%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£463,747,086	13.77%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT )

Issuer	Collateral	
	Holding	Fair value £'000
Government of Austria 0.9% 20/2/2032	45,324,000	35,199
Government of Japan 2.20% 20/3/2041	4,525,550,000	35,043
UK Treasury 4.25% 7/12/2040	29,855,085	34,980
UK Treasury 0.625% 22/11/2042	13,818,243	28,991
US Treasury 0.5% 15/1/2028	19,002,000	19,515
Government of Netherlands 3.75% 15/1/2023	20,268,096	18,171
Shell	754,717	17,657
GSK	1,124,591	15,753
Flutter	139,632	14,794
Alphabet	157,949	14,788

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	166,154
HSBC Bank	138,622
Natixis	47,245
Morgan Stanley & Co International	34,242
JP Morgan Securities	23,962
Citigroup Global Markets	14,148
Bank of Nova Scotia	14,086
Canadian Imperial Bank of Commerce London Branch	9,133
UBS	8,235
HSBC Bank	6,860
BMO Nesbitt Burns	845
BNP Paribas Arbitrage	215
	<b>463,747</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	251,931
Bonds	Investment grade	242,573
		<b>494,504</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	494,504
	<b>494,504</b>

**Appendix – Additional Information (unaudited)** (continued)**Securities Financing Transactions** (continued)**Royal London Global Equity Diversified Fund  
– continued****Aggregate transaction data – continued****Currency of collateral – continued**

<b>Maturity</b>	<b>Fair value £'000</b>
Sterling	209,093
Euro	75,228
Hong Kong dollar	6,461
Japanese yen	111,724
Swedish krona	221
US dollar	91,777
	<b>494,504</b>

**Maturity tenor of SFTs**

<b>Maturity</b>	<b>Fair value £'000</b>
Rolling Maturity	463,747
	<b>463,747</b>

**Country in which counterparties are established****Counterparty**

All counterparties are UK based

**Return and cost**

	<b>£'000</b>	<b>% of overall returns</b>
Fund gross return	605	
Agents fee	(121)	20.00%
<b>Fund net return</b>	<b>484</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Global Equity Select Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	11.08%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£82,738,664	11.03%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT )

Issuer	Collateral	
	Holding	Fair value £'000
US Treasury 3.625% 15/2/2044	5,701,500	4,966
UK Treasury 0.625% 31/7/2035	6,517,988	4,844
Government of Austria 20/10/2022	3,643,000	3,148
UK Treasury 3.25% 22/1/2044	3,051,093	3,128
US Treasury 1.375% 31/8/2023	3,712,100	3,127
US Treasury 1.375% 15/2/2044	2,706,900	3,127
National Grid	223,028	2,508
Dechra Pharmaceuticals	71,006	2,508
JP Morgan Chase	25,496	2,507
NetFlix	13,220	2,507

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
HSBC Bank	23,317
Natixis	18,085
UBS	16,684
Barclays Capital Securities	14,773
Merrill Lynch International	4,390
Bank of Nova Scotia	4,380
JP Morgan Securities	650
Morgan Stanley	460
	<b>82,739</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	60,832
Bonds	Investment grade	28,740
		<b>89,572</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	89,572
	<b>89,572</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Global Equity Select Fund – continued

##### Aggregate transaction data – continued

###### Currency of collateral

Currency	Fair value £'000
Sterling	37,141
Euro	11,130
Hong Kong dollar	3,593
Japanese yen	3,859
Swiss franc	3,866
US dollar	29,983
	<b>89,572</b>

###### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	82,739
	<b>82,739</b>

###### Country in which counterparties are established

###### Counterparty

All counterparties are UK based

###### Return and cost

	£'000	% of overall returns
Fund gross return	66	
Agents fee	(13)	20.00%
<b>Fund net return</b>	<b>53</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Global Equity Income Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	1.75%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£477,573	1.73%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT)

Issuer	Collateral	
	Holding	Fair value £'000
UK Treasury 0.125% 10/8/2031	59,447	80
Government of Japan 1.7% 20/6/2032	8,300,000	59
US Treasury 3.00% 15/8/2048	66,100	53
Auto Trader	6,354	41
RELX	1,795	41
Aviva	9,831	41
Flutter Entertainment	386	41
Experian	1,540	41
Government of Japan 2.1% 20/9/2028	5,600,000	39
Keyence	100	33

#### All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
HSBC Bank	387
Credit Suisse Singapore Branch	91
	<b>478</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	382
Bonds	Investment grade	231
		<b>613</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	613
	<b>613</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	285
Euro	3
Hong Kong dollar	1
Japanese yen	271
US dollar	53
	<b>613</b>

##### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	478
	<b>478</b>

##### Country in which counterparties are established

Counterparty	
UK	387
Singapore	91
	<b>478</b>

#### Return and cost

	£'000	% of overall returns
Fund gross return	1	
Agents fee	–	20.00%
<b>Fund net return</b>	<b>1</b>	<b>80.00%</b>



## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London Global Sustainable Equity Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	6.00%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£15,479,858	5.93%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT )

Issuer	Collateral	
	Holding	Fair value £'000
UK Treasury 0.75% Index Linked Gilt 22/11/2047	1,471,324	3,303
US Treasury NoteBond 1.75% 31/01/2029	3,652,500	2,860
RELX	72,689	1,667
Dechra Pharmaceuticals	47,210	1,667
Flutter Entertainment	15,738	1,667
Alibaba Group Holding	161,428	1,667
JP Morgan Chase	16,951	1,667
Marriott International New 'A'	10,213	1,346
Aviva	84,115	351
Avast	17,673	125

#### All counterparties

Counterparty	Gross volume of outstanding transactions
	Fair value £'000
HSBC Bank	15,480
	<b>15,480</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	10,450
Bonds	Investment grade	6,164
		<b>16,614</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	16,614
	<b>16,614</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	8,904
Euro	93
Hong Kong dollar	1,667
Japanese yen	77
US dollar	5,873
	<b>16,614</b>

##### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	15,480
	<b>15,480</b>

##### Country in which counterparties are established

Counterparty
All counterparties are UK based

#### Return and cost

	£'000	% of overall returns
Fund gross return	16	
Agents fee	(3)	20.00%
<b>Fund net return</b>	<b>13</b>	<b>80.00%</b>

## Appendix – Additional Information (unaudited) (continued)

### Securities Financing Transactions (continued)

#### Royal London UK Broad Equity Tilt Fund

The Fund carried out stock lending activities for the purpose of efficient portfolio management and in order to generate income. Revenue earned from these activities is shown in note 13.

#### Global data

##### Amount of securities and commodities on loan

	% of total lendable assets*
Securities	3.37%

##### Amount of assets engaged in each type of SFT

Amount of assets	% of AUM
£20,728,245	3.12%

\* Total lendable assets excludes cash and cash equivalents. It also excludes other monetary amounts such as net debtors and creditors which are not deemed 'lendable assets'.

#### Concentration data

##### Top Ten collateral issuers (across all SFT )

Issuer	Collateral	
	Holding	Fair value £'000
Government of Austria 0% 20/10/2022	1,638,000	1,415
UK Treasury 4.5% 7/12/2042	1,152,751	1,407
US Treasury 2.625% 31/3/2025	1,653,300	1,406
US Treasury 2% 15/11/2041	2,070,200	1,406
Meggitt	88,917	710
Enel	151,472	630
Intesa Sanpaolo	421,597	630
Snam	149,714	630
Atlantia	32,006	630
Amada	92,200	627

#### All counterparties

Counterparty	Gross volume of outstanding transactions Fair value £'000
Barclays Capital Securities	6,660
JP Morgan Securities	5,989
Banco Santander	4,932
Bank of Nova Scotia	1,845
HSBC Bank	1,302
	<b>20,728</b>

#### Aggregate transaction data

##### Type and quality of collateral

Type	Quality*	Fair value £'000
Equities	n/a	15,892
Bonds	Investment grade	6,196
		<b>22,088</b>

\* Quality of collateral has been interpreted as pertaining to bond instruments, which have been assessed and reported in accordance with whether they are considered investment grade, below investment grade or not-rated.

##### Maturity tenor of collateral

Maturity	Fair value £'000
Rolling Maturity	22,088
	<b>22,088</b>

##### Currency of collateral

Currency	Fair value £'000
Sterling	4,663
Euro	4,785
Hong Kong dollar	21
Japanese yen	3,283
US dollar	9,336
	<b>22,088</b>

##### Maturity tenor of SFTs

Maturity	Fair value £'000
Rolling Maturity	20,728
	<b>20,728</b>

##### Country in which counterparties are established

Counterparty
All counterparties are UK based

#### Return and cost

	£'000	% of overall returns
Fund gross return	23	
Agents fee	(4)	20.00%
<b>Fund net return</b>	<b>19</b>	<b>80.00%</b>

## Remuneration Policy (unaudited)

The Authorised Corporate Director (“ACD”) of the Royal London Equity Funds ICVC, Royal London Unit Trust Managers Limited (“RLUTM”), is subject to remuneration policies, procedures and practices (together, the “Remuneration Policy”), as required under the UCITS Directive (“UCITS V”). RLUTM has appointed Royal London Asset Management Limited (“RLAM”) as the Investment Adviser to the Fund.

RLUTM and RLAM are wholly-owned subsidiaries of The Royal London Mutual Insurance Society, “the Group”. The Group maintains a “Group Remuneration Policy” that RLUTM 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 profiles or the instrument constituting the fund or the prospectus, as applicable, of the UCITS it manages. 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 implications of remuneration policies across the Group, including for RLUTM.

The Remuneration Policy is in line with the business strategy, objectives, values and the interests of the ACD and the interests of the Royal London Equity Funds ICVC and includes measures to avoid conflicts of interest. The Remuneration Policy adopts performance related pay, with salaries determined by reference to both individual performance and the external market. Total Remuneration comprises of 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 ACD whose professional activities have a material impact on the risk profile of the ACD or the ICVC, and ensures that an individual cannot be involved in determining or approving their own remuneration. The UCITS Directive requires RLUTM to identify employees whose professional activities have a material impact on the risk profile of the RLUTM and the Fund. Identified staff includes senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

The Remuneration Policy is updated annually and reviewed and approved by the Remuneration Committee. The most recent review included updates to reflect the Investment Firms Prudential Regime (IFPR) which came into effect on 1 January 2022, changes to the ratio of fixed to variable remuneration permitted within the Group as well as minor wording changes to improve clarity. Details of the Remuneration Policy (provided in the form of the “UCITS Summary Remuneration Policy”), includes a description on the purpose of the policy, how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits. The UCITS 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 ACD, upon request.

RLUTM 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 RLUTM. 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 RLUTM. RLUTM has no employees and therefore there are no other controlled functions, or senior management employed and paid by RLUTM. However, for the financial year ending 31 December 2021, total remuneration of £13,121,359 was paid to 22 individuals whose actions may have a material impact on the risk profile of RLUTM, of which £11,753,187 related to senior management. The fixed element of the total remuneration mentioned above is £6,176,830 and the variable element is £6,944,529. In addition, the ICVC does not make any payments directly to any staff of the delegates.

In accordance with the Remuneration Policy and the requirements of UCITS V, staff working for RLAM are not remunerated by the ACD but they are subject to remuneration requirements which are equally as effective as those in place under the UCITS Directive. RLAM is also subject to the Financial Conduct Authority’s Remuneration Codes.

## General Information

### Pricing and dealing

The prices of shares are determined by reference to the underlying market value of the net assets of each sub-fund at the relevant valuation point.

Share prices are normally calculated daily however, if the markets are exceptionally volatile the ACD may conduct more frequent valuations to reflect any significant changes in the value of a sub-fund'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 shares is conducted between 9.00am and 5.00pm on a forward pricing basis.

### Buying shares

Shares may be bought on any business day via an authorised intermediary or from the ACD by telephoning the Dealing desk on 03456 04 04 04\*. Alternatively, an application form should be completed and sent to the ACD. Shares 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 shares

Shares may be sold back to the ACD on any business day. Shares can be sold by telephone by calling the Dealing desk on 03456 04 04 04\* or alternatively by putting your request in writing. The ACD 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 shares.

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

### Cancellation rights

Where a person purchases shares 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 Company is not subject to Capital Gains Tax.

Capital gains established when shares 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 a sub-fund 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 shareholders is detailed on the reverse of dividend warrants.

The first distribution received after purchasing shares 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 shares for Capital Gains Tax purposes.

### Commission

Payable to UK authorised intermediaries. Details are available on request.

### Authorisation

The Company was authorised by the Financial Conduct Authority on 9 October 2009. The Company is a UCITS umbrella scheme.

### Company Reports and Prospectus

Copies of the latest yearly and half yearly financial statements and copies of the Prospectus may be obtained from Royal London Unit Trust Managers Limited upon request.

## Contact Us

For further information please contact:

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Royal London Asset Management is a brand which includes Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority and which manages collective investment schemes, registered in England and Wales number 2372439.

This company is a subsidiary 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 0257

